



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

4 May 2021

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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

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

# Details of Proposed Acquisition

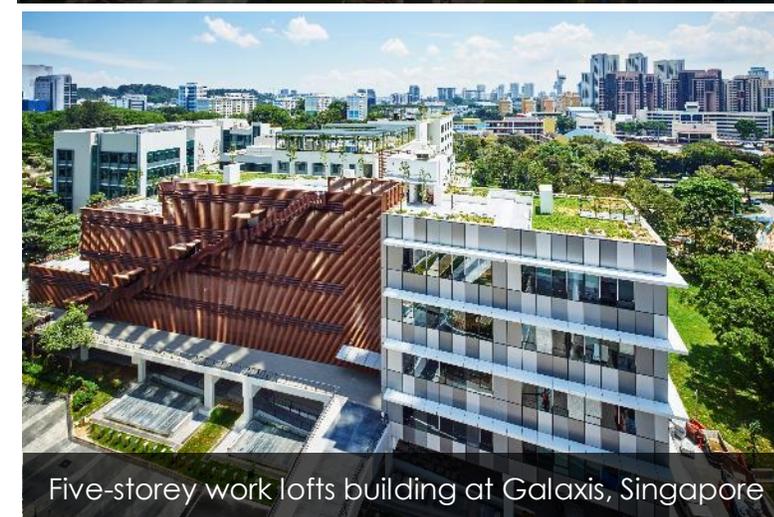
GALAXIS

# Proposed Acquisition:

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



Purchase Consideration <sup>(1)</sup>	S\$534.4 m
Acquisition Fee <sup>(2)</sup> , Stamp Duty and Other Transaction Costs	S\$9.4 m
Total Acquisition Cost	S\$543.8 m
Vendor	Ascendas Fusion 5 Holding Pte Ltd <sup>(3)</sup>
Agreed Property Value (based on 100% basis)	S\$720.0 m (~2% discount to avg. valuation)
Valuations as at 30 Apr 2021 <sup>(4)</sup> (based on 100% basis)	JLL: S\$734.1 m and Savills: S\$736.0 m Avg: S\$735.1 m
Land Area	19,283 sq m
Land Tenure	Approx. 51 years remaining
Gross Floor Area	68,835 sq m
Net lettable area (NLA)	60,935 sq m
Occupancy rate (as at 31 Mar 2021)	98.6%
Weighted Average Lease Expiry (WALE) (as at 31 Mar 2021)	2.4 years
Key Tenants	Sea, Canon, Oracle
Initial Net Property Income (NPI) Yield	5.4% (5.3% post-transaction cost)



(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 announcement "Proposed Acquisition of 75% of the Total Issued Share Capital of Ascendas Fusion 5 Pte. Ltd." dated 4 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) An indirectly wholly-owned subsidiary of CapitaLand Limited (the Sponsor).

(4) 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 <sup>(1)</sup>
- 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 <sup>(1)</sup>
- Including the Property, Ascendas Reit is expected to own five properties<sup>(2)</sup> 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 and 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.

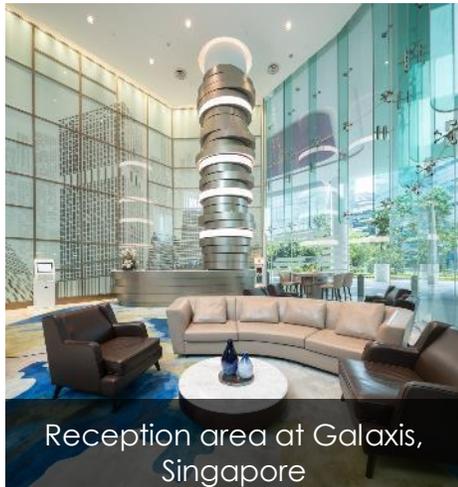
(2) Includes Grab's Headquarters which is under development and expected to complete in 2021.



# Key Merits of the Investment



Lift Lobby at Galaxis, Singapore



Reception area at Galaxis,  
Singapore

- **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<sup>(1)</sup> 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
  - 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

<sup>(1)</sup> 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 <sup>(1)</sup>	14.688	14.747	+0.059 (0.40% accretion)
NAV per Unit <sup>(2)</sup>	221	223	+2 (0.90% accretion)

## NPI Yield in Year 1 <sup>(3)</sup>

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

(1) 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, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

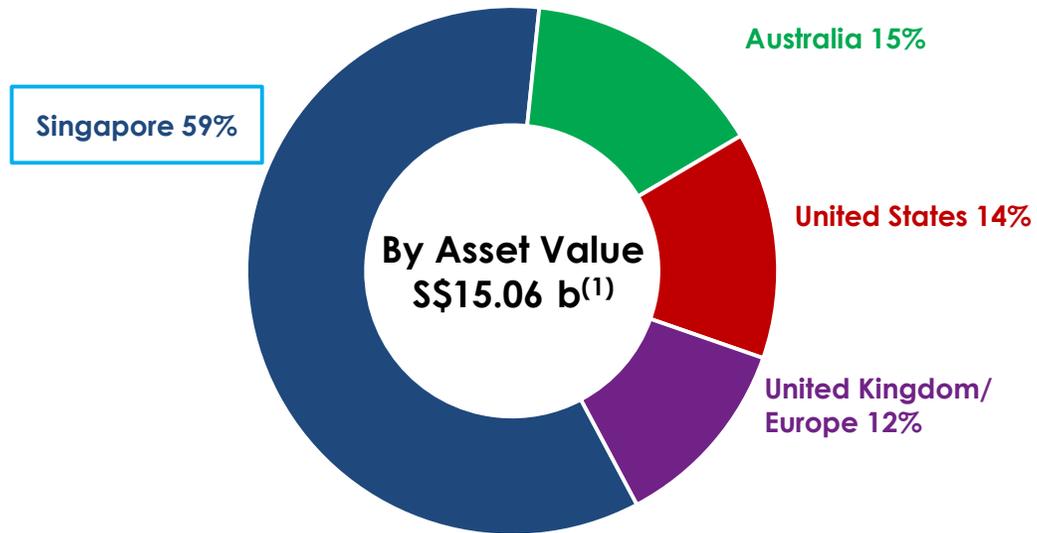
(2) The *pro forma* NAV per Unit impact is calculated as at 31 Dec 2020 and assumes the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and the Manager elects to receive its base fee 80% in cash and 20% in units.

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

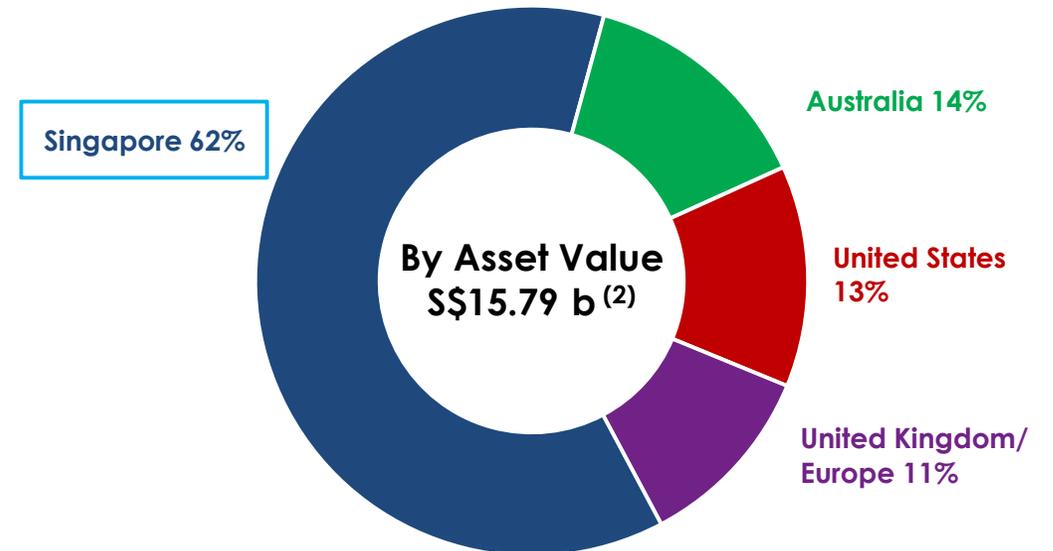
# Pro Forma Portfolio Impact

In line with strategy to remain Singapore-centric

## Before Acquisition



## After Acquisition



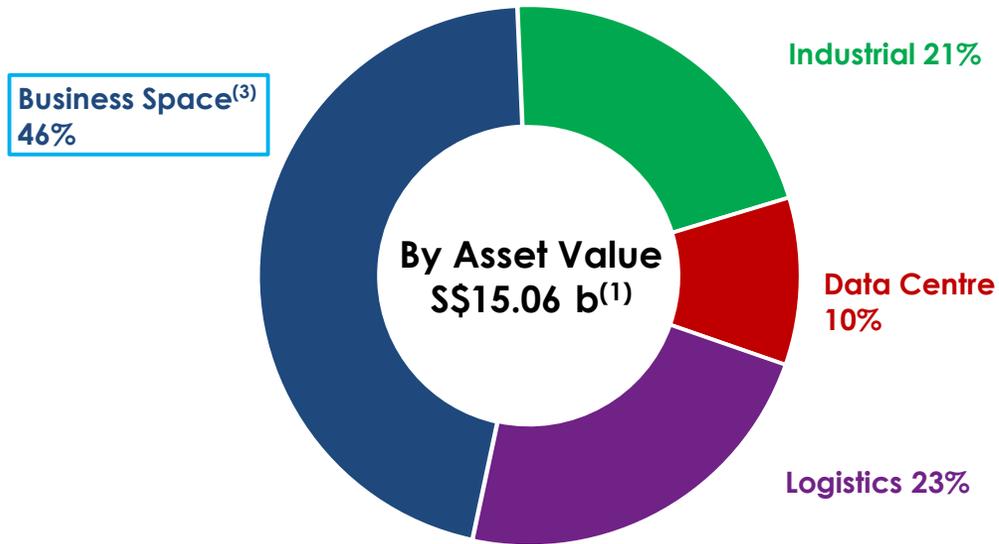
(1) As at 31 Mar 2021.

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

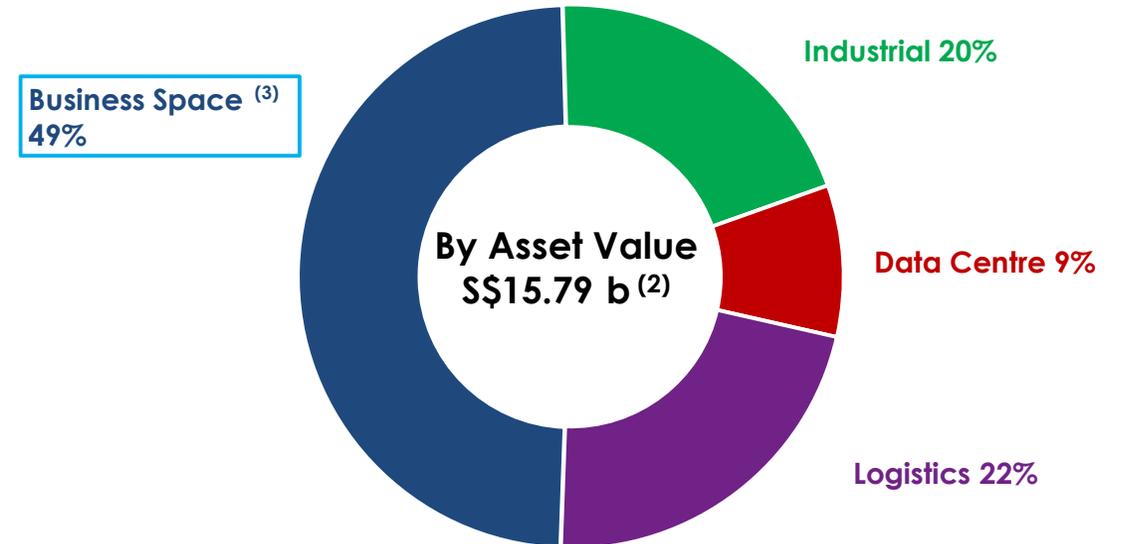
# Pro Forma Portfolio Impact

## Strengthens Business Space portfolio

### Before Acquisition



### After Acquisition



(1) As at 31 Mar 2021.

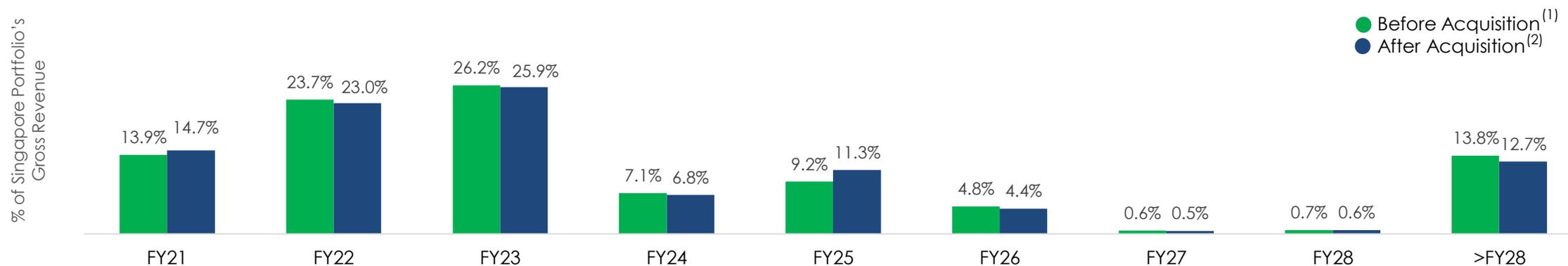
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021 and including the Property on a 100% basis.

(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

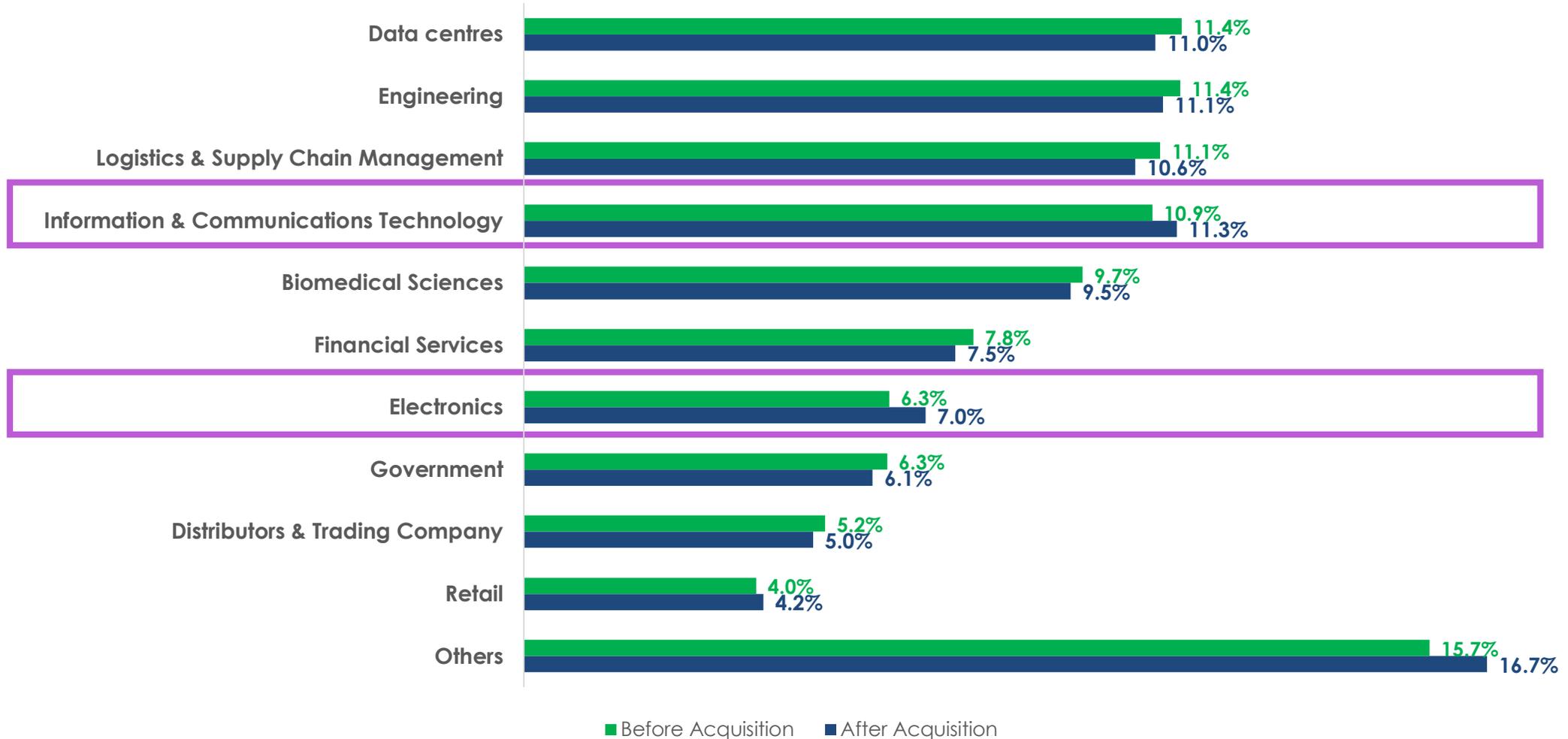


(1) As at 31 Mar 2021.

(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.

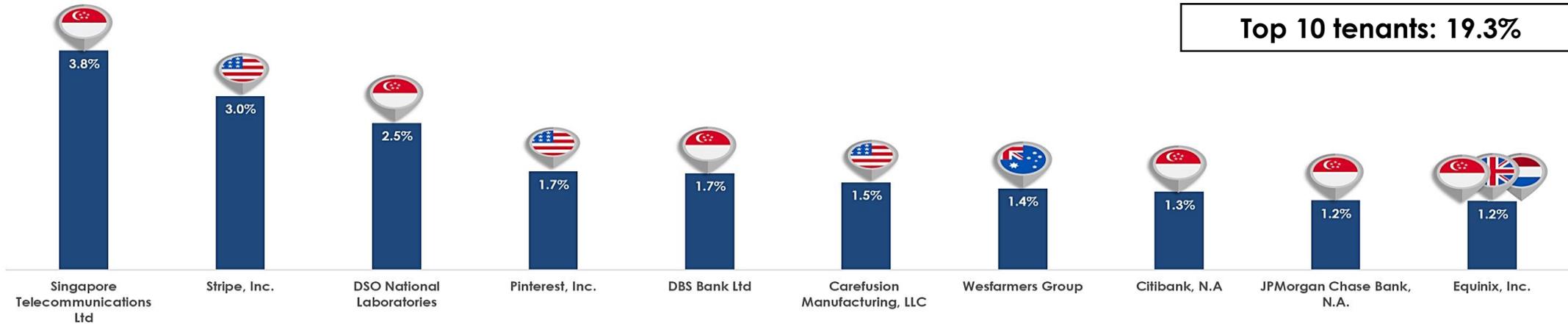
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021.

# Pro Forma Portfolio Impact

## Top 10 Tenants contributes 18.5% of monthly revenue

### Before Acquisition<sup>(1)</sup>

Top 10 tenants: 19.3%



### After Acquisition<sup>(2)</sup>

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.

# Benefits to Ascendas Reit and Unitholders

Portsmouth Rd

Galaxis, Singapore

# Benefits to Ascendas Reit and Unitholders

- **DPU accretive with sustainable returns**
  - Expects 1<sup>st</sup> year post transaction cost NPI yield <sup>(1)</sup> of 5.3% (on a 75% basis)
  - *Pro forma* DPU accretion <sup>(2)</sup> of 0.059 Singapore cents; 0.40% DPU accretion (on a 75% basis)
- **Key Merits of the Property**
  - 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** <sup>(3)</sup>
  - 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
  - Diversified geographically (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 2021 to 31 Dec 2020, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, 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

