



UNITED HAMPSHIRE US REIT ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 18 September 2019
under the laws of the Republic of Singapore)

(Managed by United Hampshire US REIT Management Pte. Ltd.)

United Overseas Bank Limited was the sole financial adviser for the initial public offering of United Hampshire US REIT (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.

PROPOSED DIVESTMENT OF TWO SELF-STORAGE PROPERTIES

1. INTRODUCTION

United Hampshire US REIT Management Pte. Ltd., as manager of United Hampshire US Real Estate Investment Trust ("UHREIT", and manager of UHREIT, the "Manager"), wishes to announce that UHREIT, through its indirectly wholly owned subsidiaries Elizabeth SS 2018, LLC and Perth Amboy Self Storage LLC, have today entered into a conditional purchase and sale agreement (the "PSA") with Storage Post, LLC (the "Purchaser"), being an unrelated third party, in relation to the proposed divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage (the "Properties", and the divestment of the Properties, the "Divestment") for a total sale consideration of US\$49.0 million (the "Sale Consideration").

2. INFORMATION ON THE PROPERTIES

Property	Location	Description	Tenure	Net Leasable Area (sq ft)	Year of Building Completion
Elizabeth Self-Storage	1189 Magnolia Avenue, Elizabeth, Union County, New Jersey 07201	Three-storey self-storage facility	Freehold	76,308	2020
Perth Amboy Self-Storage	900 State Street Perth Amboy, Middlesex County, New Jersey 08861	Four-storey self-storage facility with an office and a small retail area	Freehold	68,898	2021

3. SALE CONSIDERATION

The Sale Consideration was agreed on a willing-buyer and willing-seller basis, taking into account, among other factors, the independent valuation of the Properties conducted by Cushman & Wakefield of New Jersey LLC at US\$44.4 million as at 31 December 2021, based on the income capitalisation approach and sales comparison approach. This valuation was commissioned by Perpetual (Asia) Limited (in its capacity as trustee of UHREIT) as part of UHREIT's year-end valuation exercise of its portfolio of properties.

The Sale Consideration is (i) 10.4% above the valuation of the Properties of US\$44.4 million as at 31

December 2021, and (ii) 12.9% above the purchase price of US\$43.4 million inclusive of Top-Up (as defined below), or 26.7% above the purchase price of US\$38.7 million without Top-Up ("**Book Value**"). The escrowed top-up amount in respect of the two Properties is approximately US\$4.7 million ("**Top-Up**") which have been fully depleted as at date of this announcement.

After providing for transaction related expenses of approximately US\$1.5 million, UHREIT is expected to recognise an estimated divestment gain of approximately US\$3.1 million over the valuation of US\$44.4 million as at 31 December 2021. The estimated cumulative divestment gain over Book Value of the Properties is approximately US\$8.9 million.

4. PRINCIPAL TERMS OF THE DIVESTMENT

- 4.1 Under the terms of the PSA, the Purchaser shall pay an initial deposit of US\$1.0 million into an escrow account within 5 business days following the execution and delivery of the PSA. Within one business day following the expiration of the Due Diligence Period (as defined below), if the PSA has not been terminated, the Purchaser shall pay an additional US\$0.5 million into the escrow account (the US\$1.5 million collectively, the "**Deposit**"). The Deposit will be applied towards the Sale Consideration payable at closing of the Divestment.
- 4.2 The Purchaser is entitled under the PSA to carry out due diligence on the Properties from the date of the PSA to 21 March 2022 (the "**Due Diligence Period**") and are entitled to terminate the PSA for any reason or no reason at all and at any time during the Due Diligence Period and thereafter, the Deposit will be refunded to the Purchaser and the PSA and all rights and obligations of the parties thereunder will be null and void, except for those rights and obligations that expressly survive the termination of the PSA.

5. USE OF DIVESTMENT PROCEEDS

- 5.1 The estimated net proceeds from the Divestment is approximately US\$47.5 million, after providing for the estimated transaction costs of approximately US\$1.5 million comprising the following:
 - (a) the divestment fee payable to the Manager for the Divestment pursuant to the trust deed constituting UHREIT dated 18 September 2019 (and as may be amended, varied or supplemented from time to time) of approximately US\$0.25 million (being 0.5% of the Sale Consideration). Such divestment fee is payable to the Manager in the form of cash and/or units of UHREIT, as the Manager may elect, in such proportions as may be determined by the Manager; and
 - (b) the estimated professional and other fees and expenses incurred or to be incurred by UHREIT in connection with the Divestment of approximately US\$1.25 million.
- 5.2 Such net proceeds from the Divestment will be used to fund potential higher yielding acquisition opportunities, finance capital expenditure, repay existing debts and/or for other general corporate requirements.

6. RATIONALE OF THE DIVESTMENT

The Manager believes that the Divestment will bring the following key benefits to unitholders of UHREIT ("**Unitholders**").

Active portfolio management to enhance value for Unitholders

The Divestment is in line with the Manager's pro-active portfolio management strategy to maximise the operational performance of assets and capitalise on opportunities to improve financial flexibility to pursue growth opportunities to enhance the resilience, diversification and value of UHREIT's portfolio for Unitholders.

Strengthen balance sheet

The Divestment provides UHREIT the opportunity to optimise its capital structure and enhance long-term sustainable returns for Unitholders. The estimated net proceeds from the Divestment are expected to be approximately US\$47.5 million.

The proceeds from the Divestment will, amongst others, provide the Manager with financial flexibility to pare down bank borrowings to improve UHREIT's average leverage ratio or be redeployed to acquire accretive, higher yielding assets. Please also refer to Section 5.2 of this announcement above for more information on the intended use of proceeds from the Divestment.

Realise value of capital appreciation

The Divestment allows UHREIT to realise capital gains from the Properties. The Sale Consideration of US\$49.0 million is attractive and represents a 26.7% increase from the Book Value.

7. PRO FORMA FINANCIAL EFFECTS OF THE DIVESTMENT

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the distribution per unit of UHREIT ("Unit")("DPU") and net asset value ("NAV") per Unit of UHREIT presented below were prepared based on the unaudited financial statements of UHREIT for the financial year ended 31 December 2021.

The pro forma effects are for illustrative purposes only and do not represent UHREIT's actual DPU and NAV per Unit following the completion of the Divestment.

7.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the DPU for the 12 months ended 31 December 2021, as if UHREIT had completed the Divestment on 1 January 2021, is as follows:

	Effects of the Divestment	
	Before the Divestment	After the Divestment
Net property income (US\$'000)	41,946	38,787
Income available for distribution to Unitholders (US\$'000)	31,195	28,024 ⁽¹⁾
Number of Units ('000)	557,374 ⁽²⁾	553,873 ⁽³⁾
DPU (US cents)	6.1	5.5 ⁽⁴⁾

(1) There will be no distribution in respect of Divestment of the Properties.

(2) Number of Units issued as at 31 December 2021.

(3) Number of Units issued as at 31 December 2021, inclusive of divestment fee Units of 161,431 (issued at US\$0.6589 per Unit) (assuming that the Manager elects to receive the divestment fee in the form of Units alone).

(4) The decrease in DPU comprises of 0.03 US cents per Unit from net property income of the Properties as well as 0.57 US cents per Unit from the Top-Up of the Properties and compensatory stipulated damages for Perth Amboy Self-Storage. Top-Up for the Properties has been fully depleted at the time of this announcement.

7.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the NAV as at 31 December 2021, as if UHREIT had completed the Divestment on 31 December 2021, is as follows:

	Effects of the Divestment	
	Before the Divestment	After the Divestment
NAV (US\$'000)	416,999	420,129
Number of Units ('000) ⁽¹⁾	558,660	558,821
NAV per Unit (US cents)	0.75	0.75

(1) Number of Units issued and to be issued as at 31 December 2021.

8. OTHER INFORMATION

8.1 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by an issuer into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

- (a) the net asset value of the assets to be disposed of, compared with UHREIT's net asset value;
- (b) the net profits attributable to the assets acquired or disposed of, compared with UHREIT's net profits; and
- (c) the aggregate value of the consideration given or received, compared with UHREIT's market capitalisation based on the total number of issued Units.

Rule 1006(d) of the Listing Manual does not apply in relation to the Divestment as no Units will be issued as consideration for the Divestment.

The relative figures for the Divestment using the applicable bases of comparison described above are set out in the table below.

Comparison of	Divestment	UHREIT	Relative Figure (%)
NAV (US\$'000)	44,400	416,999	10.6
Net property income (US\$'000)	3,159 ⁽¹⁾	41,946 ⁽²⁾	7.5
Sale Consideration against Market Capitalisation (US\$'000)	49,000	351,982 ⁽³⁾	13.9

- (1) Inclusive of Top-Up for the Properties and compensatory stipulated damages for Perth Amboy Self-Storage. Top-Up for the Properties has been fully depleted at the time of this announcement.
- (2) Based on UHREIT's latest announced consolidated results for the six months and full year ended 31 December 2021.
- (3) Market capitalisation is computed based on the weighted average price of a Unit on the SGX-ST of US\$0.6315 as at 22 February 2022, being the market day prior to the date of entry into the PSA.

As all of the relative figures computed on the bases set out in Rule 1006(a), Rule 1006(b) and Rule 1006(c) of the Listing Manual in respect of the Divestment exceed 5% but all of them do not exceed 50.0%, the Divestment is a discloseable transaction and is not subject to the approval of the Unitholders pursuant to Rule 1014(3) of the Listing Manual.

8.2 Interest of Directors and Controlling Unitholders

None of the directors of the Manager ("**Directors**") has an interest, direct or indirect, in the Divestment. The Directors are also not aware of any Controlling Unitholder (as defined in the Listing Manual of the SGX-ST) having any interest, direct or indirect, in the Divestment, and have not received any notification of interest in the Divestment from any Controlling Unitholder.

8.3 Director's Service Contracts

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

8.4 Documents for Inspection

Copies of the PSA and the valuation reports on the Properties by Cushman & Wakefield of New Jersey LLC are available for inspection by prior appointment during normal business hours at the registered office of the Manager at 80 Raffles Place, #28-21, UOB Plaza 2, Singapore 048624, during normal business hours for three months from the date of this announcement.

BY ORDER OF THE BOARD

Robert T. Schmitt
Chief Executive Officer

United Hampshire US REIT Management Pte. Ltd.
(Company Registration No. 201916768W)
As Manager of United Hampshire US Real Estate Investment Trust

23 February 2022

IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for the Units in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by UHREIT, United Hampshire US REIT Management Pte. Ltd., Perpetual (Asia) Limited (in its capacity as trustee of UHREIT), or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The holders of Units have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of UHREIT. The forecast financial performance of UHREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. The past performance of UHREIT is not necessarily indicative of its future performance.