

CapitaLand Ascott Trust
**Proposed Divestment
of Citadines Central
Shinjuku Tokyo**

19 September 2025

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Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Circular dated 8 September 2025 and titled "THE PROPOSED DIVESTMENT OF CITADINES CENTRAL SHINJUKU TOKYO, AS AN INTERESTED PERSON TRANSACTION".

For illustrative purposes, certain JPY amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on an illustrative exchange rate of JPY1.00 = S\$0.008908.



Portfolio Strategy

CapitaLand
Ascott Trust



Proactive Investment & Portfolio Reconstitution

Building a stronger portfolio, enhancing the quality and performance of CLAS' properties



Divestments to unlock value

- Divesting **properties which have reached the optimal stage of their life cycle**
- **Redeploying proceeds into optimal uses**, including investing in higher-yielding properties, funding asset enhancement initiatives (AEIs) and paying down debts with higher interest rates



Accretive Investments in quality properties

- **Accretive investments** in **prime locations** within key gateway cities supported by **strong demand drivers for travel and/or living**
- **Selectively undertaking development projects** with higher yields



Asset Enhancement to uplift performance and valuations

- AEIs from 2025 to 2026 and beyond provide CLAS with **further capacity for growth**



The Proposed Divestment



CapitaLand
Ascott Trust

Proposed Divestment of Citadines Central Shinjuku Tokyo

Divestment of a mature property requiring significant capital expenditure at an attractive premium

JPY25.0 bil

(S\$222.7 mil)

Divestment Consideration¹

3.2%

Exit EBITDA yield²

c.100%

Premium to book value
of the Property
as at 30 Jun 2025

40.4%

Premium to average of
2 independent valuations

JPY5.7 bil

(S\$50.8 mil)

Net gain after tax



Address	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021, Japan	
Year Built	2008	
Number of Units	206	
Title	Freehold	
Purchaser	ML Estate Co., Ltd., an affiliate of Mizuho Financial Group, one of Japan's leading financial institutions	
Independent Valuations (Income approach and cost approach, as at 10 Jul 2025)	JPY18.1 bil (S\$161.2 mil)	JPY17.5 bil (S\$155.9 mil)
	- Independent Valuer: Cushman & Wakefield K.K. - Commissioned by: REIT Manager	- Independent Valuer: Colliers International Japan KK - Commissioned by: REIT Trustee
Divestment Consideration¹	JPY25.0 bil (S\$222.7 mil)	

Notes:

- The Divestment Consideration includes the price for the furniture, fixtures and equipment (FFE) at JPY3.9 mil (or approximately S\$34,000), which is the estimated book value of the FFE as at completion date.
- The exit EBITDA yield of 3.2% is based on the Property's FY2024 EBITDA of JPY0.8 bil over the Divestment Consideration of JPY25.0 bil.

Rationale for & Benefits of the Proposed Divestment



1 Divestment of a Mature Property Requiring Significant Capital Expenditure

Proceeds can be redeployed more effectively into other uses

- Built in 2008, the Property has **not undergone any major renovation** since CLAS acquired it in 2014
- As the Property has become dated, **substantial capital expenditure and temporary closure would be required** to enhance its operational performance and maintain competitiveness
- By divesting the Property, CLAS can **redeploy the proceeds more effectively into other uses**, such as repaying higher-interest debt, funding AEs, reinvesting in higher-yielding properties, and/or for general corporate purposes



2 Unlocking Gains for Stapled Securityholders

Divesting at c.100% premium to Jun 2025 book value, unlocking attractive net gain



3.2%
Exit EBITDA yield¹

c.100%
Premium to book value
of the Property
as at 30 Jun 2025



Attractive net gain

JPY5.7 bil
(S\$50.8 mil)
Net gain after tax

Provides CLAS with **greater flexibility** to distribute divestment gains, to mitigate the short-term impact of AELs or macroeconomic downturns, when appropriate

Note:

1. The exit EBITDA yield of 3.2% is based on the Property's FY2024 EBITDA of JPY0.8 bil over the Divestment Consideration of JPY25.0 bil.

3 Strengthening Financial Flexibility and Delivering Accretion

DPS accretion of 1.0% on a FY2024 pro forma basis, if proceeds are used to repay debt

JPY21.0 bil

(S\$187.4 mil)
Net proceeds

+1.0%

DPS accretion on a
FY2024 pro forma basis

Assuming the net proceeds are used to repay debt with an effective rate of 4.6% p.a.¹, and accounting for the loss of income from the divestment:

- Expected **DPS accretion of 1.0%** on a FY2024 pro forma basis, as the savings from the interest paid in relation to the debt repaid, which includes debt for the Property, exceeds the loss of income from the divestment²

For illustrative purposes, assuming that as at 30 Jun 2025, the Proposed Divestment was completed and the net proceeds were used to repay existing loans:

- Aggregate leverage expected to improve from 39.6% as at 30 Jun 2025 to 37.8%**
- Debt headroom to increase from c.S\$1.8 bil as at 30 Jun 2025 to c.S\$2.0 bil³ on a pro forma basis**



Notes: The pro forma financial effects of the Proposed Divestment on the DPS were prepared based on the audited consolidated financial statements of CLAS for FY2024.

1. The effective interest rate of 4.6% was determined based on the actual interest expense for FY2024 incurred on the loans identified for repayment.

2. The loss of income from the Proposed Divestment is approximately S\$6.0 mil, and the interest savings on repayment of higher-interest debt is approximately S\$8.3 mil.

3. Based on an aggregate leverage limit of 50% as permitted by the Property Funds Appendix.

Pro Forma Impact

Proposed Divestment is DPS and NAV accretive; Japan remains a key market for CLAS

For illustrative purposes only	On a FY2024 pro forma basis	
DPS accretion (%)	▲ 1.0% ¹	
NAV per Stapled Security accretion (%)	▲ 1.7% ²	
For illustrative purposes only	As at / for the first half ended 30 Jun 2025	After the Proposed Divestment and Debt Repayment
Aggregate Leverage (%)	39.6%	▼ 37.8%
Gross profit contribution from Japan (%)	 Japan 18%	 Japan 16%

Notes: The pro forma financial effects of the Proposed Divestment on the DPS and NAV per Stapled Security were prepared based on the audited consolidated financial statements of CLAS for FY2024.

1. After the Proposed Divestment, assuming the net proceeds are used to repay debt, and accounting for the loss of income from the divestment.
2. Includes net gain of S\$47.1 mil from the Proposed Divestment.



Conclusion



Commitment to Deliver Stable Distributions

Proposed Divestment is in line with CLAS' portfolio reconstitution strategy



Proactive portfolio reconstitution

- CLAS proactively seeks opportunities to enhance the portfolio's quality and yield by recycling capital from divestments into more optimal uses
- The Proposed Divestment unlocks gains for Stapled Securityholders



Disciplined and prudent capital management

- CLAS maintains a healthy financial and liquidity position
- The Proposed Divestment further strengthens CLAS' financial flexibility in the current uncertain macroenvironment



Resilient performance and outlook

- CLAS' diversification and base of stable income offer resilience
- Completed and planned AEs are expected to uplift distribution income

Interested Person Transaction and Interested Party Transaction

Stapled Securityholders' approval is required for the Proposed Divestment

Highest bid from CJKK, an indirect wholly owned subsidiary of CLI, was accepted

- As part of the sale process for the Property, third party brokers had been appointed to obtain bids from potential buyers and the Managers also considered unrepresented bids.
- Pursuant to the sale process, five bids were received, and **the Managers accepted the bid from the highest bidder**. The highest bidder was CJKK, an indirect wholly owned subsidiary of CLI, and was granted exclusivity to negotiate the sale.

The Purchaser, ML Estate Co., Ltd., is an unrelated third party, which would warehouse the Property for CJKK

- During the negotiations, CJKK informed the Vendors that it has designated **the Purchaser, which is an unrelated third party to the Vendors or CLAS, as the entity which would acquire the Property to warehouse the Property for CJKK**.
- The **Purchaser, ML Estate Co., Ltd., is an affiliate of Mizuho Financial Group**, one of Japan's leading financial institutions, and provides a wide range of services including corporate real estate support, real estate leasing, and bridge financing.
- **(i) CJKK is providing acquisition and investment management services to the Purchaser in relation to the Proposed Divestment and (ii) CJKK has entered into an Exclusivity Agreement with the Purchaser** where the Purchaser has agreed to grant CJKK (or such third party designated by CJKK) the right to preferentially negotiate and acquire the Property.

Next Steps

Event	Date
Notice of Extraordinary General Meeting ¹	Monday, 8 Sep 2025
Last date and time for lodgment of proxy forms	Wednesday, 24 Sep 2025, 10.00 a.m. (Singapore time)
Extraordinary General Meeting	Friday, 26 Sep 2025, 10.00 a.m. (Singapore time) Held physically at Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 Summit 2 (Level 3)
Target date for completion of the Proposed Divestment	4Q 2025

Note:

1. The Notice of Extraordinary General Meeting, proxy form and the Circular have been made available on CLAS' and SGX's websites. Printed copies of the Circular will not be sent to Stapled Securityholders unless such Stapled Securityholder had previously made a standing election on or after 27 Feb 2024 to receive printed copies of documents. Any Stapled Securityholder who did not previously make such a standing election but who now wishes to receive a printed copy of the Circular should submit his/her/its request via email to the Managers at ask-us@capitalandascotttrust.com no later than 12.00 p.m. (Singapore time) on Tuesday, 16 Sep 2025.

For Stapled Securityholders' Approval

The Proposed Divestment is expected to be completed in 4Q 2025

Ordinary Resolution

Proposed Divestment of Citadines Central Shinjuku Tokyo, as an interested person transaction

Advice of Independent Financial Adviser and Recommendation of Independent Directors

Advice of the Independent Financial Adviser – Ernst & Young Corporate Finance Pte Ltd

The IFA is of the opinion that the Proposed Divestment is on **normal commercial terms** and is **not prejudicial to the interests of CLAS and its minority Stapled Securityholders**.

The IFA has advised the Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager to recommend that Stapled Securityholders **vote in favour of the Resolution** in connection with the Proposed Divestment to be proposed at the EGM.

Recommendation of the Independent Directors and the Audit and Risk Committee of the REIT Manager

The Independent Directors of the REIT Manager and the Audit and Risk Committee of the REIT Manager recommend that Stapled Securityholders vote at the EGM **in favour of the Resolution** relating to the Proposed Divestment.

All of the Independent Directors of the REIT Manager which hold Stapled Securities will be voting at the **EGM in favour of the Resolution**.



Thank You