



UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

(Constituted in Republic of Singapore pursuant to a trust deed dated 18 September 2019 (as amended))

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD FROM 12 MARCH 2020 (LISTING DATE) TO 31 DECEMBER 2020

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United Overseas Bank Limited was the sole financial adviser for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited and UBS AG, Singapore Branch were the joint issue managers and global coordinators for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited, UBS AG, Singapore Branch, Credit Suisse (Singapore) Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch were the joint bookrunners and underwriters for the Offering.

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INTRODUCTION

Overview

United Hampshire US Real Estate Investment Trust (“United Hampshire US REIT” or “UHREIT” or the “Group”) is a Singapore real estate investment trust constituted pursuant to the Trust Deed dated 18 September 2019 (as amended) between United Hampshire US REIT Management Pte. Ltd., in its capacity as the manager of UHREIT (the “Manager”) and Perpetual (Asia) Limited, in its capacity as the trustee of UHREIT (the “Trustee”).

UHREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 12 March 2020 (the “Listing Date”). UHREIT’s principal investment strategy is to invest, directly or indirectly, in stabilised income-producing (i) grocery-anchored and necessity-based retail properties (“**Grocery & Necessity Properties**”), and (ii) modern, climate-controlled self-storage facilities (“**Self-Storage Properties**”), located in the United States of America (“U.S.”). The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omni-channel platforms. UHREIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per Unit (“DPU”) and net asset value (“NAV”) per Unit, while maintaining an appropriate capital structure.

UHREIT completed the acquisition of its initial portfolio on the Listing Date. UHREIT’s portfolio comprises 18 Grocery & Necessity Properties and 4 Self-Storage Properties (the “Properties” or “IPO Portfolio”) located across the U.S., with an aggregate net lettable area of 3.16 million sq ft, as follows:

Property	State	Asset type
<u>Grocery & Necessity Properties</u>		
Hudson Valley Plaza	New York	Regional Center with Grocery
Albany ShopRite – Supermarket	New York	Grocery & Necessity
Albany ShopRite – Gas Station	New York	Grocery & Necessity
Towne Crossing	New Jersey	Grocery & Necessity
Lynncroft Center	North Carolina	Grocery & Necessity
Garden City Square – BJ’s Wholesale Club	New York	Wholesale Club
Garden City Square – LA Fitness	New York	Fitness Club
Price Chopper Plaza	New York	Grocery & Necessity
Big Pine Center	Florida	Grocery & Necessity
Stop & Shop Plaza	New Jersey	Grocery & Necessity
Fairhaven Plaza	Massachusetts	Grocery & Necessity
Wallington ShopRite	New Jersey	Grocery & Necessity
Parkway Crossing	Maryland	Grocery & Necessity
Walkill Price Chopper	New York	Grocery & Necessity
St. Lucie West	Florida	Grocery & Necessity
BJ’s Quincy	Massachusetts	Wholesale Club
Arundel Plaza	Maryland	Grocery & Necessity
Lawnside Commons	New Jersey	Grocery & Necessity
<u>Self-Storage Properties</u>		
Carteret Self-Storage	New Jersey	Self-Storage
Millburn Self-Storage	New Jersey	Self-Storage
Elizabeth Self-Storage	New Jersey	Self-Storage
Perth Amboy Self-Storage	New Jersey	Self-Storage

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Financial Statements Presentation and Announcement

UHREIT is announcing its financial results for the financial period from the Listing Date to 31 December 2020 (“FP 2020”). No comparative figures have been presented as UHREIT was dormant from its date of constitution (18 September 2019) to the Listing Date.

Any discrepancies in the tables included in this announcement between the listed amounts and the totals thereof are due to rounding.

Distribution Policy

UHREIT makes distributions to Unitholders on a semi-annual basis. The current distribution will be for the period from 1 July 2020 to 31 December 2020 and will be paid on or before 31 March 2021.

UHREIT’S distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2021. Thereafter, UHREIT will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager’s discretion.

SUMMARY OF UHREIT’S RESULTS

	2H 2020			FP 2020		
	1 July 2020 to 31 December 2020			12 March 2020 to 31 December 2020		
	Actual	Forecast ⁽¹⁾	+/(-) ⁽²⁾	Actual	Forecast ⁽¹⁾	+/(-) ⁽²⁾
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross revenue	26,305	26,697	(1.5%)	41,617	42,558	(2.2%)
Property expenses	7,336	7,761	(5.5%)	11,820	12,441	(5.0%)
Net property income	19,761	20,177	(2.1%)	31,075	32,148	(3.3%)
Net income available for distribution to Unitholders	15,033	14,744	2.0%	23,826	23,516	1.3%
DPU (US cents) ⁽³⁾	3.03	2.99	1.3%	4.81	4.76	1.1%

Footnote:

- (1) The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast numbers for the period from 2H 2020 and FP2020 were derived by pro-rating the forecast figures for the 10-month forecast period as disclosed in the Prospectus, except for fair value change arising from the acquisition cost of US\$4,334,000 recognised on the Listing Date that was not subject to pro-rating.
- (2) Refer to Section 9 “Variance Between Actual and Forecast Results” for the reasons behind the variance.
- (3) DPU of 3.03 US cents for the period from 1 July 2020 to 31 December 2020 and DPU of 4.81 US cents for the period from 12 March 2020 to 31 December 2020 were calculated based on 496,054,925 number of issued Units at the end of the periods.

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1(A)(i)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND DISTRIBUTION STATEMENT

	Note	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 ⁽¹⁾ US\$'000
<u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>			
Gross revenue	a	26,305	41,617
Property expenses	b	(7,336)	(11,820)
Other income	c	792	1,278
Net property income		19,761	31,075
Manager's base fee	d	(1,504)	(2,383)
Manager's performance fee	d	(52)	(52)
Trustee's fee		(66)	(113)
Other trust expenses	e	(1,041)	(1,421)
Finance income		1	3
Finance costs	f	(3,474)	(5,594)
Net income before tax and change in fair value of investment properties and derivatives		13,625	21,515
Fair value change in investment properties		(8,665)	(14,301)
Fair value change on financial derivatives	g	(112)	(2,117)
Net income before tax		4,848	5,097
Tax credit/(expense)	h	409	(489)
Net income after tax		5,257	4,608
Net income after tax attributable to:			
Unitholders		5,368	4,663
Non-controlling interests		(111)	(55)
Net income for the period		5,257	4,608
<u>DISTRIBUTION STATEMENT</u>			
Net income after tax attributable to the Unitholders		5,368	4,663
Distribution adjustments	i	9,665	19,163
Net income available for distribution to Unitholders		15,033	23,826
Distribution per Unit (US cents)		3.03	4.81

Footnote:

⁽¹⁾ Excludes the accumulated loss of US\$29,000 from 18 September 2019 (date of constitution) to 11 March 2020.

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Notes to the Consolidated Statement of Comprehensive Income and Distribution Statement

a) Gross revenue

	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 US\$'000
Rental income	20,946	33,292
Recoveries income ⁽¹⁾	5,288	8,208
Other operating income	71	117
Gross revenue	26,305	41,617

Footnote:

⁽¹⁾ Recoveries income includes, among others, charges to tenants for reimbursements of certain property expenses primarily for common area maintenance such as repair and maintenance expenses, utilities, property management fees and reimbursements, real estate taxes and other recoverable costs and is estimated in accordance with the individual tenant leases.

b) Property expenses

	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 US\$'000
Real estate taxes	3,600	5,883
Repair, maintenance, and utilities expenses	1,876	2,552
Property management fees	1,027	1,646
Insurance expenses	474	731
Other property expenses ⁽¹⁾	359	1,008
Property expenses	7,336	11,820

Footnote:

⁽¹⁾ Inclusive of a provision of US\$0.3m for allowance of doubtful debt.

c) Other income

Other income comprises income top-ups provided by the Hampshire Sponsor in relation to Elizabeth Self-Storage Top-Up Agreement.

d) Manager's base fee and Manager's performance fee

The Manager has elected to receive 100% of its base fee and performance fee in the form of Units for the period from 12 March 2020 to 31 December 2020.

e) Other trust expenses

	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 US\$'000
Audit fees	415	549
Tax compliance fees	117	195
Unit registry expense	28	42
Other trust expenses	481	635
Other trust expenses	1,041	1,421

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f) **Finance costs**

	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 US\$'000
Interest expense on loans and borrowings	2,761	4,442
Dividends paid to preferred shareholders	4	4
Commitment fees and amortisation of upfront debt-related transaction costs	432	679
Loan conversion fee	-	22
Interest on lease liability	277	447
Finance costs	3,474	5,594

g) **Fair value change on financial derivatives**

The Group has entered into interest rate swaps to hedge against floating interest rates. For accounting purposes, the derivatives are carried at fair value on the balance sheet with changes in fair value recognised in profit or loss. No hedge accounting has been elected on the derivatives. The net fair value change in derivatives will not be taxable or tax-deductible and has no impact on the income available for distribution to the Unitholders.

h) **Tax credit/(expense)**

Tax expense comprises current and net deferred tax expenses. 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. Tax credit was attributable to the downward adjustment of fair value change in investment properties resulting in lower deferred tax.

i) **Distribution adjustments**

	Group 1 July 2020 to 31 December 2020 US\$'000	Group 12 March 2020 to 31 December 2020 US\$'000
Property related non-cash items ⁽¹⁾	(1,211)	(1,729)
Manager's base fee paid/payable in Units	1,504	2,383
Manager's performance fee payable in Units	52	52
Trustee's fee	66	113
Amortisation of upfront debt-related transaction costs ⁽²⁾	342	548
Fair value change in investment properties	8,665	14,301
Fair value change on financial derivatives	112	2,117
Deferred tax credit	(721)	-
Other income ⁽³⁾	1,239	1,992
Interest on lease liability	277	447
Ground lease rental payment	(660)	(1,061)
Distribution adjustments	9,665	19,163

Footnotes:

⁽¹⁾ Mainly comprise straight-line rent adjustments and lease commission amortisation.

⁽²⁾ Upfront debt-related transaction costs are amortised over the life of the borrowings.

⁽³⁾ Other income comprises income top-ups provided by the Hampshire Sponsor in relation to St Lucie West Top-Up Agreement and Perth Amboy Self-Storage Top-Up Agreement.

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1(B)(i) STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2020

	Note	Group US\$'000	Trust US\$'000
ASSETS			
Current assets			
Cash and cash equivalents		13,040	1,011
Restricted cash		120	-
Trade and other receivables	a	5,699	113
Prepaid expenses		1,783	2
Total current assets		20,642	1,126
Non-current assets			
Restricted cash		258	-
Investment properties	b	608,667	-
Investment in subsidiaries		-	373,264
Total non-current assets		608,925	373,264
TOTAL ASSETS		629,567	374,390
LIABILITIES			
Current liabilities			
Trade and other payables	c	8,086	386
Provision for taxation		473	-
Lease liability		779	-
Total current liabilities		9,338	386
Non-current liabilities			
Loans and borrowings		217,090	-
Preferred shares		125	-
Rental security deposits		493	-
Derivative liability	d	2,117	-
Lease liability		23,175	-
Total non-current liabilities		243,000	-
TOTAL LIABILITIES		252,338	386
NET ASSETS		377,229	374,004
Net assets attributable to:			
Unitholders		375,319	374,004
Non-controlling interests		1,910	-
		377,229	374,004
Units in issue and to be issued ('000)		497,354	497,354
Net asset value per Unit (US\$)		0.75	0.75

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Notes to the Statements of Financial Position

a) Trade and other receivables

	Group
	31 December 2020
	US\$'000
Trade receivables	2,900
Other receivable	1,031
Top-up receivables	1,768
	<u>5,699</u>

b) Investment properties

	Group
	31 December 2020
	US\$'000
Acquisition value of the IPO Portfolio	584,549
Acquisition cost	4,198
Additions in capital expenditure, tenant improvements and leasing commissions	10,652
Right-of-use asset	24,568
Reclass of income top-ups	(2,728)
Fair value change in investment properties ⁽¹⁾	(12,572)
Carrying value of investment properties ⁽²⁾	<u>608,667</u>

Consolidated statement of change in investment properties

Fair value change in investment properties ⁽¹⁾	(12,572)
Property related non-cash item	(1,729)
Net fair value change in investment properties	<u>(14,301)</u>

Footnote:

⁽¹⁾ Fair value changes in investment properties includes fair value change in right-of-use asset amounting to US\$614,000 during the year.

⁽²⁾ Fair value of properties includes Perth Amboy Top-Up and Elizabeth Top-Up, which are inseparable from its underlying assets.

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Property	State	Carrying Value US\$'000
<u>Grocery & Necessity Properties</u>		
Hudson Valley Plaza	New York	45,300
Albany ShopRite – Supermarket	New York	22,850
Albany ShopRite – Gas Station	New York	4,050
Towne Crossing	New Jersey	12,900
Lynncroft Center	North Carolina	24,200
Garden City Square – BJ's Wholesale Club	New York	45,900
Garden City Square – LA Fitness	New York	21,100
Price Chopper Plaza	New York	21,700
Big Pine Center	Florida	9,200
Stop & Shop Plaza	New Jersey	28,300
Fairhaven Plaza	Massachusetts	19,800
Wallington ShopRite	New Jersey	16,300
Parkway Crossing	Maryland	24,600
Wallkill Price Chopper	New York	13,200
St. Lucie West	Florida	83,550
BJ's Quincy	Massachusetts	34,500
Arundel Plaza	Maryland	45,500
Lawnside Commons	New Jersey	32,800
<u>Self-Storage Properties</u>		
Carteret Self-Storage	New Jersey	17,000
Millburn Self-Storage	New Jersey	21,200
Elizabeth Self-Storage	New Jersey	22,200
Perth Amboy Self-Storage	New Jersey	19,300
Investment properties, at valuation ⁽³⁾		585,450
Investment property – Right-of-use asset		23,954
Reclass of top-up receivables		(737)
Investment properties, at carrying value		608,667

Footnote:

⁽³⁾ Investment properties are stated at fair value based on 31 December 2020 appraisals conducted by CBRE, Inc, an independent valuer.

c) Trade and other payables

	Group 31 December 2020 US\$'000
Trade payables	166
Deferred income	1,759
Accrued expenses	3,452
Accrued development costs	2,709
	8,086

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d) **Derivative liability**

This relates to the floored interest rate swaps entered into by the Group for hedging purpose. Interest rates decreased from when the floored interest rate swaps were entered, resulting in derivative losses from mark-to-market of these swaps.

1 (B)(ii) **AGGREGATE AMOUNT OF LOANS AND BORROWINGS AND DEBT SECURITIES**

Details of loans and borrowings, and collaterals

	<u>Maturity</u>	<u>31 December 2020</u>
		US\$'000
Non-current loans and borrowings		
Revolving credit facility ("RCF")	March 2023	-
Term Loan 1 facility ("TL1")	March 2023	91,500
Term Loan 2 facility ("TL2")	March 2024	66,500
Arundel Plaza Mortgage Loan	March 2024	21,143
St Lucie West Mortgage Loan	February 2028	40,000
Total non-current loans and borrowings		<u>219,143</u>
Less: Unamortised upfront debt-related transaction costs		<u>(2,053)</u>
Total loans and borrowings		<u>217,090</u>

RCF, TL 1 & TL2 Facilities

The total amount available under the RCF is US\$20.0 million, this facility was not drawn as at 31 December 2020. The amounts of US\$91.5 million and US\$66.5 million were drawn down from TL1 and TL2 facility respectively. The borrowers are United Hampshire US Parent REIT, Inc and United Hampshire US Holdings LLC jointly and severally. The facilities are secured by share pledges of the borrowers and its subsidiaries (excluding the subsidiaries that own the properties securing the St. Lucie West Mortgage Loan and the Arundel Plaza Mortgage Loan), as well as a pledge over certain bank accounts.

Arundel Plaza Mortgage Loan

A subsidiary of UHREIT assumed the existing mortgage loans of US\$15.0 million and US\$6.1 million (the "Arundel Plaza Mortgage Loan") with a fixed interest rate of 3.88% and 4.23% per annum respectively. The Arundel Plaza Mortgage loan is secured by, among others, a mortgage over Arundel Plaza and has a maturity date of March 2024. The Arundel Plaza Mortgage Loan includes representations, warranties and covenants by the borrower, which are customary for U.S. mortgage loans. The Arundel Plaza Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

St. Lucie West Mortgage Loan

Certain subsidiaries of UHREIT assumed the existing 96-month mortgage loan of US\$40.0 million ("St. Lucie West Mortgage Loan"), which is secured by, among others, a mortgage over St. Lucie West. The St. Lucie West Mortgage Loan has a maturity date of February 2028 and a fixed interest rate of 3.42% per annum, for which interest-only repayments will be made for the first 60 months followed by repayment of interest and principal for the next 36 months thereafter based on a fixed amortisation schedule. The St. Lucie West Mortgage Loan includes representations, warranties and covenants by the borrower, which are customary for U.S. mortgage loans. The St. Lucie West Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

As at 31 December 2020, the Group had total gross loans and borrowings of US\$219.1 million and US\$20 million undrawn revolving credit facility to meet its future obligations. The interest rate on the TL1 and TL2 facilities have been hedged using floating-for-fixed interest rate swaps and both the Arundel Plaza and St. Lucie West mortgage loans have fixed interest rates. The weighted average interest rate on loans and borrowings from 12 March 2020 to 31 December 2020 was 2.83% (taking into account the interest rate swaps but excluding commitment fee on the undrawn revolving credit facility). Aggregate leverage, as defined in the Property Funds Appendix, as at 31 December 2020 was 36.2%.

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1 (C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Group	
		1 July 2020 to 31 December 2020 US\$'000	12 March 2020 to 31 December 2020 ⁽¹⁾ US\$'000
Cash flows from operating activities			
Net income before tax		4,848	5,097
Adjustments for:			
Property related non-cash items		(1,211)	(1,729)
Manager's base fee paid/payable in Units		1,504	2,383
Manager's performance fee payable in Units		52	52
Fair value change in investment properties		8,665	14,301
Fair value change on financial derivatives		112	2,117
Finance expenses		3,474	5,594
Finance income		(1)	(3)
Operating income before working capital changes		17,443	27,812
Changes in working capital:			
Trade and other receivables		1,931	(2,953)
Restricted cash		360	(254)
Prepaid expenses		(633)	856
Trade and other payables		742	453
Rental security deposits		(5)	(94)
		19,838	25,820
Income tax paid		(16)	(16)
Net cash generated from operating activities		19,822	25,804
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities	a	(11)	(450,359)
Additions to investment properties	b	(6,251)	(7,942)
Interest received		1	3
Net cash used in investing activities		(6,261)	(458,298)
Cash flows from financing activities			
Proceeds from issuance of Units	c	-	320,858
Payment for transaction costs relating to issuance of Units		(116)	(17,590)
Distribution paid to Unitholders		(8,781)	(8,781)
Proceeds from issuance of preferred shares		125	125
Payment for transaction costs relating to issuance of preferred shares		(21)	(21)
Dividends paid to preferred shareholders		(4)	(4)
Contribution from a non-controlling interest		-	290
Proceeds from loans and borrowings		-	158,329
Payment of debt related transaction costs		(2)	(2,205)
Finance costs paid on loans and borrowings		(2,826)	(4,406)
Repayment of lease liability		(383)	(614)
Interest paid on lease liability		(277)	(447)
Net cash (used in)/generated from financing activities		(12,285)	445,534

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Notes	Group	
	1 July 2020 to 31 December 2020 US\$'000	12 March 2020 to 31 December 2020 US\$'000
Net increase in cash and cash equivalents	1,276	13,040
Cash and cash equivalents at beginning of the period	11,764	-
Cash and cash equivalents at end of the period	13,040	13,040

Footnote:

(1) Excludes the accumulated loss of US\$29,000 from 18 September 2019 (date of constitution) to 11 March 2020.

a) Acquisition of investment properties and related assets and liabilities

	Group	
	1 July 2020 to 31 December 2020 US\$'000	12 March 2020 to 31 December 2020 US\$'000
Agreed purchase consideration for investment properties	-	584,549
Less: Non-controlling interest	-	(1,675)
Acquisition of the properties	-	582,874
Add: Acquisition costs	11	4,198
	11	587,072
Trade and other receivables	-	19
Prepaid expenses	-	2,623
Restricted cash	-	124
Loans and borrowings	-	(60,814)
Debt related transaction costs	-	420
Trade and other payables	-	(4,734)
Rental security deposits	-	(587)
Net liabilities acquired	-	(62,949)
Net consideration for investment properties		524,123
Less: Consideration settled through issuance of Units for rollover investors	-	(73,764)
Net cash outflow for the acquisition	11	450,359

b) Additions to investment properties

Includes cash paid on capital expenditure, tenant improvements and leasing commissions.

c) Proceeds from issuance of Units

On Listing Date, an aggregate of 493,277,000 Units were issued at US\$0.80 per Unit which together with two Units which were in issue prior to the Offering, the total gross proceeds raised was US\$394,622,000, which is inclusive of a non-cash consideration of \$73,764,000 from rollover investors.

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1 (D)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

	Units in issue and to be issued	(Accumulated Loss)/ Retained Earnings	Non- controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
At 12 March 2020 ("Listing Date")	-	(29)	-	(29)
Operations				
Net (loss)/income for the period	-	(705)	56	(649)
Unitholders' transactions				
Issue of new Unit prior to Listing Date	-	-	-	-
Issue of new Units on the Listing Date	394,622	-	-	394,622
Issue costs ⁽³⁾	(17,474)	-	-	(17,474)
Manager's base fee paid in Units	879	-	-	879
Total Unitholders' transactions	378,027	-	-	378,027
Non-controlling interest arising from acquisition	-	-	1,675	1,675
Contribution from non-controlling interests	-	-	290	290
At 1 July 2020	378,027	(734)	2,021	379,314
Operations				
Net income/(loss) for the period	-	5,368	(111)	5,257
Unitholders' transactions				
Issue costs ⁽³⁾	(116)	-	-	(116)
Distribution to Unitholders	(2,615)	(6,166)	-	(8,781)
Manager's base fee paid in Units	737	-	-	737
Manager's base fee payable in Units ⁽⁴⁾	766	-	-	766
Manager's performance fee payable in Units ⁽⁴⁾	52	-	-	52
Total Unitholders' transactions	(1,176)	(6,166)	-	(7,342)
As at 31 December 2020	376,851	(1,532)	1,910	377,229

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	Units in issue and to be issued	(Accumulated Loss)/ Retained Earnings	Non- controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trust				
At 12 March 2020 ("Listing Date")	- ⁽¹⁾	(8) ⁽²⁾	-	(8)
Operations				
Net loss for the period	-	(1,105)	-	(1,105)
Unitholders' transactions				
Issue of new Unit prior to Listing Date	- ⁽¹⁾	-	-	- ⁽¹⁾
Issue of new Units on the Listing Date	394,622	-	-	394,622
Issue costs ⁽³⁾	(17,474)	-	-	(17,474)
Manager's base fee paid in Units	879	-	-	879
Total Unitholders' transactions	378,027	-	-	378,027
At 1 July 2020	378,027	(1,113)	-	376,914
Operations				
Net income for the period	-	4,432	-	4,432
Unitholders' transactions				
Issue costs ⁽³⁾	(116)	-	-	(116)
Distribution to Unitholders	(2,615)	(6,166)	-	(8,781)
Manager's base fee paid in Units	737	-	-	737
Manager's base fee payable in Units ⁽⁴⁾	766	-	-	766
Manager's performance fee paid in Units ⁽⁴⁾	52	-	-	52
Total Unitholders' transactions	(1,176)	(6,166)	-	(7,342)
As at 31 December 2020	376,851	(2,847)	-	374,004

Footnote:

- (1) Less than US\$1,000.
- (2) Accumulated loss as at Listing Date is mainly for professional fees incurred for corporate secretarial service and private trustee fees for period 18 September 2019 (date of constitution) to 11 March 2020.
- (3) Issue costs comprise underwriting and selling commissions, professional fees, and other issue expenses.
- (4) The Manager has elected to receive 100.0% of the Manager's base fee and performance fee in Units for the period from 12 March 2020 to 31 December 2020. The number of Units is calculated based on the volume weighted average traded price of the Units on the SGX-ST for the last 10 business days for the period ended 31 December 2020 of US\$0.6291.

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1 (D)(ii) DETAILS OF ANY CHANGES IN UNITS

	Group and Trust	
	1 July 2020 to 31 December 2020	18 September 2019 to 31 December 2020
Units in issue:		
At beginning of the period/18 September 2019 (Date of constitution)	493,277,002	1
New Unit issued prior to Listing Date	-	1
New Units issued on the Listing Date	-	493,277,000
New Units issued for Manager's base fees	2,777,923	2,777,923
Total issued Units as at end of the period	496,054,925	496,054,925
Units to be issued:		
Manager's base fee payable in Units ⁽¹⁾	1,216,987	1,216,987
Manager's performance fee payable in Units ⁽¹⁾	82,131	82,131
Total Units issued and to be issued as at the end of the period	497,354,043	497,354,043

Footnote:

⁽¹⁾ The Manager has elected to receive 100.0% of the Manager's base fee and performance fee in Units for the period from 12 March 2020 to 31 December 2020. The number of Units is calculated based on the volume weighted average traded price of the Units on the SGX-ST for the last 10 business days for the period ended 31 December 2020 of US\$0.6291.

1 (D)(iii) TOTAL NUMBER OF ISSUED UNITS

UHREIT does not hold any treasury Units as at 31 December 2020. The total number of issued Units as at 31 December 2020 was 496,054,925.

1 (D)(iv) SALES, TRANSFERS, DISPOSALS, CANCELLATION AND/OR USE OF TREASURY UNITS

Not applicable.

2. AUDIT

The figures have neither been audited nor reviewed by the auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation as described in the Prospectus in the preparation of the consolidated financial statements for the current reporting period.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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6. CONSOLIDATED EARNINGS PER UNIT ("EPU") AND DISTRIBUTION PER UNIT ("DPU")

	Group 1 July 2020 to 31 December 2020	Group 12 March 2020 to 31 December 2020
EPU (basic and diluted)		
Net income for the period (US\$'000)	5,368	4,663
Weighted average number of Units in issue and to be issued ⁽¹⁾	494,378,856	493,964,260
Basic and diluted EPU (US cents) ⁽¹⁾⁽²⁾	1.09	0.94
 DPU		
Income available for distribution to Unitholders (US\$'000)	15,033	23,826
Number of Units in issue at the end of the period ⁽³⁾	496,054,925	496,054,925
DPU (US cents)	3.03	4.81

Footnote:

- ⁽¹⁾ Based on the weighted average number of Units in issue during the period and the Units to be issued as payment of the Manager's base fee incurred for the period from Listing Date to 31 December 2020.
- ⁽²⁾ Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the period.
- ⁽³⁾ Number of Units in issue as at 31 December 2020.

7. NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT

	31 December 2020	
	Group	Trust
Net assets ⁽¹⁾ (US\$'000)	375,319	374,004
Number of Units in issue and to be issued ⁽²⁾	497,354,043	497,354,043
NAV and NTA per Unit ⁽³⁾ (US\$)	0.75	0.75

Footnote:

- ⁽¹⁾ This excludes the non-controlling interests' share of net asset value.
- ⁽²⁾ Based on the number of Units in issue during the period and the Units to be issued as full payment of the Manager's base fee and the Manager's performance fee.
- ⁽³⁾ NAV and NTA is the same as there is no intangible asset as at the end of the period.

8. REVIEW OF PERFORMANCE

Please refer to "Variance Between Actual and Forecast Results" for a review of the actual results for the period from 12 March 2020 (Listing Date) to 31 December 2020 against the forecast as disclosed in the Prospectus.

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9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

	2H 2020 1 July 2020 to 31 December 2020			FP 2020 12 March 2020 to 31 December 2020		
	Actual ⁽¹⁾	Forecast ⁽²⁾	+ / (-)	Actual ⁽¹⁾	Forecast ⁽²⁾	+ / (-) ⁽²⁾
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>						
Gross revenue	26,305	26,697	(1.5%)	41,617	42,558	(2.2%)
Property expenses	(7,336)	(7,761)	(5.5%)	(11,820)	(12,441)	(5.0%)
Other income	792	1,241	(36.2%)	1,278	2,031	(37.1%)
Net Property Income	19,761	20,177	(2.1%)	31,075	32,148	(3.3%)
Manager's base fee	(1,504)	(1,476)	1.9%	(2,383)	(2,353)	1.3%
Manager's performance fee	(52)	-	100%	(52)	-	100%
Trustee's fee	(66)	(66)	0.0%	(113)	(106)	6.6%
Other trust expenses	(1,041)	(661)	57.5%	(1,421)	(1,062)	33.8%
Finance income	1	11	(90.9%)	3	21	(85.7%)
Finance costs	(3,474)	(4,657)	(25.4%)	(5,594)	(7,472)	(25.1%)
Net income before tax and change in fair value of investment properties and derivatives	13,625	13,328	2.2%	21,515	21,176	1.6%
Fair value change in investment properties	(8,665)	(1,029)	n.m. ⁽⁴⁾	(14,301)	(5,988) ⁽³⁾	n.m. ⁽⁴⁾
Fair value change on financial derivatives	(112)	-	n.m. ⁽⁴⁾	(2,117)	-	n.m. ⁽⁴⁾
Net income before tax	4,848	12,299	(60.6%)	5,097	15,188	(66.4%)
Tax credit(expense)	409	(1,484)	(127.6%)	(489)	(2,381)	(79.5%)
Net income after tax	5,257	10,815	n.m. ⁽⁴⁾	4,608	12,807	n.m. ⁽⁴⁾
Net income after tax attributable to:						
Unitholders	5,368	10,716	n.m. ⁽⁴⁾	4,663	12,663	n.m. ⁽⁴⁾
Non-controlling interests	(111)	99	n.m. ⁽⁴⁾	(55)	144	n.m. ⁽⁴⁾
Net income for the period	5,257	10,815	n.m. ⁽⁴⁾	4,608	12,807	n.m. ⁽⁴⁾
<u>DISTRIBUTION STATEMENT</u>						
Net income after tax attributable to the Unitholders	5,368	10,716	n.m. ⁽⁴⁾	4,663	12,663	n.m. ⁽⁴⁾
Distribution adjustments	9,665	4,028	139.9%	19,163	10,853	76.6%
Net income available for distribution to Unitholders	15,033	14,744	2.0%	23,826	23,516	1.3%

Footnotes:

- (1) UHREIT was a dormant private trust up to 11 March 2020. Therefore, the actual income derived from the properties for the current period was from 12 March 2020 to 31 December 2020.
- (2) The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast results for the period from 12 March 2020 to 31 December 2020 were derived by pro-rating the forecast figures.
- (3) Includes fair value change arising from the acquisition cost of US\$4,334,000 recognised on Listing Date, that was not subjected to pro-rating.
- (4) n.m.: not meaningful.

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Actual vs Forecast for the financial period from 1 July 2020 to 31 December 2020

Overall, net property income of US\$19.8 million was 2.1% or US\$0.4 million lower than forecast as a result of a deceleration in leasing activities arising from COVID-19 and the delay in the opening of Perth Amboy Self-Storage Property, as well as a decrease in other income due to the reclassification of the Perth Amboy Top-Up from other income to distribution adjustment as a result of the delay in completion of construction. The latter does not have an impact on income available for distribution to Unitholders.

Manager's base fee of US\$1.5 million was 1.8% higher than forecast as income available for distribution to Unitholders was higher than forecast. Manager's base fee is 10.0% of income available for distribution to Unitholders (calculated before accounting for the Manager's base fee). The Manager's performance fee is based on 25% of the excess of actual DPU for FP 2020 over the forecasted DPU for the forecast period from 12 March 2020 to 31 December 2020 (calculated before accounting for the performance fee, but after accounting for the base fee in the financial period) multiplied by the weighted average number of Units in issue for such financial period.

Other trust expenses of US\$1.0 million was 57.3% or US\$0.4 million higher than forecast due to higher professional and legal fees incurred as a result of rent relief negotiations.

Finance costs of US\$3.5 million was 25.4% or US\$1.2 million lower than forecast. This was largely a result of favorable floating-to-fixed interest rate swap rates secured for the TL1 and TL2 term loans.

Fair value on financial derivatives resulted in a loss of US\$ 0.1 million as interest rates decreased from the date interest rate swaps were entered. The forecast did not assume any changes in interest rates. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.

Due to the net effects of the above, net income after tax attributable to Unitholders was US\$5.4 million. After adjusting for distribution adjustments, the overall net income available for distribution to Unitholders was US\$15.0 million, which is 2.0% higher than forecast.

Actual vs Forecast for the financial period from 12 March 2020 to 31 December 2020

Overall, net property income of US\$31.1 million was 3.3% or US\$1.1 million lower than forecast largely due to US\$0.4 million lower net property income from Self-Storage Properties, due to a deceleration in leasing activities at the onset of COVID-19 and the delay in the opening of the Perth Amboy Self-Storage Property as well as US\$0.8 million lower net property income due to the reclassification of the Perth Amboy Top-Up from other income to distribution adjustment as a result of the delay in completion of construction. The latter does not have an impact on income available for distribution to Unitholders.

Manager's base fee of US\$2.4 million was 1.3% higher than forecast as income available for distribution to Unitholders was higher than forecast. Manager's base fee is 10.0% of income available for distribution to Unitholders (calculated before accounting for the Manager's base fee). The Manager's performance fee is based on 25% of the excess of actual DPU for FP 2020 over the forecasted DPU for the forecast period from 12 March 2020 to 31 December 2020 (calculated before accounting for the performance fee, but after accounting for the base fee in the financial period) multiplied by the weighted average number of Units in issue for such financial period.

Other trust expenses of US\$1.4 million was 33.8% or US\$ 0.4 million higher than forecast due to higher professional and legal fees incurred as a result of rent relief negotiations.

Finance costs of US\$5.6 million was 25.1% or US\$1.9 million lower than forecast. This was largely a result of favorable floating-to-fixed interest rate swap rates secured for the TL1 and TL2 term loans.

Fair value on financial derivatives resulted in a loss of US\$2.1 million as interest rates decreased from the date interest rate swaps were entered. The forecast did not assume any changes in interest rates. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.

Due to the net effects of the above, net income after tax attributable to Unitholders was US\$4.7 million. After adjusting for distribution adjustments, the overall net income available for distribution to Unitholders was US\$23.8 million, which is 1.3% higher than forecast.

10. PROSPECTS

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

U.S. GDP figures are expected to grow between 4.0% and 5.2% in the first half of 2021¹. Across the U.S., a total of 65 million doses of the COVID-19 vaccine have been administered, as at 24 February 2021². With concerted vaccination efforts and resumption of economic activity, U.S. unemployment stood at 6.3% in January 2021, a significant improvement from a peak of close to 15.0% at the height of the pandemic³. Unemployment is expected to fall slightly in 2021 and decline at a faster pace in 2022 as the economy continues to improve¹.

In response to the economic fallout caused by the pandemic, the U.S. Government passed a US\$2.2 trillion economic stimulus bill, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in March 2020, as well as a \$900 billion coronavirus stimulus bill in December 2020⁴. This is in addition to a proposed US\$1.9 trillion spending package that is being deliberated in Congress to continue supporting the recovery of the economy and pay for the concerted vaccine campaign. The stimulus payments and extra unemployment insurance benefits have boosted household incomes and coupled with reduced opportunities to make purchases, consumer savings have increased over the past year. In addition, the low interest rates and consumer debt levels will also be positive for consumer spending in 2021 and 2022⁴.

Based on advance estimates, January 2021 retail and food service sales increased 7.4% year-on-year (“YOY”), while sales for Food & beverage stores and Building material & garden equipment & supplies dealers increased 11.8% and 19.0% YOY⁵.

While overall capital market investment volumes have decreased, transaction activities in the retail sector have been dominated by grocery-anchored and necessity-oriented assets due to consumer demand for essential goods and services. In 4Q 2020, properties with grocery-related tenant accounted for more than 30% of the total transactions in the broader retail sector, an increase of 22% from 2019⁶.

With respect to the self-storage sector, on top of traditional life changing events, the acceleration of suburban migration and the escalation of corporate work-at-home policies continued to create strong consumer demand. As a result, in 4Q 2020, self-storage median occupancy remained healthy at 92.0%, higher than 90.0% reported in 4Q 2019⁷, mainly due to higher new tenant move-ins.

As the global economy continues to gradually recover from the impact of COVID-19 through concerted vaccination campaigns, the Manager will monitor the situation closely, optimise the assets and seek opportunities to strengthen the income streams. The Manager believes that UHREIT’s resilient portfolio remains well-positioned to weather the challenges ahead and will continue to selectively look for suitable accretive acquisition opportunities.

Despite the challenging FP 2020, UHREIT portfolio has proven its resiliency with a solid result above the IPO Forecast. With the committed occupancy of 94.7% and only 3.4%⁸ of leases expiring in 2021 for Grocery & Necessity Properties and the upward trending occupancies in the Self-Storage properties, UHREIT’s portfolio remains in a resilient position to weather the pandemic. The Manager continues to focus on enhancing the asset value, achieving optimal lease and capital management, and to also actively seek investment opportunities that deliver long term value to Unitholders.

11. DISTRIBUTIONS

¹ Cushman & Wakefield Research

² Bloomberg, 24 February 2021, COVID-19 Tracker

³ U.S. Bureau of Labor Statistics, The Employment Situation – January 2021, 5 February 2021

⁴ Appropriations.House.gov. “H.R. 133: DIVISION-BY-DIVISION SUMMARY OF COVID-19 RELIEF PROVISIONS.

⁵ U.S. Census Bureau, Advance Monthly Sales for Retail and Food Services, January 2021, 17 February 2021

⁶ Cushman & Wakefield; The Boulder Group, Net Lease Big Box Report Q4 2020

⁷ Cushman & Wakefield; Self-Storage Data Services

⁸ Based on Base Rental Income of Grocery & Necessity Properties for the month of December 2020

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(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Yes.

Distribution period :	Second distribution for the period from 1 July 2020 to 31 December 2020
Distribution type/rate:	Distribution of US 3.03 cents per Unit comprising of: a. Tax-exempt income: US 2.06 cents per Unit b. Capital: US 0.97 cents per Unit
Tax rate :	<p>Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No Singapore withholding tax will be deducted at source from this income.</p> <p>Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of UHREIT Units, the amount of capital distribution will be applied to reduce the cost base of UHREIT Units for Singapore income tax purpose.</p> <p>Unitholders who do not submit required U.S. tax forms completely and accurately by Tuesday, 16 March 2021 date will be subject to 30% U.S. withholding taxes on the distribution.</p>

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

(c) Book closure date: 8 March 2021

(d) Date payable: 31 March 2021

12. DISTRIBUTION STATEMENT

Other than as disclosed in Paragraph 11(a), no distribution has been declared / recommended.

13. GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from Unitholders for interested party transactions.

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14. INTERESTED PERSON TRANSACTIONS

Name of Entity	Nature of Relationship	Aggregate value of all IPTs during the financial period 2020 US\$'000
United Hampshire US REIT Management Pte. Ltd.	The Manager of UHREIT	
Base fee paid and payable in Units		2,383
Performance fee payable in Units		52
Perpetual (Asia) Limited	Trustee of UHREIT	
Trustee fee paid and payable		113
The Hampshire Companies, LLC	Shareholder of the Manager/Hampshire Sponsor	
Property management fee		1,163
Construction management fee		256
Burlington 2000 L.L.C	Affiliated fund to Hampshire Sponsor	
Rental Income		317

15. BREAKDOWN OF REVENUE

	US\$000
(a) Gross revenue reported from 12 March 2020 to 30 June 2020	15,312
(b) Net loss after tax reported from 12 March 2020 to 30 June 2020	(649)
(c) Gross revenue from 1 July 2020 to 31 December 2020	26,305
(d) Net income after tax reported from 1 July 2020 to 31 December 2020	<u>5,257</u>

16. BREAKDOWN OF TOTAL DISTRIBUTIONS

	US\$000
Distribution for the period from 12 March 2020 to 30 June 2020	<u>8,781</u>

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17. SEGMENTAL INFORMATION

Segment revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

UHREIT's reportable segments by type of assets are as follows:

By type of assets	Grocery & Necessity	Self-Storage	Total
	US\$'000	US\$'000	US\$'000
Gross Revenue	39,644	1,973	41,617
Property Expense	(10,626)	(1,194)	(11,820)
Other Income	-	1,278	1,278
Net Property Income	29,018	2,057	31,075
Fair value change in investment properties	(11,637)	(2,664)	(14,301)
Unallocated expenses			(12,166)
Net income after tax			4,608
Segment assets	535,690	80,493	616,183
Unallocated assets			13,384
Consolidated assets			629,567
Segment liabilities	91,858	394	92,252
Unallocated liabilities			160,086
Consolidated liabilities			252,338
Other segment items			
Capital expenditures	10,629	23	10,652

18. MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 9 above for the review of actual performance.

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19. USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING (“IPO”)

The following table set out the use of IPO proceed is in accordance to the intended sources and applications of the total proceeds from the IPO and the issuance of the Cornerstone Units.

	Amount allocated US\$'000	Amount utilised US\$'000	Balance US\$'000
Acquisition of properties ⁽¹⁾ ⁽²⁾	582,490	582,874	(384)
Transaction costs ⁽²⁾	26,764	23,993	2,771
Working capital	4,993	-	4,993
	614,247	606,867	7,380

Footnote:

- (1) The actual amount consists of the agreed purchase consideration for investment properties net of capital expenditure and leasing costs under seller’s responsibility at Listing Date. Acquisition costs are included as part of transaction costs to be consistent with the disclosure in the Prospectus.
- (2) Transaction costs include expenses incurred in relation to the acquisition of the Properties, the issue of Units at the Listing Date, and debt upfront costs.

20. UPDATE ON TOP-UP AGREEMENTS

Top-Up Agreements

Pursuant to the Top-Up Agreements for St Lucie West Expansion, Perth Amboy Self-Storage and Elizabeth Self-Storage, UHREIT has received income top-ups provided by the Hampshire Sponsor as follows:

	FP 2020		
	12 March 2020 to 31 December 2020		
	Total Top-Up Funding	Top-Up recognised during FP 2020	Balance of Top-Up Funding
	US\$'000	US\$'000	US\$'000
Top-Up Agreement attributable to:			
St Lucie West	1,798	1,061	737
Elizabeth Self Storage	2,524	1,278	1,246
Perth Amboy Self-Storage	2,198	931	1,267
	6,520	3,270	3,250

St. Lucie West Top-Up Agreement

This is in relation to the asset enhancement works for St. Lucie West Expansion which is scheduled to be completed by the end of Q1 2021. Upon completion, St Lucie West Expansion will be occupied by the existing anchor tenant of St. Lucie West, Publix Super Markets, Inc. (“Publix”). Publix currently occupies one of the existing buildings at St. Lucie West (the “Existing Publix Store”) which will be backfilled with new tenants once Publix occupies the St. Lucie West Expansion. As a result, the increased cash flows of St. Lucie West attributed to the new tenants will not commence until after the completion of the St. Lucie West Expansion and after the Existing Publix Store is backfilled with the new tenants.

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A top-up arrangement was put in place to mitigate the lower rental income resulting from the construction of the St. Lucie West Expansion and the estimated time required to backfill the Existing Publix Store vacated by Publix, where a total of US\$1,798,000 income top-up will be disbursed to UHREIT during the period from the Listing Date to 31 October 2021. During the financial period ended 31 December 2020, UHREIT has recognised a top-up income of US\$1,060,968 in income available for distribution during the financial period ended 31 December 2020, the remaining top-up income of US\$737,032 will be recognised in financial year 2021.

As at 31 December 2020, The Manager has secured a new lease to backfill 57% of the Existing Publix Store and it is working closely with potential tenants to backfill the remaining space within the Existing Publix Store.

Elizabeth Top-Up Agreement

Elizabeth Self-Storage was completed in January 2020 and it is in the process of leasing-up. A top-up arrangement was put in place since the Net Operating Income at the time of acquisition was not yet at a level comparable with those of more mature or stabilised properties as at the Listing Date. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Elizabeth Self-Storage for a period of up to 4 years from the date of acquisition, where UHREIT will be entitled to receive the income top-up based on the difference between the Net Operating Income and the Stabilised Net Operating Income of US\$1,313,048 per annum, up to an aggregate amount of US\$2,524,356.

UHREIT has recognised a top-up income of US\$1,278,000 in other income during the financial period ended 31 December 2020. As at 31 December 2020, Elizabeth Self-Storage has achieved an occupancy of 38.7%, 1.5% below the forecasted occupancy of 40.2%. As the occupancy continues to trend upwards since the gradual lifting of lockdown measures in May 2020, the Manager is working actively to optimise the performance of Elizabeth Self-Storage.

Perth Amboy Top-Up Agreement

At the time of acquisition, Perth Amboy Self-Storage was under construction, with a target completion of construction in Q2 2020. A top-up arrangement was put in place since it would take time for the Net Operating Income to rise to a level in line with those of more mature or stabilised properties. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Perth Amboy Self-Storage for a period of up to 4 years from the date of acquisition, where UHREIT will be entitled to receive the income top-up based on the difference between the Net Operating Income and Stabilised Net Operating Income of US\$1,157,575 per annum, up to an aggregate amount of US\$2,198,123.

As there was a delay in the opening of Perth Amboy Self-Storage due to the delay in completion of construction, UHREIT has recognised the top-up income of US\$931,000 in income available for distribution during the financial period ended 31 December 2020.

Pursuant to the Sale and Purchase Agreement for Perth Amboy Self-Storage, the Perth Amboy Vendor was obligated to oversee, supervise and complete development and construction, at its sole cost and expense, of the property in accordance with the plans and specifications for the Perth Amboy Self-Storage. Accordingly, the Perth Amboy Vendor is responsible for, and shall pay, all costs to complete the project and otherwise perform its obligations, including, without limitation, all project costs and cost-overruns as the same become due and payable, with completion of the construction not later than 15 June 2020. In the event of a delay in completion of construction beyond 15 June 2020, UHREIT is entitled to seek compensatory stipulated damages for such delay.

Perth Amboy obtained its Temporary Occupancy Permit on 19 January 2021 and business has commenced since then. As at the date of announcement, Perth Amboy has achieved an occupancy of 8% in approximately one month since opening. UHREIT is in the process of seeking for compensatory stipulated damages attributable to the delay in completion of construction. Subsequent to financial period ended 31 December 2020, UHREIT has received US\$344,000 as a partial payment of the compensatory stipulated damages and this would be recognised as other income in financial year 2021. The Manager is in the process of negotiating with the Perth Amboy Vendor for payment of the balance of the compensatory stipulated damages.

21. CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the REIT Manager confirm that there is no person occupying managerial position in the REIT Manager who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of UHREIT, save for Mr Gerard Yuen Wei Yi, the Chief Financial Officer, who is the spouse of a director's cousin.

22. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**On behalf of the Board
United Hampshire US REIT Management Pte. Ltd.
(Company Registration Number: 201916768W)
As Manager of United Hampshire US REIT**

Mr. Tan Tong Hai
Chairman

Mr. Chua Teck Huat Bill
Director

26 February 2021

UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD FROM 12 MARCH 2020 TO 31 DECEMBER 2020

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. The value of Units in UHREIT (the “Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited (as trustee of United Hampshire US Real Estate Investment Trust) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (the “Unitholder”) have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of UHREIT is not necessarily indicative of its future performance.

By Order of the Board

United Hampshire US REIT Management Pte. Ltd.

(Company Registration Number: 201916768W)

As Manager of United Hampshire US REIT

Boardroom Corporate & Advisory Services Pte. Ltd.

Company Secretary

26 February 2021