



Extraordinary General Meeting To be held on 16 June 2021

Proposed Acquisition of remaining 75% interest in Galaxis for S\$534.4 million

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- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

Agenda

- Unitholders' Approval Sought
- Details of the Proposed Acquisition
- Key Merits of the Investment
- *Pro Forma* Financial and Portfolio Impact
- Funding of Proposed Acquisition
- Benefits to Ascendas Reit and Unitholders

Unitholder's Approval Sought

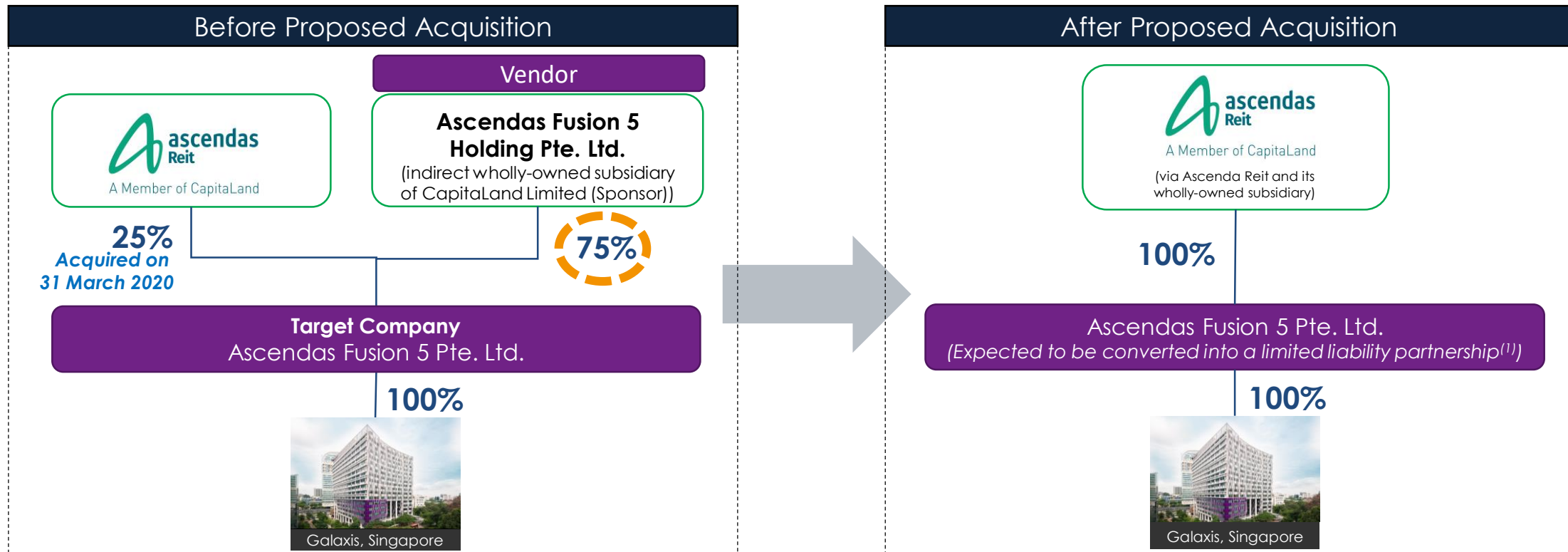
Portsmouth Rd

Galaxis, Singapore

Unitholders' Approval Sought

Ordinary Resolutions

- (1) To approve the proposed acquisition of 75% of the total issued share capital of Ascendas Fusion 5 Pte. Ltd. as an interested person transaction; and
- (2) To approve the proposed issuance of Consideration Units



(1) For more details, please refer to paragraph 2.6 on page 20 of the Circular dated 31 May 2021.

Details of the Proposed Acquisition

GALAXIS

Proposed Acquisition:

75% interest in Galaxis, Singapore, a top-notch high-end business park in one-north

Purchase Consideration ⁽¹⁾	S\$534.4 m
Acquisition Fee ⁽²⁾ , Stamp Duty and Other Transaction Costs	S\$9.4 m
Total Acquisition Cost	S\$543.8 m

Agreed Property Value (based on 100% basis)	S\$720.0 m (~2% discount to average valuation)
Valuations as at 30 Apr 2021 ⁽³⁾ (based on 100% basis)	JLL: S\$734.1 m and Savills: S\$736.0 m Average: S\$735.1 m



17-storey business park and office building at Galaxis, Singapore



5-storey work lofts building at Galaxis, Singapore

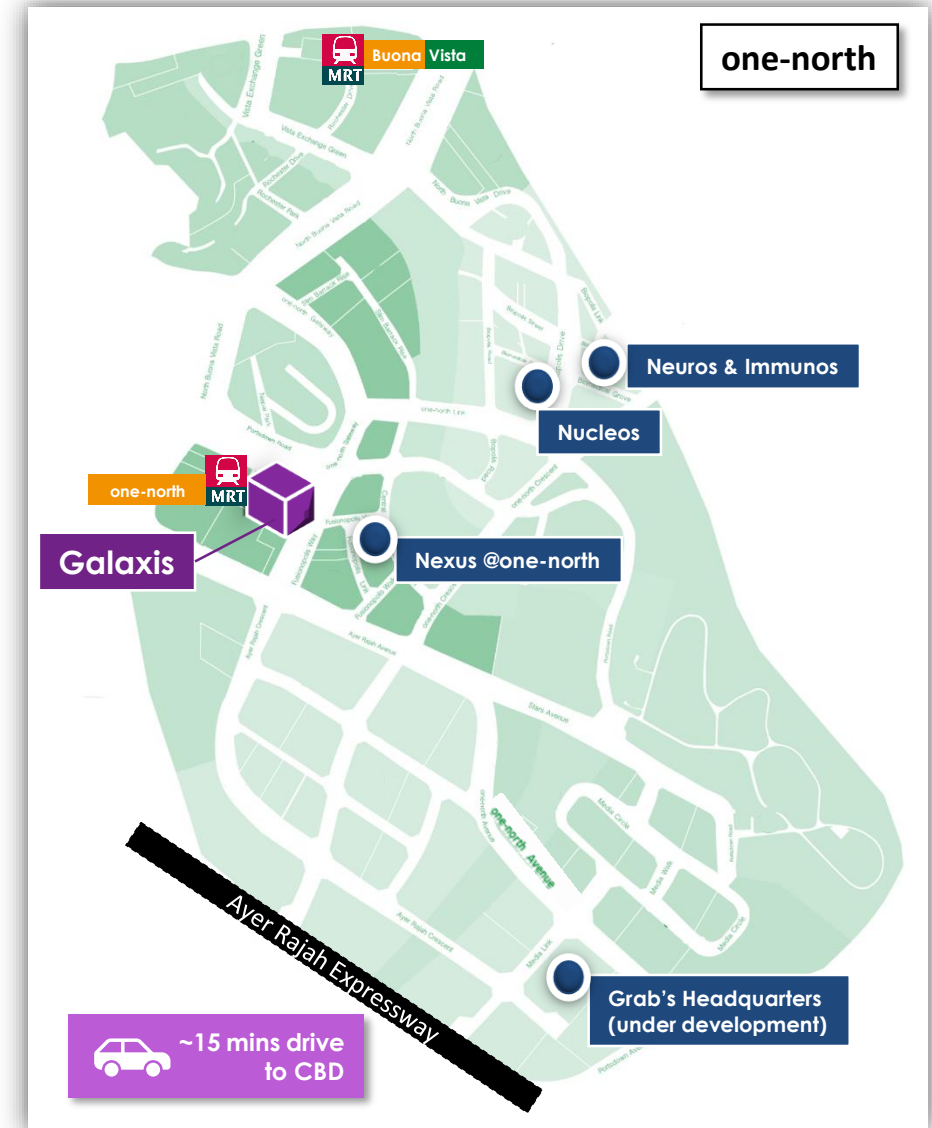
- (1) The Purchase Consideration comprises a) the estimated consideration for the 75% equity stake in Ascendas Fusion 5 Pte. Ltd ("AF5PL") of S\$372.8 million (subject to post-completion adjustments), which is based on 75% of the adjusted net asset value ("NAV") of AF5PL, the holding entity for Galaxis, taking into account the agreed value of the Property (on a 100.0% basis) of S\$720.0 million, and b) the 75% share of the existing bank loans of AF5PL of S\$161.6 million which the Vendor would otherwise would have to contribute to AF5PL for the repayment of such existing bank loans. For more details, please refer to the [Circular dated 31 May 2021](#).
- (2) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to receive an acquisition fee, payable in Units, of 1% of 75% of the Agreed Property Value, which amounts to approximately S\$5.4 m.
- (3) The independent valuers Jones Lang LaSalle Property Consultants Pte Ltd (JLL) and Savills Valuation and Professional Services (S) Pte Ltd were commissioned by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Ascendas Reit) and the Manager respectively. Both valuers' valuations were carried out using the Discounted Cash Flow approach and the income capitalisation method.

Key Merits of the Investment



Key Merits of the Investment

- **Enlarges Ascendas Reit's business park portfolio in one-north, Singapore**
 - Asset value of the Business & Science Park segment in Singapore will grow by **17.6%** from ~S\$4.1 b to **~S\$4.9 b** ⁽¹⁾
 - Total NLA of the business and science park segment in Singapore will increase by 8.8% from 689,980 sq m to 750,915 sq m ⁽¹⁾
 - Including the Property, Ascendas Reit is expected to own **five properties⁽²⁾ with a total NLA of 188,225 sq m within one-north** by the end of 2021
- **Strategic location**
 - Property is strategically located right **in the heart of the one-north**, a vibrant business park in Singapore
 - one-north **houses key growth sectors** such as biomedical sciences, information and communications technologies, media, science and research institutes, as well as start-ups. The area has a plethora of food & beverage options and amenities such as hotels, supermarkets, clinics, gyms and childcare facilities
 - **Direct access to the one-north MRT station** and is a 5-minute drive to Ayer Rajah Expressway and a 15-minute drive to the Central Business District

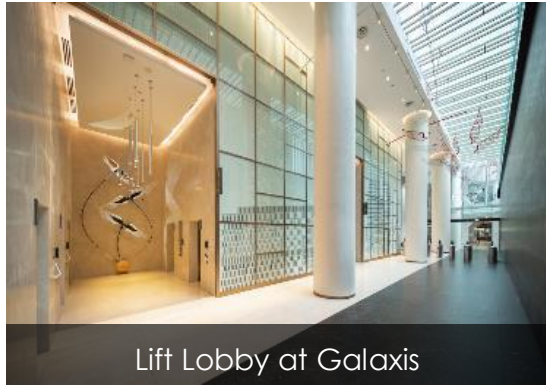


(1) Pro Forma as at 31 Mar 2021.

(2) Includes Grab's Headquarters which is under development and expected to complete in 2021.



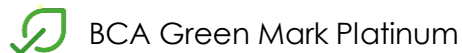
Key Merits of the Investment



Lift Lobby at Galaxis



Reception area at Galaxis



- **Rare opportunity to acquire and achieve full control of a Singapore property with long remaining land lease tenure**
 - Long remaining land lease tenure of about **51 years**, which is rare given JTC Corporation's current practice of releasing shorter tenure land plots of between 20 to 30 years under the Industrial Government Land Sales Programme
 - 100% ownership of the Property i.e. **better operational and tax efficiency**
- **A high quality and green certified business park property with high White Component**
 - Completed in 2015, the Property is zoned for Business Park usage with a **30% White Component**⁽¹⁾ which is higher than the typical 15% White Component, allowing for higher flexibility in the use of space such as having more office and retail space within the development
 - Comprises 44,556 sqm (~73%) of business park space, 10,305 sqm (~17%) of office space, 4,106 sqm (~7%) of retail and F&B space, 1,968 sqm (~3%) of work lofts, and a two-storey basement carpark (Total NLA of 60,935 sqm)
 - **Highest BCA Green Mark Platinum rating**: green features include high efficiency multi-tiered chiller plant and air-conditioning system, intelligent lighting control and eco-friendly interior fittings and materials which are expected to attract high quality tenants

⁽¹⁾ Allowable uses within the White component under the Urban Redevelopment Authority of Singapore's development control guidelines include office, restaurant, shop etc. Source: Urban Redevelopment Authority of Singapore.

Key Merits of the Investment

- **High occupancy rate underpinned by renowned tenants**

- Key tenants include renowned companies such as Sea, Canon and Oracle
- Higher rental contributions from Information & Communications Technology and Electronics customers
- Enjoys high occupancy rate of 98.6% as at 31 Mar 2021



- **Distribution per Unit (DPU) and Net Asset Value (NAV) per Unit accretive to Unitholders**

Pro Forma Financial & Portfolio Impact

Pro Forma Financial Impact (Based on 75% interest of Galaxis)

In Singapore cents	Before Acquisition	After Acquisition	Pro Forma Financial Impact
DPU	14.688	14.755 ⁽¹⁾	+0.067 (0.46% accretion)
NAV per Unit	221	223 ⁽²⁾	+2 (0.90% accretion)

Net Property Income Yield in Year 1 ⁽²⁾

Pre-transaction cost	5.4%
Post-transaction cost	5.3%

(1) The annualised *pro forma* DPU impact is calculated based on the following assumptions:

- Ascendas Reit had completed the Proposed Acquisition on 1 Jan 2020, held and operated the Property from 1 Jan 2020 to 31 Dec 2020, assuming conversion of the Target Company to a limited liability Partnership happened on 1 Jul 2020.
- the Proposed Acquisition is funded based on a funding structure of approximately 40% debt and 60% equity (comprising S\$240.1 m from proceeds of a private placement on 5 May 2021, S\$80.0 m of Consideration Units and S\$5.4 m of Acquisition Fee Units), and the Manager elects to receive its base fee 80% in cash and 20% in units.

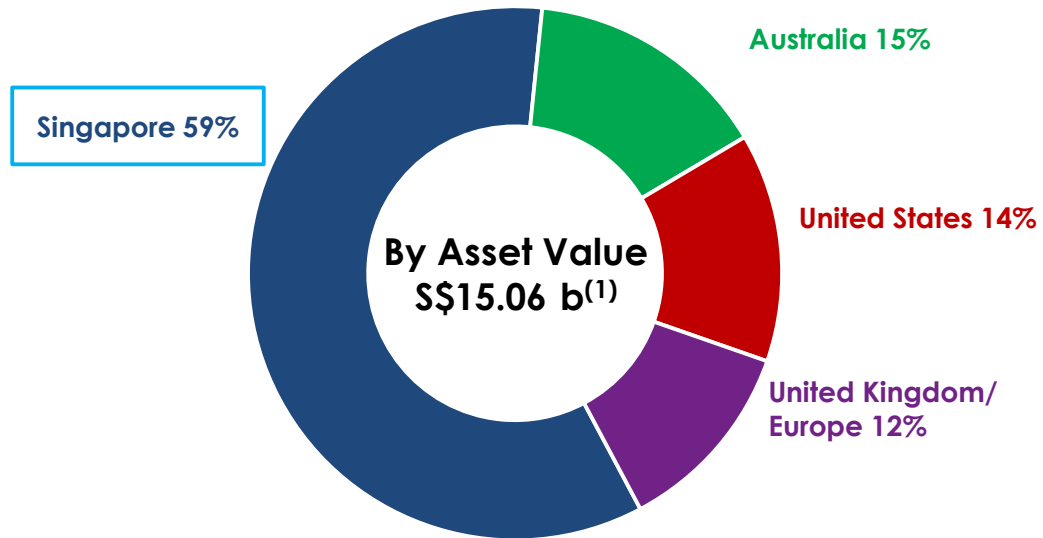
(2) The *pro forma* NAV per Unit impact is calculated as at 31 Dec 2020 and assumes the Proposed Acquisition is funded based on a funding structure of approximately 40% debt and 60% equity (comprising S\$240.1 m from proceeds of a private placement on 5 May 2021, S\$80.0 m of Consideration Units and S\$5.4 m of Acquisition Fee Units), and the Manager elects to receive its base fee 80% in cash and 20% in units.

(3) The NPI Yield is derived using the estimated NPI in the first year of acquisition.

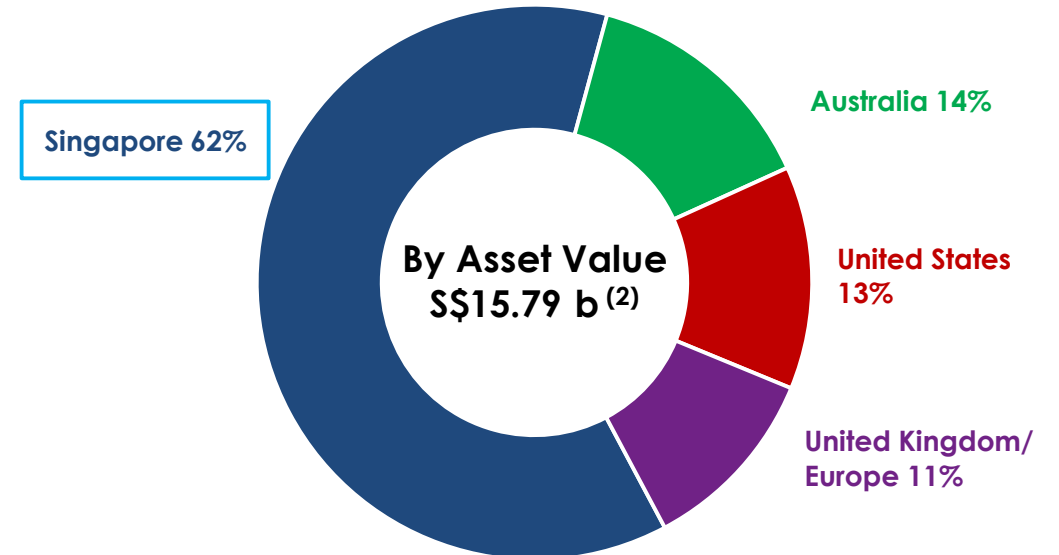
Pro Forma Portfolio Impact

Staying focused in 4 key developed markets

Before Acquisition



After Acquisition



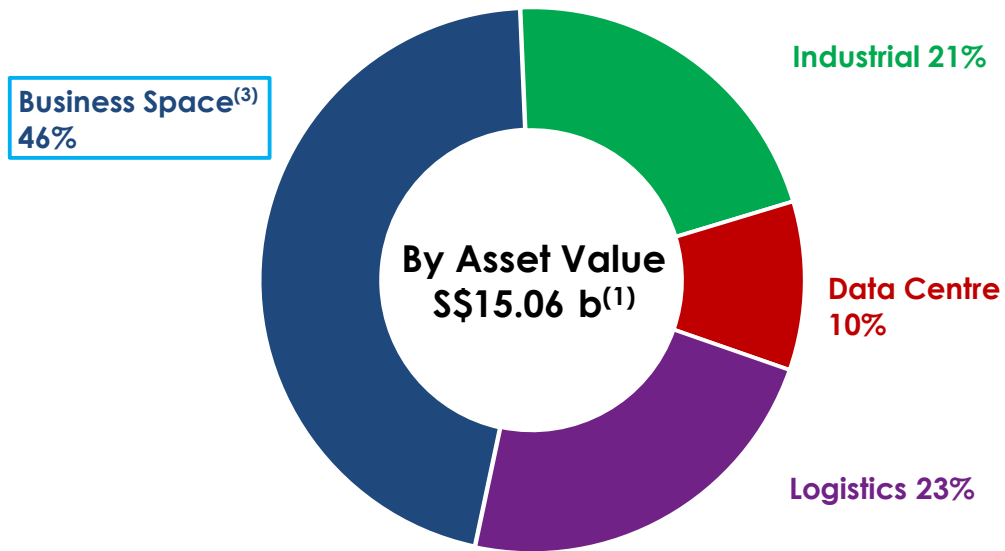
(1) As at 31 Mar 2021.

(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021 and including the Property on a 100% basis.

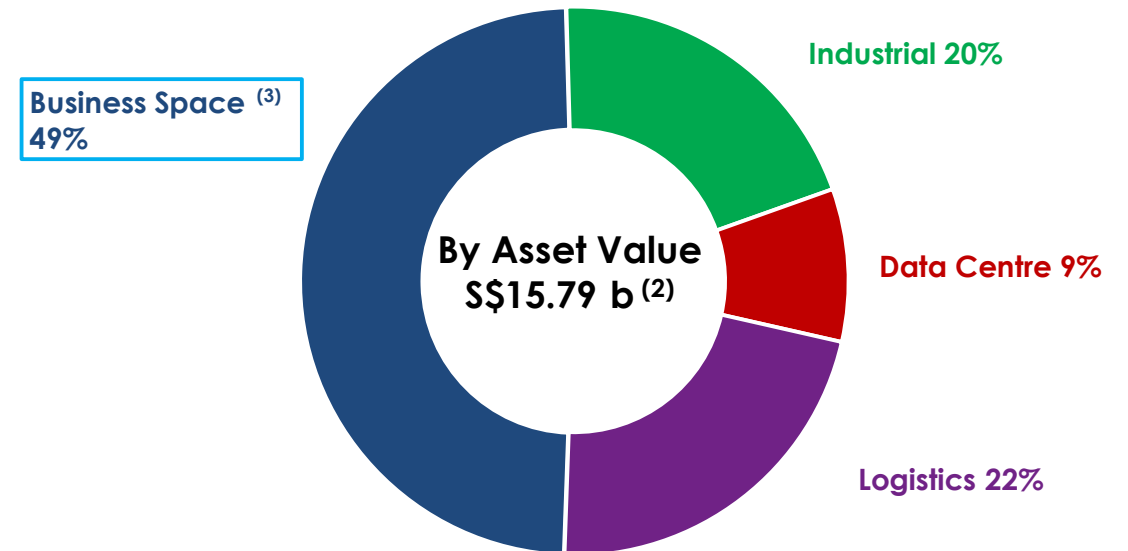
Pro Forma Portfolio Impact

Strengthens Business Space portfolio

Before Acquisition



After Acquisition



(1) As at 31 Mar 2021.

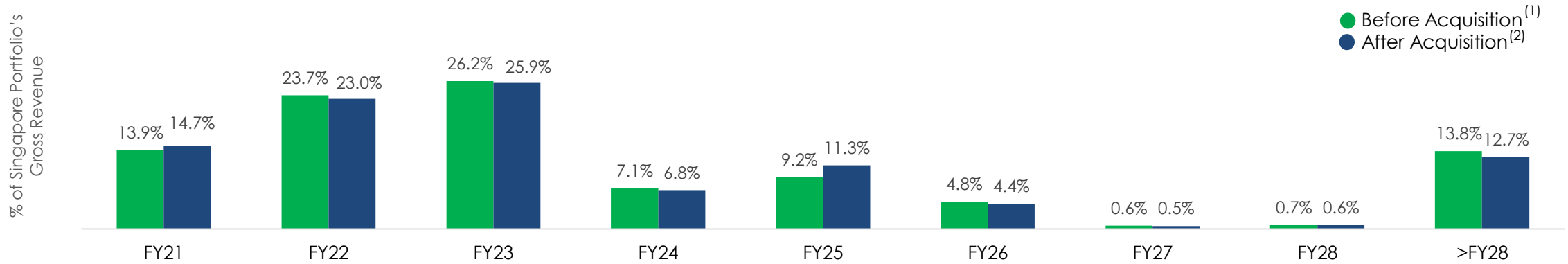
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021 and including the Property on a 100% basis.

(3) Business space comprises business & science park properties, suburban offices and offices.

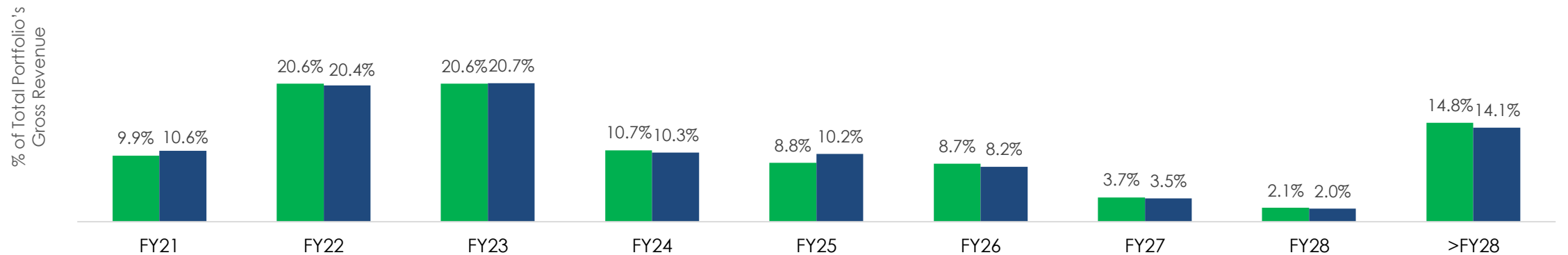
Pro Forma Portfolio Impact

Lease expiry profile remains well spread

Singapore Portfolio Lease Expiry Profile



Ascendas Reit Total Portfolio Lease Expiry Profile

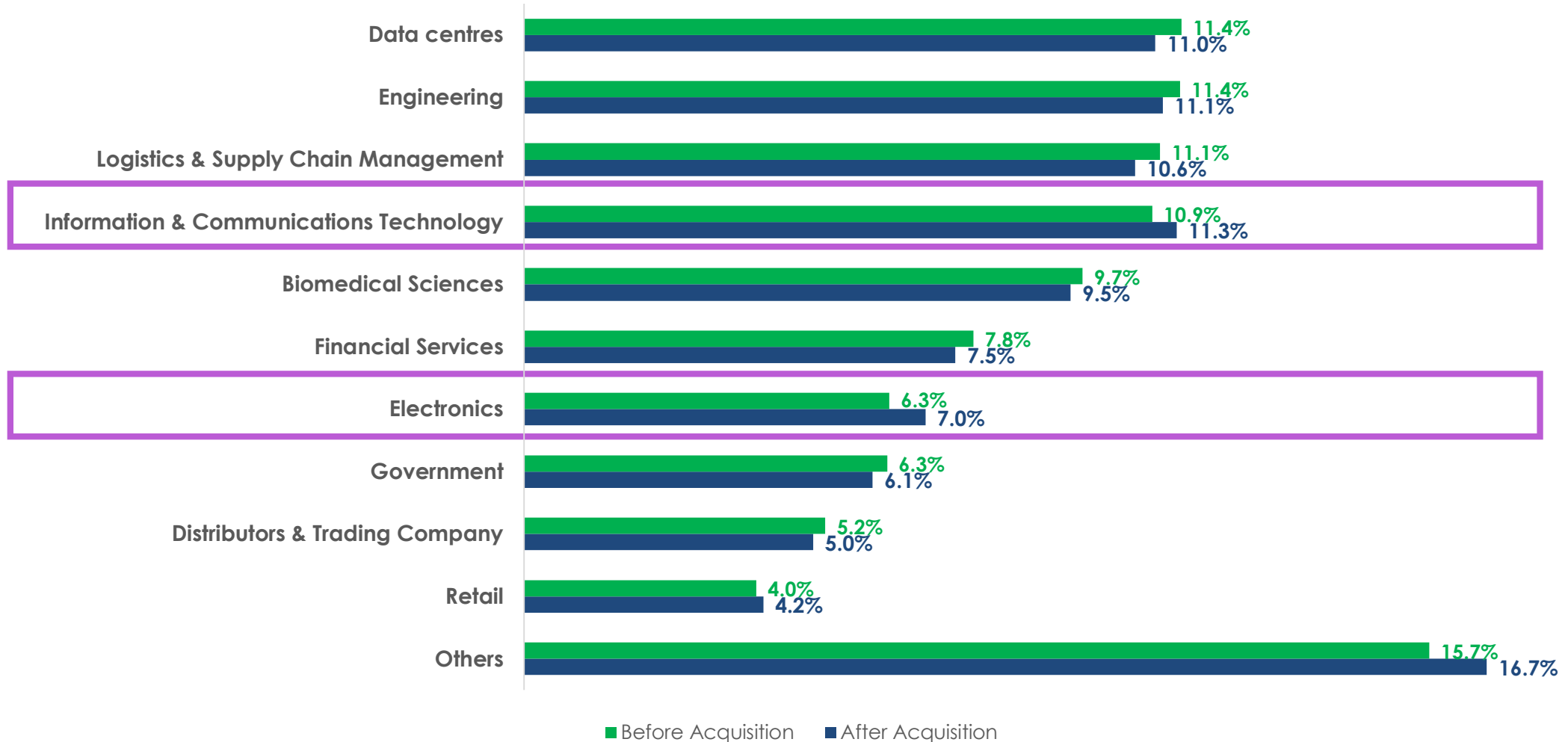


(1) As at 31 Mar 2021.

(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021.

Pro Forma Portfolio Impact

Higher rental contributions from Information & Communications Technology and Electronics customers



(1) As at 31 Mar 2021 by monthly rental income.

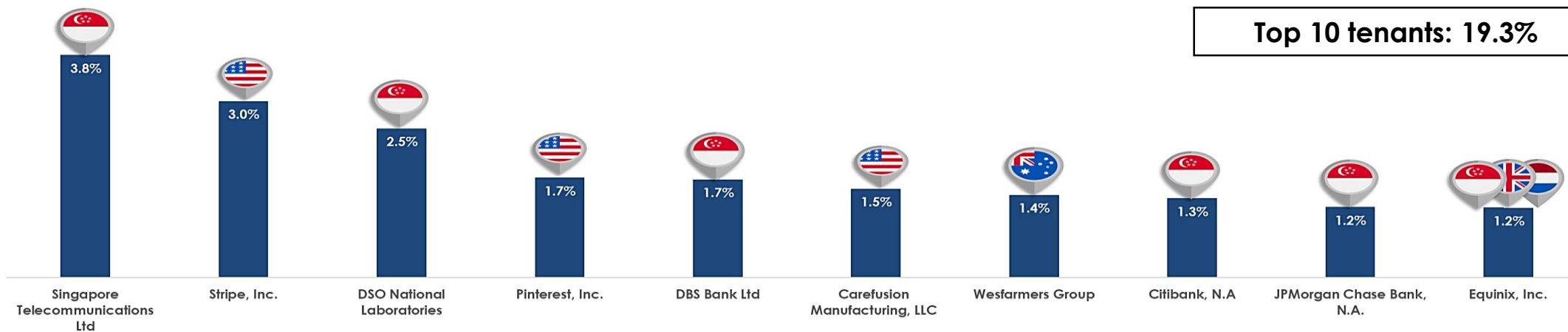
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021.

Pro Forma Portfolio Impact

Top 10 Tenants contributes 18.5% of monthly revenue

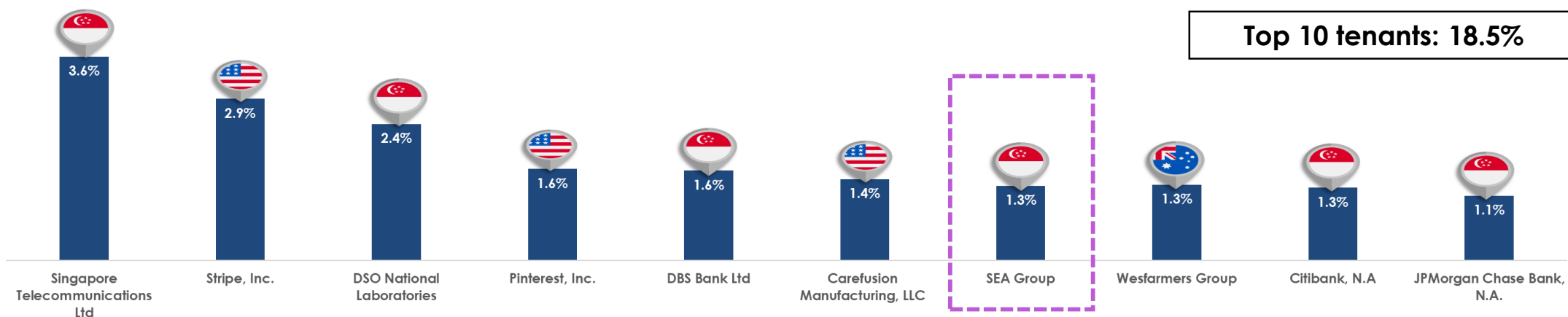
Before Acquisition⁽¹⁾

Top 10 tenants: 19.3%



After Acquisition⁽²⁾

Top 10 tenants: 18.5%



(1) As at 31 Mar 2021 by monthly gross revenue.

(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021.

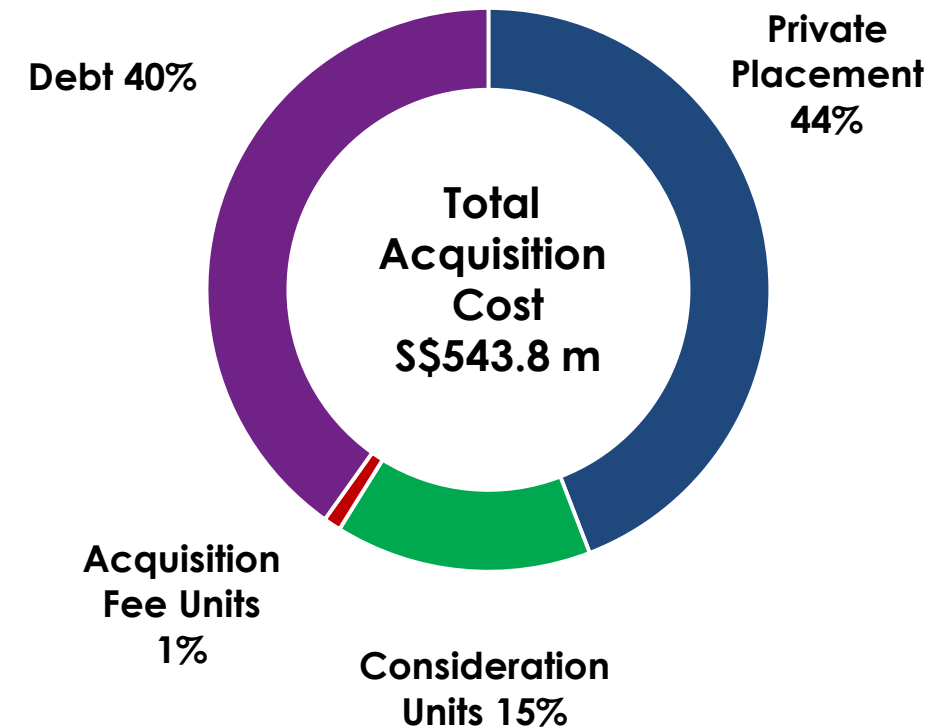
Funding of Proposed Acquisition

GALAXIS

Funding of Proposed Acquisition

The total acquisition cost of S\$543.8 m is expected to be funded by:

- ~S\$240.1 m from proceeds of a private placement completed on 5 May 2021
- ~S\$80.0 m through the proposed issuance of Consideration Units at S\$2.944 per Unit to the Vendor/Vendor's nominee (subject to Unitholder's approval)
- S\$5.4 m via issuance of Acquisition Fee Units⁽¹⁾
- ~S\$218.3 m via debt financing



(1) As the Proposed Acquisition will constitute an "interested party transaction" under the Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the Acquisition Fee will be in the form of new Units (Acquisition Fee Units), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Benefits of Proposed Consideration Units

- **Alignment of interests** of CapitaLand (Sponsor) and Ascendas Reit's Unitholders
 - ✓ CapitaLand's unitholdings in Ascendas Reit is expected to be maintained at ~18% after completion of the proposed acquisition and issuance of Consideration and Acquisition Fee Units
- Aggregate leverage is expected to decline to a **healthy level of 37%**⁽¹⁾
 - ✓ Maintain Moody's A3 credit rating
 - ✓ More headroom for future growth

(1) Assuming that the Proposed Acquisition was funded immediately after the Private Placement and the issuance of the Consideration Units, and the net proceeds of the private placement were deployed for their intended use as described in the "Use of Proceeds" section in the launch of private placement announcement dated 4 May 2021. As at 31 March 2021, aggregate leverage stood at 38.0%.

Benefits to Ascendas Reit and Unitholders

Portsmouth Rd

Galaxis, Singapore

Benefits to Ascendas Reit and Unitholders

- **DPU accretive with sustainable returns**
 - Expects 1st year post transaction cost NPI yield ⁽¹⁾ of 5.3% (on a 75% basis)
 - *Pro forma* DPU accretion ⁽²⁾ of 0.067 Singapore cents; 0.46% DPU accretion (on a 75% basis)
- **Key Merits of the Investment**
 - Enlarges Ascendas Reit's business park exposure in one-north, Singapore
 - Strategic location in the heart of one-north
 - Rare opportunity to acquire and achieve full control of a Singapore property with long remaining land lease tenure
 - High quality and green certified business park property with high White Component
 - High occupancy rate underpinned by renowned tenants
- **Strengthens Ascendas Reit's portfolio** ⁽³⁾
 - Business space segment increases from ~46% to ~49%, positioning Ascendas Reit's portfolio well to cater to demand coming from technology, biomedical, research and development, and new economy industries
 - Staying focused in 4 key developed markets (by asset value): Singapore 62%, Australia 14%, the United States 13% and the United Kingdom/Europe 11%
 - Higher contributions from Information & Communications Technology and Electronics customers

(1) The NPI Yield is derived using the estimated NPI expected in the first year of acquisition.

(2) The annualised *pro forma* DPU impact is calculated based on the following assumptions a) Ascendas Reit had completed the Proposed Acquisition on 1 Jan 2020, held and operated the Property from 1 Jan 2020 to 31 Dec 2020, assuming conversion of the Target Company to a limited liability Partnership happened on 1 Jul 2020, b) the Proposed Acquisition is funded based on a funding structure of approximately 40% debt and 60% equity (comprising S\$240.1 m from proceeds of a private placement on 5 May 2021, S\$80.0 m of Consideration Units and S\$5.4 m of Acquisition Fee Units), and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

(3) *Pro Forma* impact as at 31 Mar 2021 and including the Property on a 100% basis.



Thank You