

**ASCENDAS REAL ESTATE INVESTMENT TRUST**

(Constituted in the Republic of Singapore pursuant  
to a trust deed dated 9 October 2002 (as amended))

**MINUTES OF THE ANNUAL GENERAL MEETING**

**HELD BY ELECTRONIC MEANS ON THURSDAY, 29 APRIL 2021 AT 3.00 P.M.**

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**PRESENT**

Unitholders

*Present remotely* : As per attendance lists maintained by Ascendas Funds Management (S) Limited, the manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”) (the “**Manager**”)

**IN ATTENDANCE**

Board of Directors of the Manager

*Present in person* :  
Dr Beh Swan Gin Chairman and Non-Executive Independent Director  
Mr William Tay Wee Leong Executive Non-Independent Director and Chief Executive Officer

*Present remotely* :  
Mr Adrian Chan Non-Executive Independent Director  
Ms Chong Chiet Ping Non-Executive Independent Director  
Mr Daniel Ee Non-Executive Independent Director  
Mr Chinniah Kunnasagaran Non-Executive Independent Director  
Mr Manohar Khatani Non-Executive Non-Independent Director  
Mr Andrew Lim Non-Executive Non-Independent Director

Company Secretary

*Present in person* : Ms Mary Judith de Souza

Management

*Present in person* :  
Ms Yeow Kit Peng Head, Capital Markets & Investor Relations

*Present remotely* :  
Ms Koo Lee Sze Chief Financial Officer  
Ms Serena Teo Head, Portfolio Management  
Mr Lawden Tan Head, Investment and Business Development

Representative of Ernst & Young LLP

*Present remotely* : Mr Christopher Wong

Representatives of HSBC Institutional Trust Services (Singapore) Limited (as trustee of Ascendas Reit)

*Present remotely* : Ms Ciara Houlihan  
Ms Tan Ling Cher  
Ms Christine Png

**1. INTRODUCTION**

- 1.1. Ms Yeow Kit Peng, the Master of Ceremonies, welcomed unitholders of Ascendas Reit (“**Unitholders**”) to the annual general meeting of Unitholders (“**AGM**”) which was being held by electronic means.
- 1.2. Ms Yeow Kit Peng introduced Dr Beh Swan Gin, Chairman of the Board of directors of the Manager (“**Chairman**”). Chairman welcomed Unitholders to Ascendas Reit’s 2021 AGM and introduced Mr William Tay Wee Leong, the Chief Executive Officer of the Manager (“**CEO**”) as well as the other members of the Board of the Manager.
- 1.3. Chairman informed that there would not be a “live” question and answer session as stated in the Notice of AGM. Instead, the Manager’s responses to relevant and substantial questions received from the Unitholders had been published on SGXNet and Ascendas Reit’s corporate website prior to the AGM. CEO would also address some key questions during his presentation.
- 1.4. CEO delivered his presentation. A copy of his presentation slides has been attached as Appendix 1.
- 1.5. The proceedings of the AGM were then handed over to Chairman.
- 1.6. Chairman noted that a quorum was present and the Notice of AGM was taken as read.
- 1.7. Voting for all the resolutions tabled at the AGM would be via proxy through the Chairman of the AGM. Chairman would vote on Unitholders’ behalf in accordance with their specified voting instructions for each resolution. All resolutions were voted by poll and votes were counted based on the proxy forms submitted to the Manager by post or email at least 72 hours before the AGM. The proxy forms submitted to the Manager had been reviewed and the number of votes in respect of each resolution had been counted and verified by the scrutineers, DrewCorp Services Pte Ltd.

**2. AGENDA ITEMS**

- 2.1. Chairman proceeded to announce the voting results in relation to the resolutions tabled for Unitholders’ approval at the AGM.
- 2.2. All agenda items were proposed as ordinary resolutions.
- 2.3. Each of the resolutions as set out in the Notice of AGM were passed, and the details of the resolutions and their results have been attached as Appendix 2.
- 2.4. The questions relating to the resolutions that were submitted by Unitholders in advance of the AGM and the respective responses have been summarised and attached as Appendix 3.

**3. CLOSURE**

There being no other business, Chairman thanked all who attended the AGM and declared the AGM closed. The AGM ended at 3.23 p.m.

Confirmed by:

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Dr Beh Swan Gin  
Chairman of the Meeting



# 2021 Annual General Meeting

Thursday, 29 April 2021 3.00pm

# Disclaimers

- This presentation 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 and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support Ascendas Reit's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.
- The value of Units in Ascendas Reit ("Units") and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that unitholders of Ascendas Reit may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.
- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

# Agenda

FY2020 Financial & Operational Highlights

Value Enhancing Investments

Prudent Capital Management

Proactive Asset Management

Because Tomorrow Matters

- Diversified Portfolio
- Sustainability

Outlook & Strategy

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# FY2020 Financial & Operational Highlights

505 Brannan Street  
San Francisco, United States

# FY2020 Financial Highlights



Distributable Income  
**S\$538.4 m**  
**+6.7% y-o-y**

Mainly attributable to newly acquired properties in the United States, Australia and Singapore



Distribution per Unit  
**14.688 cents**  
**-6.1% y-o-y**

Excluding the one-off distribution of rollover adjustments from prior years, DPU would have decreased by 4.5% y-o-y



Total Assets  
**S\$15.1 b**  
**+9.1%**  
**vs 31 Dec 2019**

Completed the acquisitions of S\$973.2 m worth of properties across the United States, Australia and Singapore

# FY2020 Operational & Capital Management Highlights



## Stable Portfolio Occupancy

**91.7 %** (as at 31 Dec 2020)  
From 90.9% as at 31 Dec 2019



## Healthy Aggregate Leverage

**32.8 %**  
From 35.1% as at 31 Dec 2019



## Positive Portfolio Rent Reversion<sup>#</sup>

**+3.8%**



## Stable Same-store Valuation

**S\$12.83 b**  
vs. S\$12.70 b as at 31 Dec 2019

<sup>#</sup> Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases in multi-tenant buildings that were signed in FY2020 and average gross rents are weighted by area renewed.



# Value Enhancing Investments



# Value Enhancing Investments



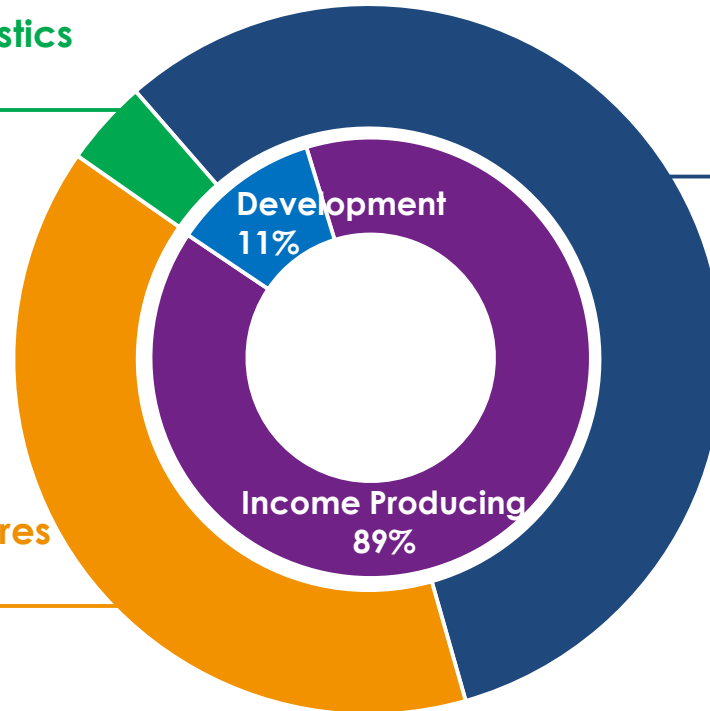
2 logistics properties in Australia: S\$90.2 m  
(developments completing in 2021)




11 data centres in Europe: S\$904.6 m  
(acquired in Mar 2021)

Logistics  
4%


Data  
Centres  
39%




Business  
Space  
57%



25% stake in business park in Singapore: S\$104.6 m (acquired in Mar 2020)



2 offices in the US: S\$768.0 m (acquired in Nov 2020)



2 suburban offices in Australia: S\$445.0 m  
(1 acquired in Jan 2021 & 1 development completing in 2022)

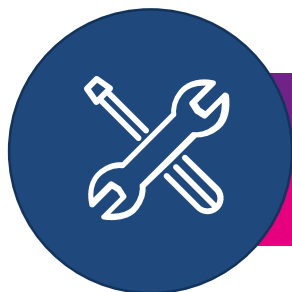
**Total Announced Acquisitions**  
**S\$2.3 b<sup>(1)</sup>**



Divested 3 Singapore properties for S\$125.3 m (sales proceeds) to recycled capital

(1) Refers to acquisitions announced in FY2020 and 1Q FY2021.

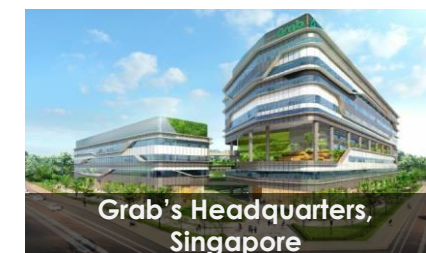
# Continuously Improving the Portfolio



Completed 7 asset enhancement initiatives in Singapore and Australia : S\$34.2 m

7 on-going projects to develop/rejuvenate/reposition properties: S\$337.5 m

On-going Projects	City/Country	Estimated Total Cost (\$m)	Estimated Completion Date
<b>Development</b>		<b>184.6</b>	
Built-to-suit business park development for Grab	Singapore	184.6	3Q 2021
<b>Redevelopments</b>		<b>119.3</b>	
UBIX	Singapore	35.0	4Q 2021
iQuest@IBP	Singapore	84.3	1Q 2023
<b>Asset Enhancement Initiatives</b>		<b>33.6</b>	
21 Changi South Avenue 2	Singapore	4.7	2Q 2021
100 & 108 Wickham Street	Brisbane, Australia	10.1	2Q 2021
Changi Logistics Centre	Singapore	11.3	2Q 2022
Hansapoint	Singapore	7.5	1Q 2022
<b>TOTAL:</b>		<b>337.5</b>	

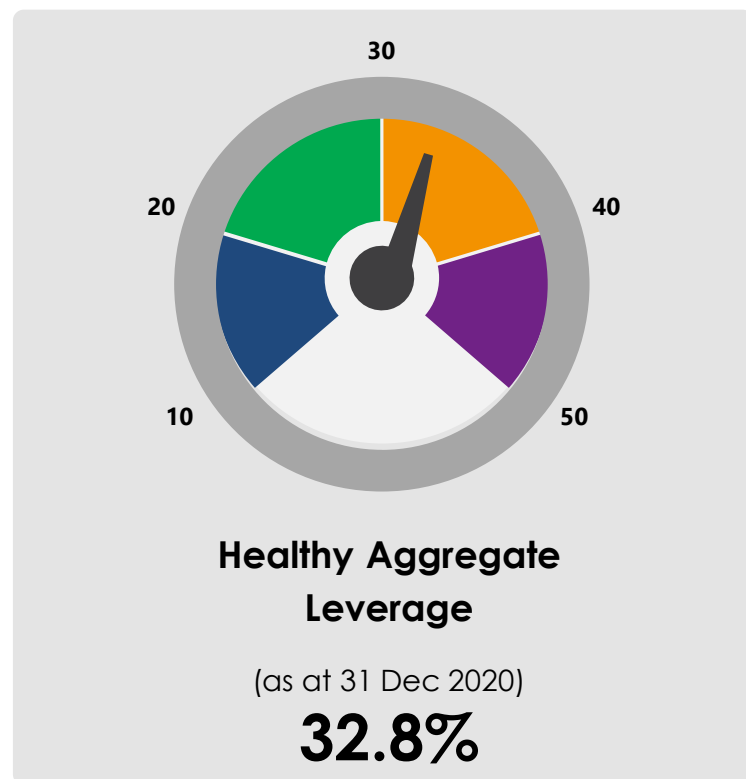




# Prudent Capital Management

# Healthy Balance Sheet

- Aggregate leverage is healthy at 32.8% <sup>(1)(2)</sup> (31 Dec 2020)
- Robust financial metrics that exceed bank loan covenants by a healthy margin
- Available debt headroom of ~S\$5.0 b <sup>(1)(2)</sup> to reach MAS's aggregate leverage limit of 50%



(1) Excludes the effects of FRS 116.

(2) Includes interests in JV.

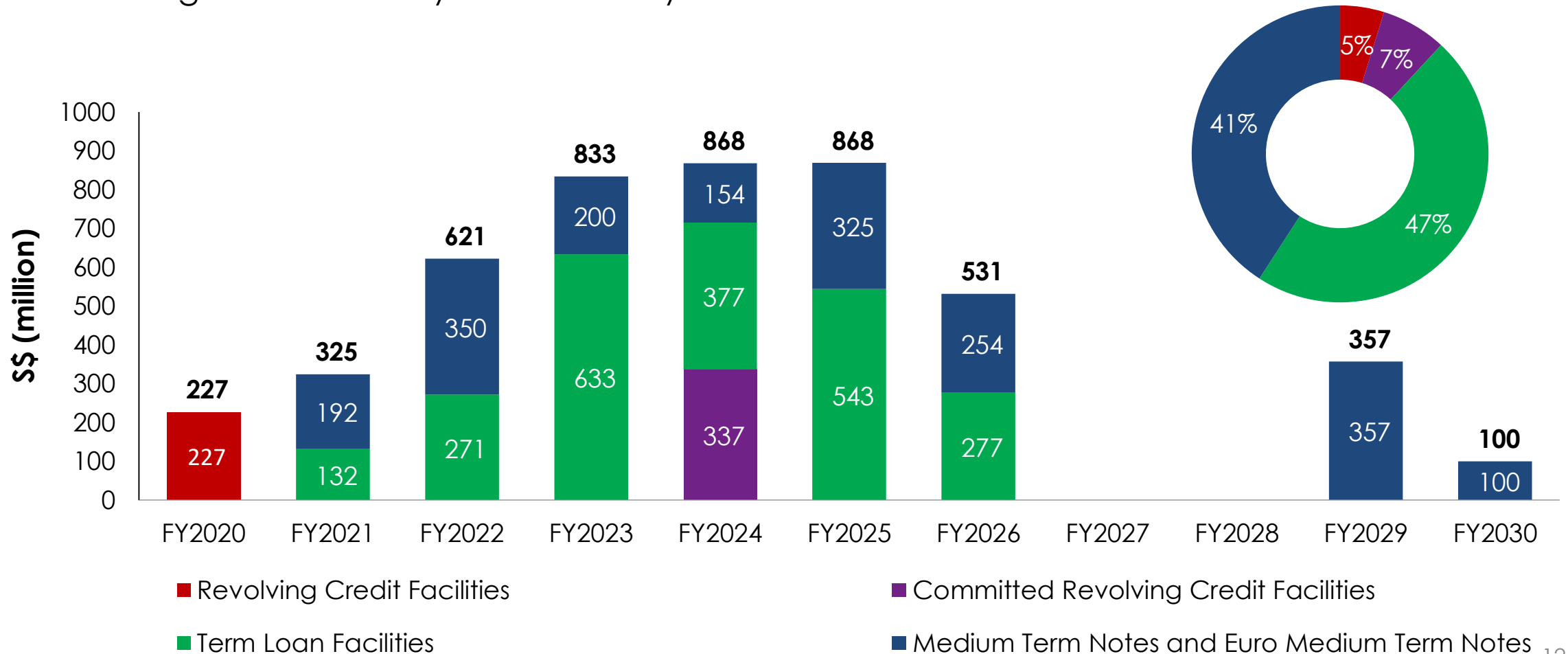
(3) Based on the trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees

(4) Net debt includes lease liabilities arising from FRS 116, 50% of perpetual securities, offset by cash and fixed deposits.



# Well-spread Debt Maturity Profile

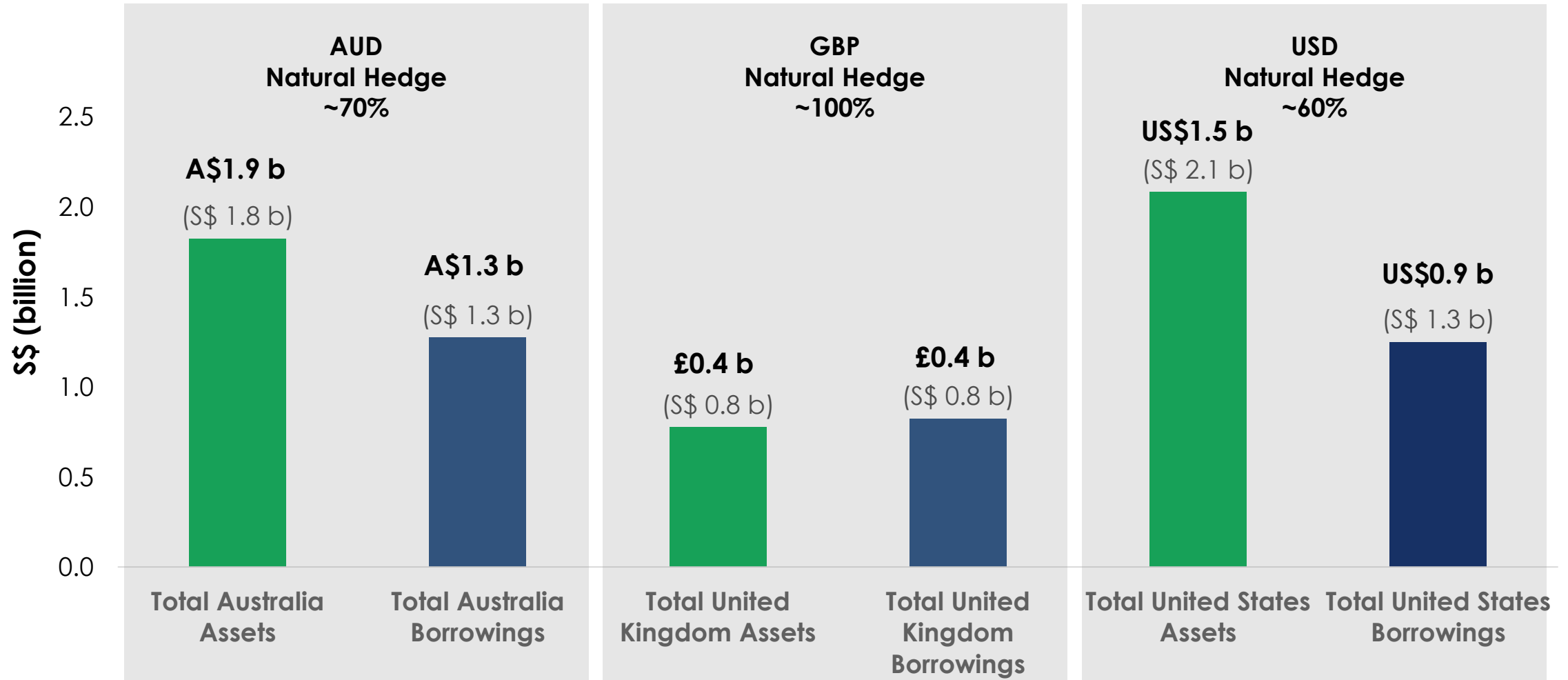
- Well-spread debt maturity with the longest debt maturing in FY2030
- Average debt maturity stable at 3.7 years





# High Natural Hedge

- Maintained high level of natural hedge for Australia (~70%), the United Kingdom (~100%) and United States (~60%) to minimise the effects of adverse exchange rate fluctuations



# Annual Property Revaluation

- Total valuation of 197 investment properties<sup>(1)</sup> was **S\$13.70 b**
- **Stable same-store valuation** for 194 properties<sup>(2)</sup> at S\$12.83 b (vs. S\$12.70 b @ 31 Dec 2019)

As at 31 Dec 2020	Valuation (S\$b)	Weighted Average Cap Rates	Cap Rates Range
Singapore portfolio (93 properties)	9.02	6.01%	5.25% - 7.25%
United States portfolio (30 properties) <sup>(3)</sup>	2.08	5.79%	4.75% - 7.25%
Australia portfolio (36 properties) <sup>(4)</sup>	1.82	5.62%	4.75% - 6.75%
United Kingdom portfolio (38 properties) <sup>(5)</sup>	0.78	5.81% <sup>(6)</sup>	4.26% - 7.50% <sup>(6)</sup>
<b>Total Portfolio (197 properties)</b>	<b>13.70</b>		

(1) Excludes 25 & 27 Ubi Road 4 and iQuest@IBP which are under redevelopment

(2) Excludes 3 Singapore properties which were divested in FY2020 (Wisma Gulab, 202 Kallang Bahru and 25 Changi South Street 1), 3 properties under redevelopment (25 Ubi Road 4, 27 Ubi Road 4 and iQuest@IBP) and 3 properties acquired in FY2020 (254 Wellington Road, 510 Townsend Street and 505 Brannan Street).

(3) All S\$ amount based on exchange rate of US\$1.00: S\$1.34786 as at 31 Dec 2020. Valuation for 510 Townsend Street and 505 Brannan Street are as at 15 October 2020.

(4) All S\$ amount based on exchange rate of A\$1.00: S\$0.98003 as at 31 Dec 2020.

(5) All S\$ amount based on exchange rate of £1.00: S\$1.77775 as at 31 Dec 2020.

(6) Refers to equivalent yield, which reflects the current level of return on property investments in the United Kingdom.



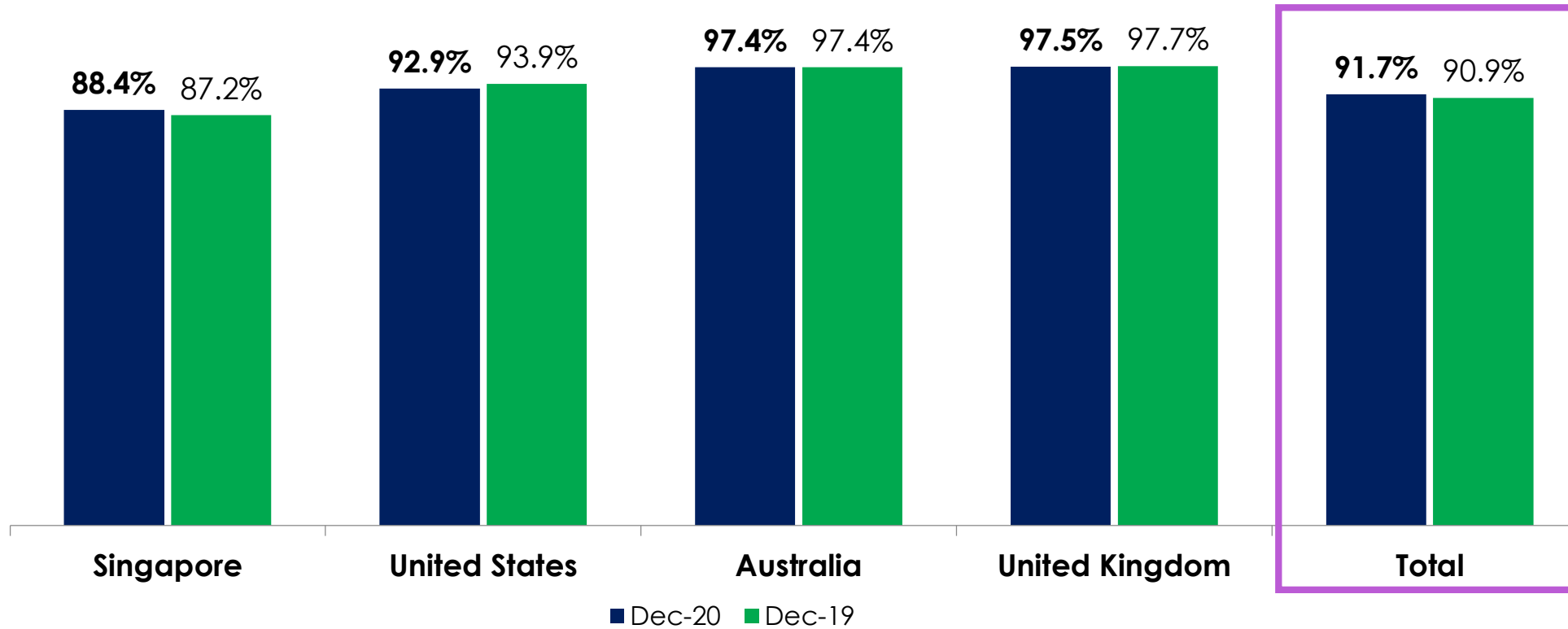
An aerial photograph of a large industrial facility, likely a warehouse or distribution center. The main building has a long, low profile with a grey metal roof. To the right, a long row of red and white semi-trailers is parked at loading docks. A large parking lot filled with cars is visible to the left of the building. The surrounding area includes other industrial buildings, green fields, and a road. A semi-transparent white trapezoidal shape is overlaid on the left side of the image, containing the text.

# Proactive Asset Management

7 Greville Street, Sydney, Australia

# Healthy Portfolio Occupancy

- Stable portfolio occupancy rate



Gross Floor Area (sqm) <sup>(1)</sup>	Singapore	United States	Australia	United Kingdom	Total
	3,001,293	357,065	828,197 <sup>(2)</sup>	509,908 <sup>(3)</sup>	4,696,463

(1) Gross Floor Area as at 31 Dec 2020.

(2) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.

(3) Gross Floor Area for United Kingdom portfolio refers to the Gross Internal Area.

# Portfolio Rental Reversions in FY2020

- In FY2020, a portfolio rental reversion of **+3.8%** was recorded for leases renewed
- FY2021 portfolio rental reversion is expected to be positive low single-digit in view of current market uncertainties

% Change in Renewal Rates for Multi-tenant Buildings <sup>(1)</sup>	FY2020	FY2019
Singapore	3.1%	6.2%
United States	16.6%	N.A.
Australia	14.0%	1.0%
United Kingdom	_ (2)	_ (2)
<b>Total Portfolio :</b>	<b>3.8%</b>	<b>6.0%</b>

(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.

(2) There were no renewals signed in the period for the respective segments.



# Stable Weighted Average Lease Expiry (By gross revenue)

- Portfolio Weighted Average Lease Expiry (WALE) stood at 4.1 years

WALE (as at 31 Dec 2020)	Years
Singapore	3.5
United States	5.1
Australia	4.1
United Kingdom	8.8
<b>Portfolio</b>	<b>4.1</b>



# Because Tomorrow Matters

- Diversified Portfolio
- Sustainability

# We are Building an Even Stronger Portfolio

Investment Properties grew 6.7% y-o-y to S\$13.7 b

## United States

- San Francisco
- San Diego
- Raleigh
- Portland

S\$2.1b

S\$0.8b

## United Kingdom

- West Midlands
- North West England
- South East England
- Yorkshire & the Humber
- East Midlands
- East England

S\$9.0b

## Singapore

S\$1.8b

## Australia

- Sydney
- Melbourne
- Brisbane

### Resilient Asset Classes

Industrial  
27%

Business Space (1)  
48%

Logistics  
25%

S\$13.7 b

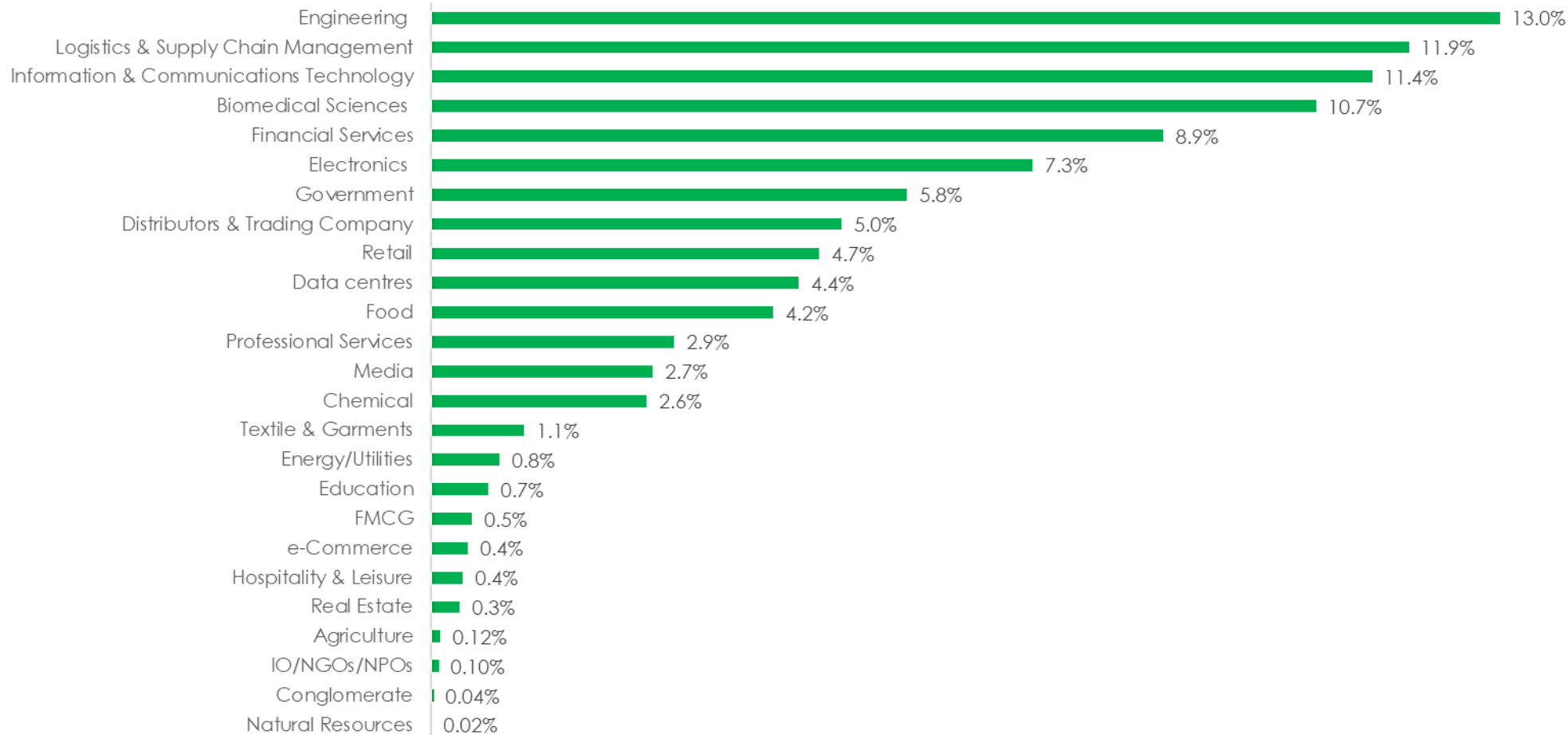
Geographically located in key cities; 66% Singapore, 34% Overseas

Note: Information as at 31 Dec 2020

(1) Business Space includes business & science Park properties, suburban offices and offices.

# Diversified Customer Base (By Monthly Gross Revenue)

- Diversified customer base across more than 20 industries



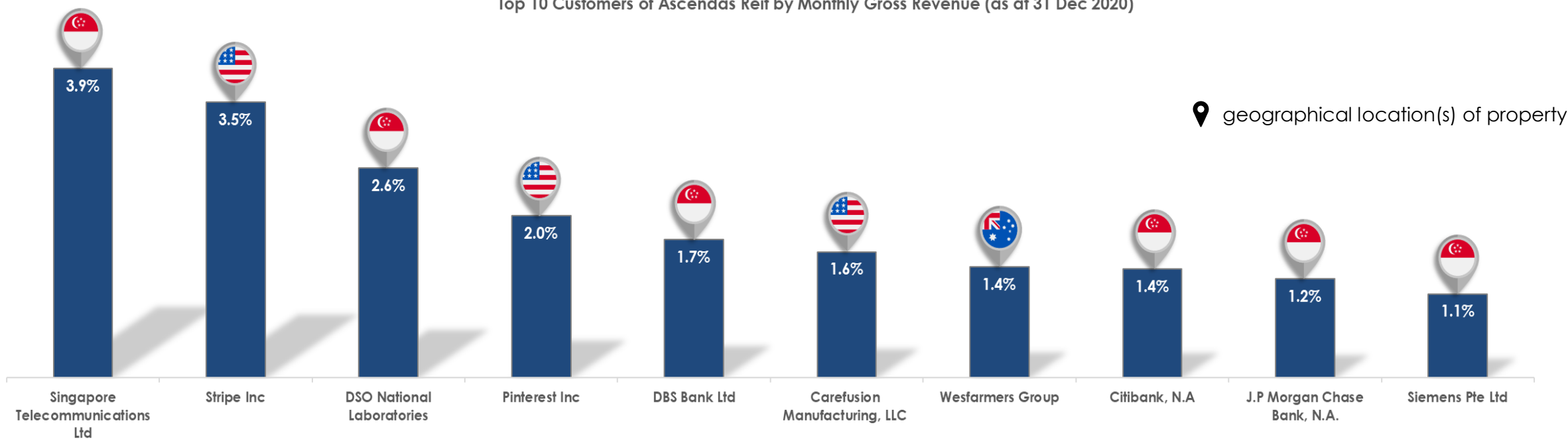
More than  
20 industries



# Good Quality Customer Base

- Total customer base of more than 1,450 tenants
- Top 10 customers (as at 31 Dec 2020) account for about 20.4% of monthly portfolio gross revenue\*
- On a portfolio basis, weighted average security deposit is about 5.9 months of rental income.

Top 10 Customers of Ascendas Reit by Monthly Gross Revenue (as at 31 Dec 2020)



Note: Information as at 31 Dec 2020

\* Monthly gross revenue has been adjusted to exclude the government grant related to property tax and rent relief support provided to tenants amid the COVID-19 pandemic.

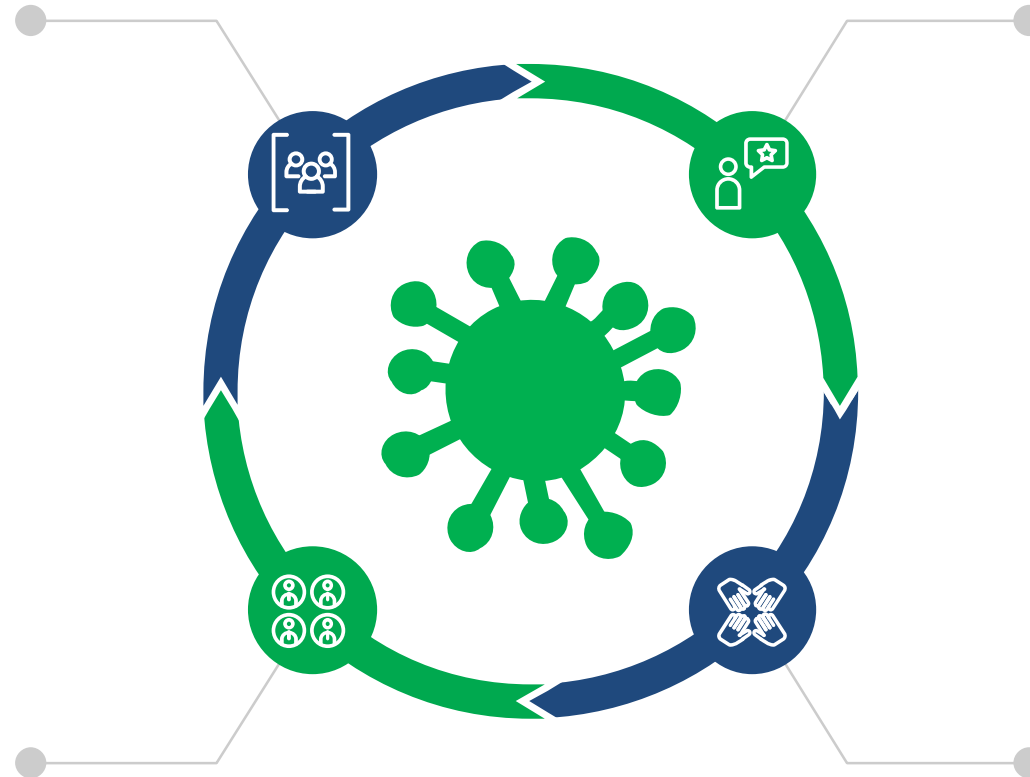
# Sustainability: Navigating COVID-19 with our Stakeholders

## Employees

- Implemented various **precautionary measures to safeguard the safety and total well-being of its employees** e.g. work-from-home, continued engagement via online platforms, online-learning

## Suppliers

- Worked closely with suppliers to ensure business continuity** e.g. temporary lodging was provided for about 80 technicians at Ascendas Reit's properties in Singapore<sup>(1)</sup> to mitigate the impact from dormitory lockdown.



## Customers

- Tailored approach** towards supporting customers across its four operating countries depending on developments in the COVID-19 situation
- Supported affected customers with **S\$17.8 million in rent rebates**, at times going above and beyond local regulations

## Community

- Over **269 volunteer hours** were clocked by the Manager's employees at volunteering events including Temasek Foundation's #BYOBclean initiative where they distributed free hand sanitisers across CapitaLand malls in Singapore

(1) With approval provided under Ministry of Manpower's Temporary Occupation License for Factory/Office Space

# Sustainability: Commitment to the Environment

## Green Financing



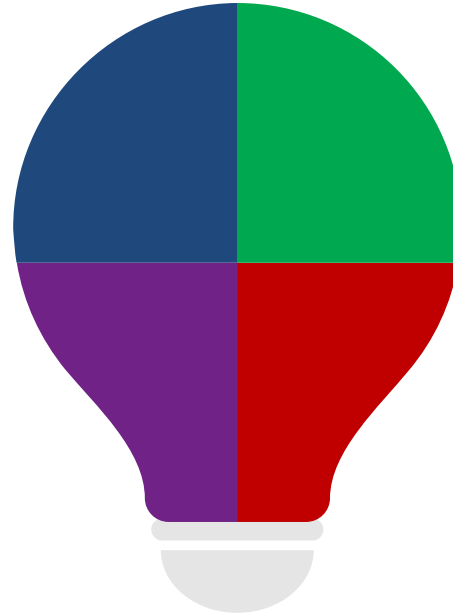
- Established Green Finance Framework in FY2020
- Issued **maiden S\$100 million Green Bond** and **S\$300 million Green Perpetual Securities**

## Green Buildings



- Owns **39 Green certified properties in total portfolio**
- In Singapore:
  - (a) Largest number of BCA Green Mark properties amongst S-REITs: 34<sup>^</sup>
  - (b) LogisTech is the first industrial building in Singapore awarded Green Mark Platinum Super Low Energy (SLE) status

<sup>^</sup> Includes 3 single-tenant properties



## Renewable Energy

- **40 Electric Vehicle (EV) charging points** – the largest no. of public EV charging points in Singapore by a S-REIT
- **10,385 MWh of solar power generated in 2020** from solar farms on 6 of our properties. It is the largest combined solar installation in Singapore for a real estate company



## Leveraging Technology

- Smart Urban Co-Innovation Lab located at The Galen, is **Southeast Asia's first industry-led innovation lab for smart cities solutions development**
- Brings together industry leaders to co-create and test innovations within the Singapore Science Parks



# Outlook & Strategy

# Outlook & Strategy



The global economy is expected to recover in 2021 but it may be uneven across geographies and industry sectors



Our priority is to keep building a stronger and profitable portfolio for the longer term



Ascendas Reit's strong financial profile allows us to seize good opportunities to grow

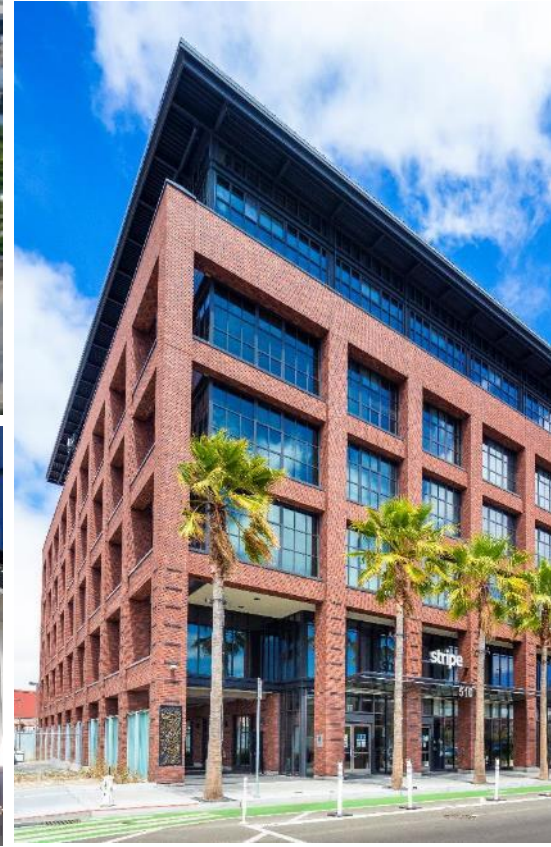


We will maintain our long-standing strategy of diversifying across multiple developed countries and asset classes



At the same time, we will exercise prudence, maintain a strong balance sheet and proactively manage the portfolio to deliver sustainable returns for Unitholders





# Thank you

Questions and Answers Link:

<https://ir.ascendas-reit.com/agm.html>





## ASCENDAS REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))

### RESULTS OF ANNUAL GENERAL MEETING HELD ON 29 APRIL 2021

Ascendas Funds Management (S) Limited, as manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”, and the manager of Ascendas Reit, the “**Manager**”), wishes to announce that at the Annual General Meeting (“**AGM**”) of holders of units of Ascendas Reit held on 29 April 2021, all resolutions set out in the Notice of AGM dated 7 April 2021, and put to vote by poll at the AGM, were duly passed.

The information as required under Rule 704(16) of the Listing Manual of Singapore Exchange Securities Trading Limited is set out below:

#### Breakdown of all valid votes cast at the AGM

Resolution number and details	Total number of units represented by votes for and against the relevant resolution	For		Against	
		Number of units	As a percentage of total number of votes for and against the resolution (%)	Number of units	As a percentage of total number of votes for and against the resolution (%)
<p><b>Ordinary Resolution 1</b></p> <p>Adoption of the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Reit, the Statement by the Manager, the Audited Financial Statements of Ascendas Reit for the financial year ended 31 December 2020 and the Auditors’ Report thereon.</p>	2,509,985,248	2,504,914,022	99.80	5,071,226	0.20

Resolution number and details	Total number of units represented by votes for and against the relevant resolution	For		Against	
		Number of units	As a percentage of total number of votes for and against the resolution (%)	Number of units	As a percentage of total number of votes for and against the resolution (%)
<b><u>Ordinary Resolution 2</u></b> Re-appointment of Ernst & Young LLP as Auditors of Ascendas Reit and grant of authority to the Manager to fix the Auditors' remuneration.	2,548,570,849	2,542,167,940	99.75	6,402,909	0.25
<b><u>Ordinary Resolution 3</u></b> Authority for the Manager to issue units in Ascendas Reit (" <b>Units</b> ") and to make or grant instruments convertible into Units.	2,551,298,758	2,218,329,847	86.95	332,968,911	13.05
<b><u>Ordinary Resolution 4</u></b> Renewal of the Unit Buy-Back Mandate.	2,550,970,052	2,550,195,714	99.97	774,338	0.03





A Member of CapitaLand

(Constituted in the Republic of Singapore  
pursuant to a trust deed dated 9 October 2002 (as amended))

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**Annual General Meeting to be held on 29 April 2021  
Responses to Substantial and Relevant Questions**

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A. Strategy and Outlook	
1.	<b>I invest in Ascendas Reit because of its strong track record of growing DPU, growing NAV and high ICR. Will that continue with the new organisation structure?</b>
	<p><b>Response:</b></p> <p>Our priority is to build a strong and profitable portfolio for the long term. We will continue to focus on executing our long-standing strategy of diversifying across multiple developed countries and asset classes, and manage our capital prudently to create value for all Unitholders.</p> <p>The proposed restructuring of Ascendas Reit's sponsor, Capitaland, will not affect the above, nor the day-to-day business activities or ongoing operations of Ascendas Reit.</p>
2.	<b>What steps are the Company taking to improve its share price performance?</b>
	<p><b>Response:</b></p> <p>All companies will experience short-term fluctuations in their share prices. There are many factors that drive share price movements.</p> <p>Our strategy is to concentrate on acquiring good quality and accretive properties. We have a long-term horizon for our investments. We aim to deliver predictable distributions and achieve long-term capital stability for Unitholders.</p>

B. Investments	
3.	<b>I note that the company only owns a 25% stake in Galaxis. Who owns the rest of the 75% stake in Galaxis? Does the company plan intend to acquire the remaining stake in Galaxis?</b>
	<p><b>Response:</b></p> <p>The remaining 75% stake in Galaxis is held by our Sponsor, CapitaLand.</p> <p>We continue to be in discussion with our Sponsor and will evaluate any opportunities that are made available to Ascendas Reit.</p>

4.	<p><b>Understand that the data centres bought from Digital Reality are older and less differentiated which do not have modern power supply, back-up power supply, and cooling systems. As such what are the plans to bring these assets to modern assets? How much will be needed to refurbish these assets and when will the refurbishment take place to bring these assets to modern specs?</b></p>
	<p><b>Response:</b></p> <p>The portfolio consists of both Tier 2 and Tier 3 rated data centres. Each standard has its own captive and potential tenants.</p> <p>Our intention is to cover a diversified group of tenants in financial services, telecommunications, information technology, retail (supermarkets) and education sectors. The data centres are currently well-occupied at 97.9%.</p> <p>Over time, we plan to upgrade the mechanical and electrical systems (M&amp;E) to meet the market and regulatory requirements in each of the markets. As the portfolio comprises eight triple net powered shells and three co-location assets with a long weighted average lease to expiry of 4.6 years, we will execute the upgrading plans at an appropriate time, taking into account the existing leases with our tenants.</p>
5.	<p><b>I note that the company owns only one single property (35 Baile Road, Perth) in the state of Western Australia. The property does look “out of place”. Are there any plans to divest this property? Why did the company acquire this property in the first place? What attracted the company to acquire this property in the first place?</b></p>
	<p><b>Response:</b></p> <p>Ascendas Reit made its first entry into Australia via a portfolio acquisition worth S\$1.0 billion in 2015. The property, 35 Baile Road in Perth, was one of the 26 properties within the portfolio.</p> <p>The property was 100% occupied at the point of acquisition and continues to be 100% leased to the same tenant today, generating a steady stream of cashflow for Ascendas Reit.</p> <p>Valuation of the property has also increased to A\$40.5 million (as at 1 December 2021, 6% higher than the A\$38.2 million as at 31 March 2016).</p> <p>We will continue to evaluate the performance of all our properties to optimise returns for Unitholders.</p>

### C. Capital Management

6.	<p><b>I noticed that the gearing of Ascendas Reit was in the low 30%+. In fact, the gearing level dropped compared to last year. It is rather low vis-a-vis other REITs and trusts.</b></p> <p><b>Are there plans to lever up to a higher but still comfortable gearing level, closer to 40% (bearing in mind the regulatory limit is now 50%, up from 45%, conditional upon an ICR of at least 2.5x and also that we are in a low interest rate environment)?</b></p>
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	<p><b>Response:</b></p> <p>There are advantages from having a low and healthy gearing e.g. (1) lower interest expense; (2) ability to act quickly when the opportunity arises; (3) maintain our Moody's rating of A3; and (4) secure borrowings at competitive rates.</p> <p>Nonetheless, we strive to strike a balance between gearing and cost, and will manage the gearing ratio at a level that will optimise Ascendas Reit's funding structure to deliver value to Unitholders.</p>
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D. Asset Management	
<b>7.</b>	<p><b>From the section "In Conversation with CEO":</b>  <b><i>About 21% of the Singapore portfolio rental income is due for renewal this year. In view of current market uncertainties and excess supply of certain industrial properties in Singapore, we expect overall renewal rates to be in the low single digit positive range.</i></b></p> <p><b>Please provide more colour of what these "certain industrial properties" that are showing excess supply are?</b></p> <p><b>When does the company see this "excess supply" situation abating?</b></p>
	<p><b>Response:</b></p> <p>Based on JTC's latest <a href="#">Quarterly Market Report for 1Q 2021</a>, around 2.4 million sqm of new industrial space is expected to complete in the remaining three quarters of 2021. This is higher than the new supply levels in the past five years which ranged between 0.4 million to 1.9 million sqm.</p> <p>Multiple-user factories (light industrial and high specifications properties) make up 31% of the new supply, warehouses 17% and business park 8%. The remaining 44% of the new supply are single-user factories.</p> <p>In the near term, we expect competition for tenants within the industrial and warehouse segments to remain keen as a result of the high levels of new supply and subdued demand as companies are likely to stay cautious in view of the lingering global uncertainties.</p>
<b>8.</b>	<p><b>Can you provide updates on the plans to rejuvenate Singapore Science Park?</b></p>
	<p><b>Response:</b></p> <p>The rejuvenation plan for the Singapore Science Parks is on-going.</p> <p>Our Sponsor had kicked-started the rejuvenation with the redevelopment of Ascent, 12, 14 &amp; 16 Science Park Drive (DSO National Laboratories and DNV Technology Centre) and 5 Science Park Drive. Ascendas Reit acquired the redeveloped property at 12, 14 &amp; 16 Science Park Drive from the Sponsor in 2017.</p> <p>Currently, these properties are well-occupied by tenants such as Johnson &amp; Johnson, Dyson, DSO National Laboratories and Shopee.</p>

	<p>Future redevelopment is expected to take place in phases to minimise disruptions to tenants. For example, we plan to initiate the redevelopment of TÜV SÜD PSB Building in Singapore Science Park 1, in line with the recent expiry of the tenant's lease.</p> <p>In addition, we have introduced amenities, collaborative spaces and green features such as shared meeting pods and electric vehicle parking lots to revitalise the parks. In tandem with Singapore's Smart Nation ambition, a Smart Urban Co-Innovation Lab was launched last year at The Galen, in Singapore Science Park 2, bringing together over 30 industry players including Amazon Web Services, Cisco Systems and Microsoft to partner local firms to co-innovate and pilot trials within the parks.</p> <p>We will continue to work closely with partners and the authorities to enhance offerings within the Science Parks.</p>
9.	<p><b>There has been much discussion that with companies migrating their staff to Work-From-Home (WFH) indefinitely, the demand for office space etc would go down. We have heard that some companies in Singapore had already downsized their leased office space. Could you share with us if there had been any impact of WFH on Ascendas Reit portfolios in Singapore, the United States (US), Australia and the UK? Could you also provide some numbers on how much space were downsized and the location?</b></p>
	<p><b>Response:</b></p> <p>In Singapore, Australia and the US, we own business park properties and suburban offices which are well-located in precincts outside the central business districts. We believe that these locations remain attractive for companies seeking affordable business space and to decentralise from the central business districts (CBD).</p> <p>All our markets achieved healthy occupancy rates of between 88% to 97%. Overall, portfolio occupancy has remained stable at 91.7% as at 31 December 2020.</p> <p>Ascendas Reit's portfolio is also diversified across asset classes (48% business space, 27% industrial space and 25% logistics as at 31 December 2020), which will minimise any potential impact from WFH.</p>

#### E. Impact of COVID-19

10.	<p><b>(i) How many tenants are you still giving rental relief?</b>  <b>(ii) What percentage of tenants would that be?</b>  <b>(iii) When would this rental relief cease?</b>  <b>(iv) Should Ascendas Reit be giving rental relief to these tenants indefinitely?</b></p>
	<p><b>Response:</b></p> <p>We have taken a tailored approach towards supporting our tenants across all our markets depending on the respective COVID-19 situations. The assistance we have provided to our tenants include rent rebates, rent deferrals, lease restructuring and changes to rental payment frequency.</p> <p>In Singapore, we passed through all property tax rebates and cash grants from the Singapore government to qualifying customers. In addition, S\$17.2 million of rent rebates were provided, including rebates that were over and above the statutory requirements to qualifying tenants as well as others whose businesses were</p>



affected by the pandemic.

On a portfolio basis, a total of S\$17.8 million in rent rebates (or 1.7% of total gross revenue) was recognised in FY2020. Given our large and diversified portfolio, the tenants who received rent rebates accounted for less than 15% of our tenant base by monthly gross rent.

In 1Q FY2021, there were no additional rebates recognised.

The COVID-19 situation remains fluid and we will continue to work together with our tenants if necessary and adhere to government guidelines on any future rebates.