



**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.)

---

## PROPOSED ACQUISITION OF UPLAND SQUARE SHOPPING CENTER

---

### 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 on 9 June 2022, UH US Upland 2022 LLC (a wholly-owned subsidiary of UHREIT) entered into a conditional purchase and sale agreement (the "**PSA**") with Cedar Paramount Upland #1, LLC, Cedar Paramount Upland #2, LLC, Cedar Paramount Upland #3, LLC, Cedar Paramount Upland #4, LLC, and Cedar Paramount Upland #5, LLC, Paramount Pad At Upland, LLC; Paramount Pad At Upland #2, LLC; Paramount Pad At Upland #3, LLC; Paramount Pad At Upland #4, LLC; and Paramount Pad At Upland #5, LLC (hereinafter collectively referred to as "**Seller**"), being unrelated third parties, to acquire the property known as Upland Square Shopping Center located at 180 Upland Square Drive, in the Borough of Pottstown, County of Montgomery, Commonwealth of Pennsylvania (the "**Property**") for a purchase consideration of approximately US\$85.7 million (the "**Purchase Consideration**") (the "**Acquisition**").

### 2. INFORMATION ON THE PROPERTY

The Property is a dominant, community shopping center located in Pottstown, Commonwealth of Pennsylvania, a borough in the northwest section of Montgomery County, the third highest populous county in the state. The shopping center is strategically positioned within the Philadelphia Core Based Statistical Area and benefits from strong regional and local accessibility as well as the proliferation of peripheral draws. Major roadway proximity to the Property provides the necessary access to more regional destinations throughout the area, while the property's anchor stores and diverse line up of complementary retailers provide the necessary combination of products and services to attract a strong customer base to the Property. The anchor tenant is Giant by Ahold Delhaize, a leading supermarket operator in the Mid-Atlantic region of the United States of America ("**U.S.**"). The balance of the tenant line up is highlighted by TJ Maxx, Ross and Burlington, three of the most dominant national off prices retailers, Petco, a national pet store chain, Ashley Furniture and Ulta Beauty Supplies. While not part of the acquisition, the property is shadow anchored by a Target discount department store and an AMC Theatre which provides additional draw to the center.

<b>Purchase Consideration</b>	US\$85,722,093 <sup>(1)</sup>
<b>Valuation</b>	US\$86,000,000 <sup>(2)</sup>
<b>NLA</b>	400,674 sq ft
<b>Land Tenure</b>	Freehold
<b>Year Built</b>	2009 / 2019 <sup>(3)</sup>
<b>Occupancy<sup>(4)</sup></b>	94.0%
<b>Number of Tenants</b>	35

<b>Implied Capitalisation Rate</b>	6.5%
<b>Weighted Average Lease Expiry (“WALE”) by Base Rental Income (as at 31 March 2022)<sup>(5)</sup></b>	5.6 years

**Notes:**

- (1) Subject to closing and post-closing adjustments in the ordinary close of business.
- (2) Based on valuation as at 1 May 2022 by Cushman & Wakefield of Connecticut, Inc., an independent valuer.
- (3) The Property was originally constructed in 2009 and further expanded in 2019.
- (4) Committed Occupancy as at 9 June 2022 was 100.0%.
- (5) Forward commitment WALE based on all leases, whether existing or committed, as at 31 March 2022 was 6.3 years.

### **3. DETAILS OF THE ACQUISITION**

#### **3.1 Valuation and Purchase Consideration**

The Purchase Consideration of approximately US\$85.7 million was agreed on a willing-buyer and willing-seller basis, taking into account, among other factors, the independent valuation of the Property conducted by Cushman & Wakefield of Connecticut, Inc. at US\$86.0 million as at 1 May 2022, 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).

The Purchase Consideration is 0.3% below the valuation of the Property of US\$86.0 million as at 1 May 2022.

#### **3.2 Estimated Total Acquisition Cost and Method of Financing**

The estimated total cost of the Acquisition (the “**Total Acquisition Cost**”) is approximately US\$90.3 million, comprising:

- (a) the Purchase Consideration of approximately US\$85.7 million;
- (b) the acquisition fee of approximately US\$0.9 million payable to the Manager for the Acquisition pursuant to the trust deed dated 18 September 2019 constituting UHREIT. Such acquisition 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
- (c) the estimated professional and other transaction fees and expenses incurred, or to be incurred, by UHREIT in connection with the Acquisition of approximately US\$3.7 million.

The Total Acquisition Cost will be funded by a combination of (i) the assumption of an existing mortgage loan on the property, (ii) the proceeds from the completion of the proposed divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage (the “**Divestment**”), further details of which were disclosed in the Manager’s announcements dated 23 February 2022 and 19 April 2022, and (iii) internal resources.

## 4. PRINCIPAL TERMS OF THE ACQUISITION

### 4.1 Payment of Deposit

Under the terms of the PSA, UHREIT shall pay a deposit of US\$2.25 million within 3 business days following the execution and delivery of the PSA. The deposit will be non-refundable, subject to the terms and conditions stated in the PSA. Subject to the conditions precedent in PSA being satisfied, the closing date is scheduled for 22 July 2022. The deposit shall be applied towards the Purchase Consideration payable at closing of the Acquisition.

### 4.2 Rental Arrangement in relation to Certain Leases

#### (a) Terms of the Arrangement

The PSA provides for escrows to be deposited by the Seller in relation to two leases to cover rent payments from those tenants for a period of time, in respect of which the leases have either not yet been executed by the tenants and the Seller or have been executed and not yet commenced their rental payments. In relation to these leases, an amount equal to approximately US\$3.3 million will be deposited in an escrow account by the Seller at closing. UHREIT will be able to draw down from the escrow account each month in an amount equal to the rental from closing until the earlier of (i) the date upon which all tenants commence the payment of rent in accordance with the terms of their leases; or (ii) all amounts in escrow have been disbursed to UHREIT ("**Rent Escrow Period**"). In the event that, prior to the expiration of the Rent Escrow Period, any such lease terminates or expires and UHREIT releases the premises to a new tenant or UHREIT enters into a renewal lease with an existing tenant that occupies a portion of the space, the rent escrows attributable to the terminated lease shall terminate on the date that such new tenant becomes obligated to pay rent, and any unused portions of such rent escrows shall be disbursed to the Seller.

#### (b) Safeguards

The Seller will deposit the rent escrow in a non-interest-bearing trust account of an escrow agent. On the last day of the Rent Escrow Period, the escrow agent shall disburse the remainder of the rent escrow, if any, to the Seller.

#### (c) Directors' Opinions

The directors of the Manager are of the view that the rental arrangement is on normal commercial terms and is not prejudicial to the interests of UHREIT and its minority unitholders.

### 4.3 Other Principal Terms of the PSA

Apart from the foregoing, the other principal terms of the PSA include the following:

- (a) customary provisions relating to the Acquisition, including representations and warranties;
- (b) the conditions precedent to UHREIT's obligation to proceed with the closing include:
  - (i) the Seller shall not be in default in the performance of any of its material obligations under the PSA beyond applicable notice and cure periods;
  - (ii) all of the representations and warranties of the Seller contained in the PSA shall be

true and correct as of the closing date;

- (iii) the Seller shall have executed a certain new lease in the form approved by UHREIT and terminated a certain existing lease, or the Seller shall fund the rent escrow as described in paragraph 4.2 above;
  - (iv) the lender for the existing mortgage loan over the Property (the "**Lender**") shall have approved in writing the assumption by UHREIT of such mortgage loan and the Lender and UHREIT shall have executed amendments to the mortgage loan documentation on terms acceptable to UHREIT in its sole discretion, including without limitation the Lender's approval of a pledge of 100% of the ownership interests in UH US Upland 2022 LLC to UHREIT's lenders for its existing loan facilities; and
  - (v) a certificate of completion shall have been received by UHREIT in respect of the Divestment of Perth Amboy Self-Storage; and
- (c) to the extent that the Seller's representations and warranties under the PSA survive the closing, they will survive for six (6) months following the closing date, and the Seller will not have any liability to UHREIT for a claim of misrepresentation or breach of warranty until UHREIT's claims aggregate more than US\$25,000, subject to a cap of US\$1,200,000.

**5. RATIONALE FOR AND BENEFITS OF THE ACQUISITION**

UHREIT's focus has been and continues to be on grocery-anchored and necessity-based retail properties and modern, climate-controlled self-storage facilities located in the U.S.



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




**5.1 Grocery Anchored Assets with Limited Competition and Barriers to Entry for New Retail Developments**

The Acquisitions will continue UHREIT's focus on grocery-anchored properties. The Property is anchored by superior tenants, including Giant by Ahold Delhaize, a leading supermarket operator in the Mid-Atlantic region of the U.S.

**5.2 Superior Tenant Profiles Augment Income Visibility**

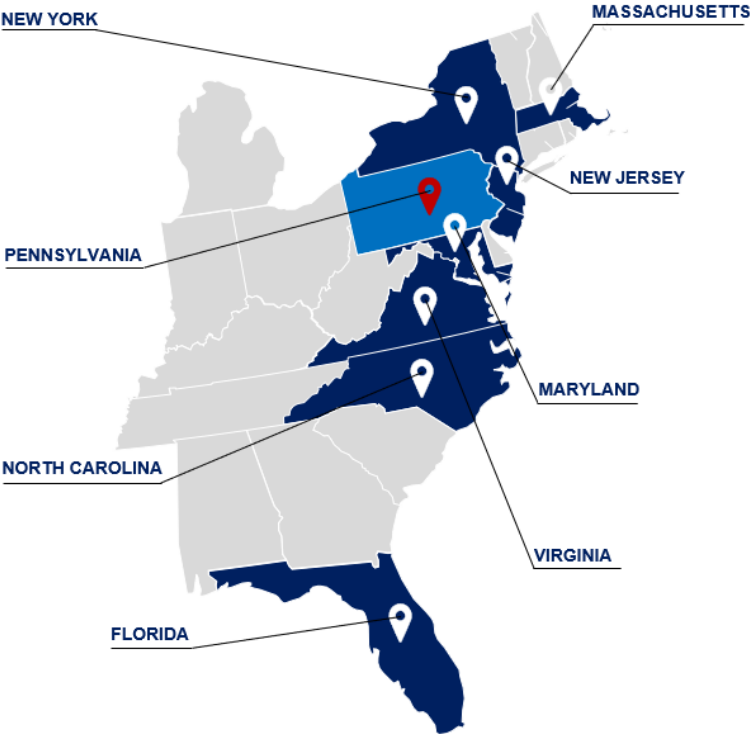
The Property has a diverse line up of superior tenants providing essential and complementary goods and services on long term leases which will augment UHREIT's income visibility. Key tenants include:

The Property	
Giant (Ahold Delhaize)  	<ul style="list-style-type: none"> <li>▪ Dominant grocery chain in the state of Pennsylvania by market share</li> </ul>
Petco  	<ul style="list-style-type: none"> <li>▪ One of the largest U.S. pet store chains with over 1,500 locations</li> </ul>

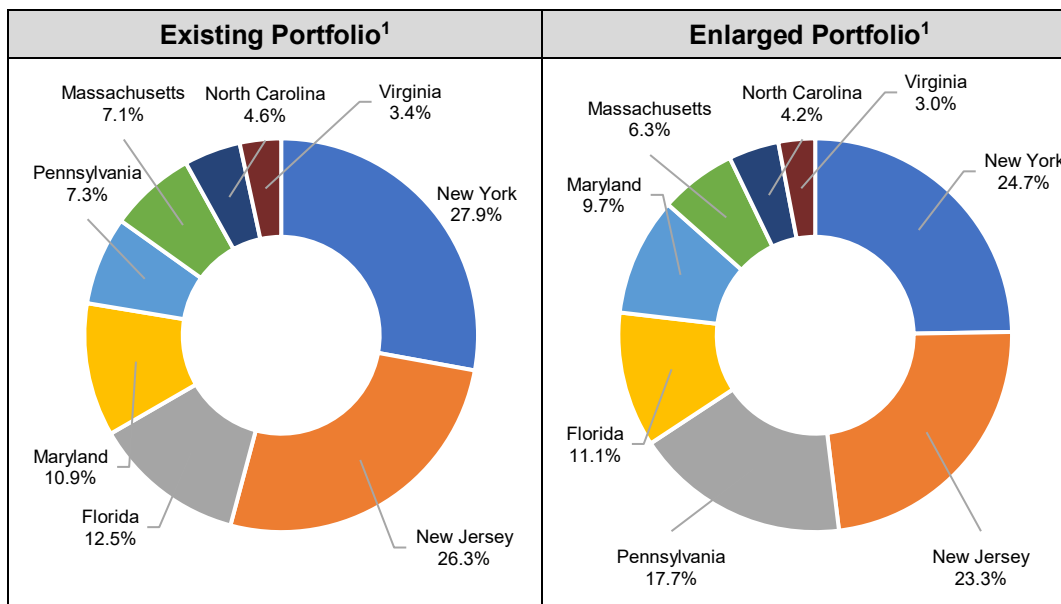
<p>TJ Maxx</p> 	<ul style="list-style-type: none"> <li>▪ Dominant off-price retailer with over 1,000 locations nationwide</li> </ul>
<p>Burlington</p> 	<ul style="list-style-type: none"> <li>▪ Superior off-price retailer with over 740 locations in 40 states</li> </ul>
<p>Ashley Furniture</p> 	<ul style="list-style-type: none"> <li>▪ Ashley is a leading furniture retailer with over 700 locations nationwide and operated by independent franchisees</li> </ul>

**5.3 Enhances Portfolio Diversification and Income Resilience**

The Acquisition will enhance UHREIT’s portfolio diversification by extending UHREIT’s presence on the Eastern Seaboard and strengthening the footprint in the state of Pennsylvania.



Post the Acquisition, no single state’s contribution to base rental income will exceed 25.0%, as illustrated by the breakdown of base rental income contribution below pre and post-Acquisition.



**Note:**

(1) By base rental income for the month of March 2022, based on existing leases as at 31 March 2022.

#### 5.4 Reduces Tenant Concentration Risk and Enhance Income Resilience

Post the Acquisition, the portfolio will exhibit reduced tenant concentration risk and enhanced income resilience as the contribution to base rental income from the Top 10 Tenants decreases from 60.2% to 56.8%, while maintaining the portfolio's focus on cycle agnostic tenants providing essential services as illustrated by the tables below.

Top Ten Tenants by Base Rental Income <sup>1</sup>			
	Tenant	Existing Portfolio	Enlarged Portfolio
1	Wakefern Food Corporation / ShopRite	12.1%	10.6%
2	BJ's Wholesale Club Holdings	11.6%	10.2%
3	Ahold Delhaize / Stop & Shop	8.9%	9.9%
4	Lowe's Companies	5.8%	5.1%
5	Walmart / Sam's Club	4.9%	4.3%
6	LA Fitness	4.8%	6.1%
7	Home Depot	4.1%	3.6%
8	Publix Super Markets	3.2%	2.8%
9	Price Chopper Supermarkets	3.2%	2.8%
10	PetSmart	1.6%	1.4%
	<b>Total</b>	<b>60.2%</b>	<b>56.8%</b>

**Note:**

(1) By base rental income of Grocery & Necessity Properties for the month of March 2022, based on existing leases as at 31 March 2022.

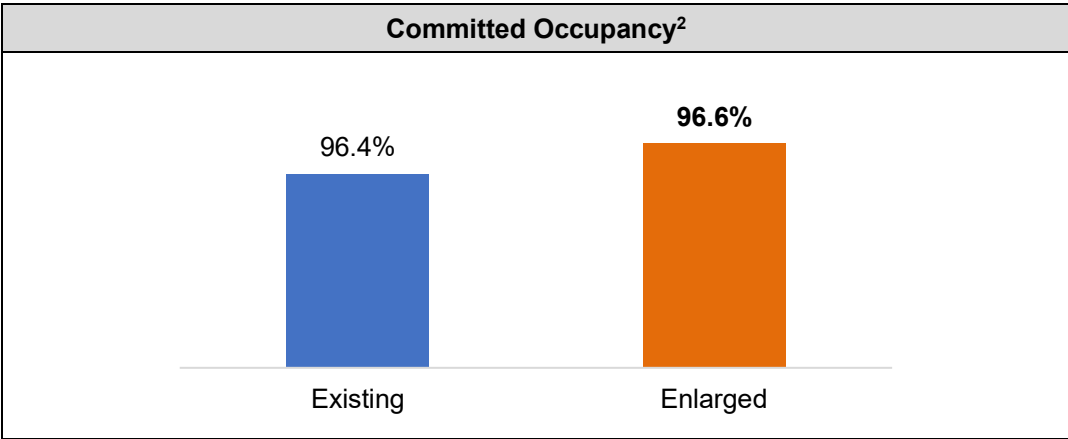
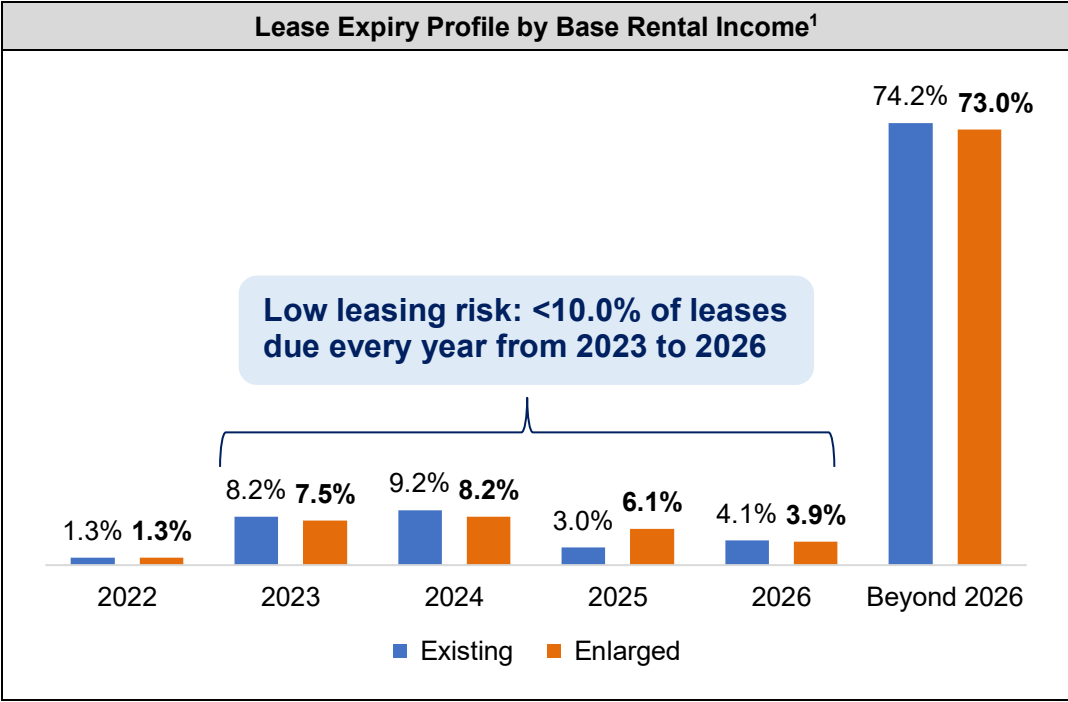
<b>Trade Sectors by Base Rental Income<sup>1</sup></b>			
	<b>Trade Sector</b>	<b>Existing Portfolio</b>	<b>Enlarged Portfolio</b>
1	Grocery and Wholesale	39.7%	37.2%
2	Self-Storage	10.0%	8.9%
3	Home Improvement	9.3%	8.2%
4	Food and Beverage	9.2%	8.7%
5	Consumer Goods	8.6%	12.7%
6	Consumer Services	8.0%	8.4%
7	Discounter/Outlet	5.5%	5.4%
8	Fitness	5.3%	6.4%
9	Financial Services	2.1%	2.0%
10	Auto Supply Store	0.8%	0.7%
11	Dental Services	0.6%	0.6%
12	Others	0.9%	0.8%

**Note:**

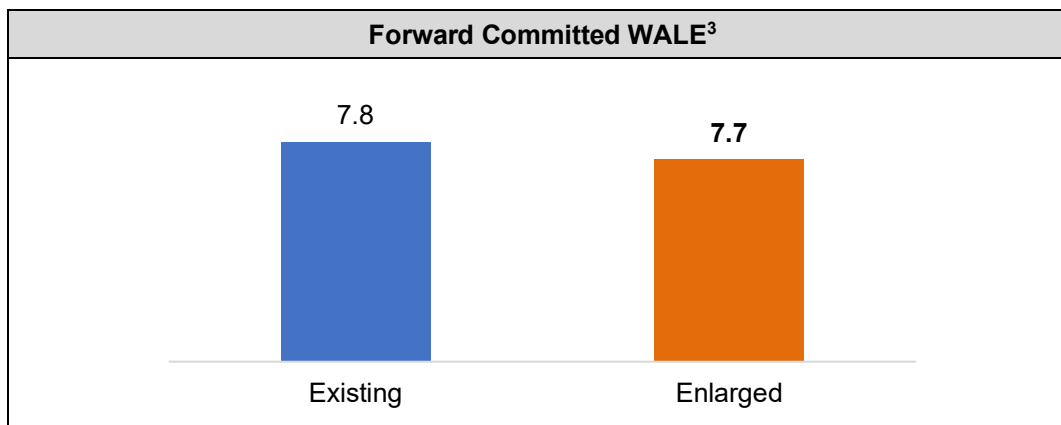
(1) By base rental income for the month of March 2022, based on existing leases as at 31 March 2022.

## **5.5 Improves Lease Expiry Profile and Committed Occupancy with Minimal Impact on Portfolio WALE**

Post the Acquisition, the enlarged portfolio will benefit from lower lease expiries in 2023 and 2024 and will continue to have less than 10% of leases expiring in any one year from 2023 to 2026. The committed occupancy of the enlarged portfolio will increase to 96.6%, which will be the highest occupancy since the initial public offering of UHREIT. Portfolio WALE will decrease marginally from 7.8 years to 7.7 years.





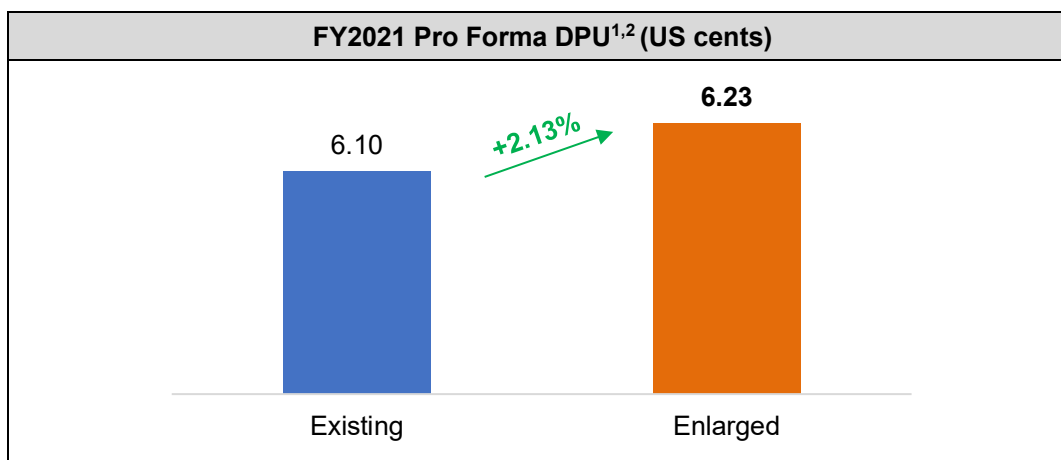


**Notes:**

- (1) By base rental income of Grocery & Necessity Properties for the month of March 2022, based on existing leases as at 31 March 2022.
- (2) Based on executed leases of Grocery & Necessity Properties, whether existing or committed, as at 31 March 2022.
- (3) Based on executed leases of Grocery & Necessity Properties by base rental income, whether existing or committed, as at 31 March 2022.

**5.6 DPU Accretive Acquisitions that Strengthen Portfolio Scale, Free Float and Liquidity**

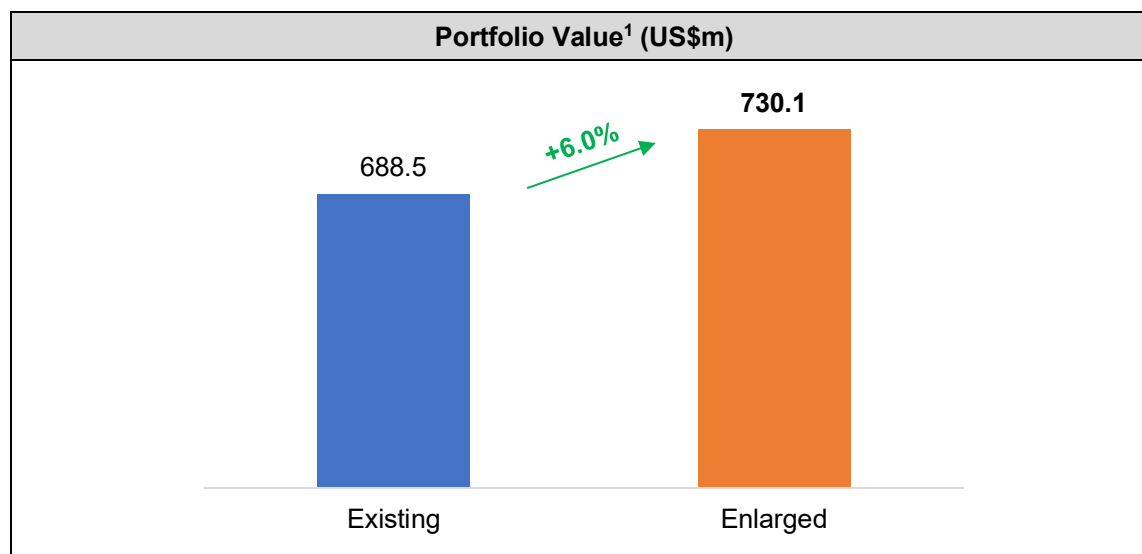
The Acquisition will improve unitholder returns as they are DPU (as defined herein) accretive while maintaining a prudent capital structure. The FY2021 (as defined herein) pro forma DPU is expected to increase by 2.13% after the Acquisition from 6.10 US cents to 6.23 US cents.



**Note:**

- (1) Assumes UHREIT had purchased, held and operated the Property for the entire financial year ended 31 December 2021, had an occupancy rate of 100.0% for the entire financial year ended 31 December 2021 and all leases, whether existing or committed as at 9 June 2022, were in place since 1 January 2021. Includes (a) approximately 0.4 million new Units (as defined herein) issued to the Manager as payment of 100% of the base fees in Units in relation to the services rendered to the Property for FY2021, based on the historical issue prices of management fees paid in Units for UHREIT for such periods, and (b) approximately 1.3 million new Units issued to the Manager as payment of 100% of the acquisition fees in Units in relation to the acquisition of the Property.

The Acquisition will increase the size of UHREIT's portfolio by 6.0% from US\$688.5 million to US\$730.1 million post Acquisition.



**Note:**

(1) As at 31 March 2022, as if the Acquisition and the Divestment were completed on 31 March 2022.

**6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION**

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition 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 audited financial statements of UHREIT for the financial year ended 31 December 2021 ("FY2021") as well as the following assumptions:

- (a) UHREIT had purchased, held and operated the Property for the entire FY2021, the Property had an occupancy rate of 100% for the entire FY2021 and all leases, whether existing or committed as at 9 June 2022, were in place since 1 January 2021, and all tenants were paying their rents in full;
- (b) (i) the Manager's divestment fee in respect of the Divestment and acquisition fee in respect of the Acquisition are paid in the form of approximately 1.6 million fee units at an issue price of US\$0.6589 per acquisition fee unit; and (ii) the Manager's management fee in relation to the Acquisition is paid entirely in the form of fee units;
- (c) the Divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage was completed on 1 January 2021 and all net proceeds of approximately US\$44.0 million will be used to partially finance the Total Acquisition Cost; and
- (d) the remainder of the Total Acquisition Cost will be funded by (i) the assumption of the existing mortgage loan with an aggregate amount of US\$43.0 million; and (ii) internal resources.

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 Acquisition.

## 6.1 Pro Forma DPU

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

	Effects of the Acquisition		
	Before the Divestment and the Acquisition	After the Divestment	After the Divestment and the Acquisition
Net property income (US\$'000)	41,946	38,787	44,349
Income available for distribution to Unitholders (US\$'000)	31,195	28,024 <sup>(2)</sup>	31,978
Number of Units ('000)	557,374 <sup>(1)</sup>	553,861 <sup>(3)</sup>	559,083 <sup>(3)</sup>
DPU (US cents)	6.10	5.50 <sup>(4)</sup>	6.23

**Notes:**

- (1) Number of Units issued as at 31 December 2021.
- (2) There will be no distribution in respect of the Divestment.
- (3) Number of Units issued as at 31 December 2021, inclusive of a total of 1.6 million for divestment fee Units and acquisition fee Units (issued at US\$0.6589 per Unit) (assuming that the Manager elects to receive the divestment and acquisition 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 Elizabeth Self-Storage and Perth Amboy Self-Storage as well as 0.57 US cents per Unit from the top-up of the two properties and stipulated damages for Perth Amboy Self Storage. Top-up for the two properties has been fully depleted at the time of this announcement.

## 6.2 Pro Forma NAV

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

	Effects of the Acquisition		
	Before the Divestment and the Acquisition	After the Divestment	After the Divestment and the Acquisition
NAV (US\$'000)	416,999	416,629	412,954
Number of Units ('000) <sup>(1)</sup>	558,660	558,810	560,306
NAV per Unit (US cents)	0.75	0.75	0.74

**Note:**

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

### 6.3 Pro Forma Aggregate Leverage

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on UHREIT's aggregate leverage as at 31 March 2022, as if UHREIT had completed the Acquisition on 31 March 2022, is as follows:

	Effects of the Acquisition		
	Before the Divestment and the Acquisition	After the Divestment	After the Divestment and the Acquisition
Aggregate Leverage (%)	39.0	39.0	42.7

## 7. OTHER INFORMATION

### 7.1 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(b) and 1006(c) of the Listing Manual:

- (a) the net profits attributable to the assets acquired or disposed of, compared with UHREIT's net profits; and
- (b) 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(a) and (e) of the Listing Manual does not apply in relation to the Acquisition there is no disposal involved. Rule 1006(d) of the Listing Manual does not apply in relation to the Acquisition as the Purchase Consideration is payable entirely in cash.

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

Comparison of	Acquisition (US\$'000)	UHREIT (US\$'000)	Relative Figure (%)
<b>Rule 1006(b)</b> Net property income <sup>(1)</sup> attributable to the assets acquired compared to UHREIT's net property income	5,562	41,946 <sup>(3)</sup>	13.3
<b>Rule 1006(c)</b> Aggregate value of consideration <sup>(2)</sup> to be given compared with UHREIT's market capitalisation <sup>(3)</sup>	85,722	338,212 <sup>(4)</sup>	25.3

**Notes:**

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) For the purposes of computation under Rule 1006(c), the aggregate consideration given by UHREIT is the Purchase Consideration for the Property.
- (3) Based on FY2021 audited financial statements.
- (4) Market capitalisation is computed based on the weighted average price of a Unit on the SGX-ST of US\$0.6040, being the market day prior to the date of entry into the PSA.

The Manager is of the view that the Acquisition is in the ordinary course of UHREIT's business as the Property is within the investment mandate of UHREIT and is in the same asset class and country as the existing properties in UHREIT's portfolio and accordingly, the Acquisition does not change the risk profile of UHREIT. As such, the Acquisition is not subject to Chapter 10 of the Listing Manual notwithstanding that the relative figure calculated under Rule 1006(c) exceeds 20.0%.

## **7.2 Interest of Directors and Controlling Unitholders**

Save for the Units in UHREIT held by the directors, none of the directors of the Manager has an interest, direct or indirect, in the Acquisition. 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 Acquisition, and have not received any notification of interest in the Acquisition from any Controlling Unitholder.

## **7.3 Director's Service Contracts**

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

## **7.4 Documents for Inspection**

Copies of the PSA and the valuation report on the Property by Cushman & Wakefield of Connecticut, Inc. 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

9 June 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.