



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 (“AGM”)
HELD BY ELECTRONIC MEANS ON MONDAY, 29 JUNE 2020 AT 3.00 P.M.**

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

Present in person :
Mr Lim Hock San : 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
Ms Lim Sau Hoong : Non-Executive Independent Director
Mr Wong Yew Meng : Non-Executive Independent Director
Mr Manohar Khiatani : 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

ASCENDAS REAL ESTATE INVESTMENT TRUST

Minutes of the Annual General Meeting held on 29 June 2020

Representatives of Ernst &
Young LLP

Present remotely : Christopher Wong
Tan Boon Leong
Koh Jia Linn
Shirley Ong

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 AGM which was being held by electronic means.
- 1.2. Mr William Tay Wee Leong, Chief Executive Officer, delivered his presentation. A copy of his presentation slides is attached as Appendix 1.
- 1.3. The proceedings of the Meeting was then handed over to Chairman.
- 1.4. Chairman noted that a quorum was present and the Notice was taken as read.
- 1.5. Voting for all the resolutions tabled at the AGM would be by the Chairman of the meeting (voting as proxy). Chairman would be voting on unitholders' behalf in accordance with their specified voting instructions on each resolution. All resolutions were voted by poll and votes were counted based on the proxy forms submitted to the Trustee-Manager by post or email at least 72 hours before the AGM. The proxy forms submitted to the Trustee-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 all the resolutions were passed, and the details of the resolutions and their results are attached as Appendix 2.
- 2.4. The questions relating to the resolutions submitted by Unitholders in advance of the AGM and the responses are summarised and attached as Appendix 3.

3. CLOSURE

There being no other business, Chairman thanked all who attended the AGM and declared the meeting closed. The meeting ended at 3.33 p.m.

Confirmed by
Mr Lim Hock San
Chairman of the Meeting



ASCENDAS REIT

Annual General Meeting

29 June 2020

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

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Making an Impact in FY2019

Making an Impact in FY2019



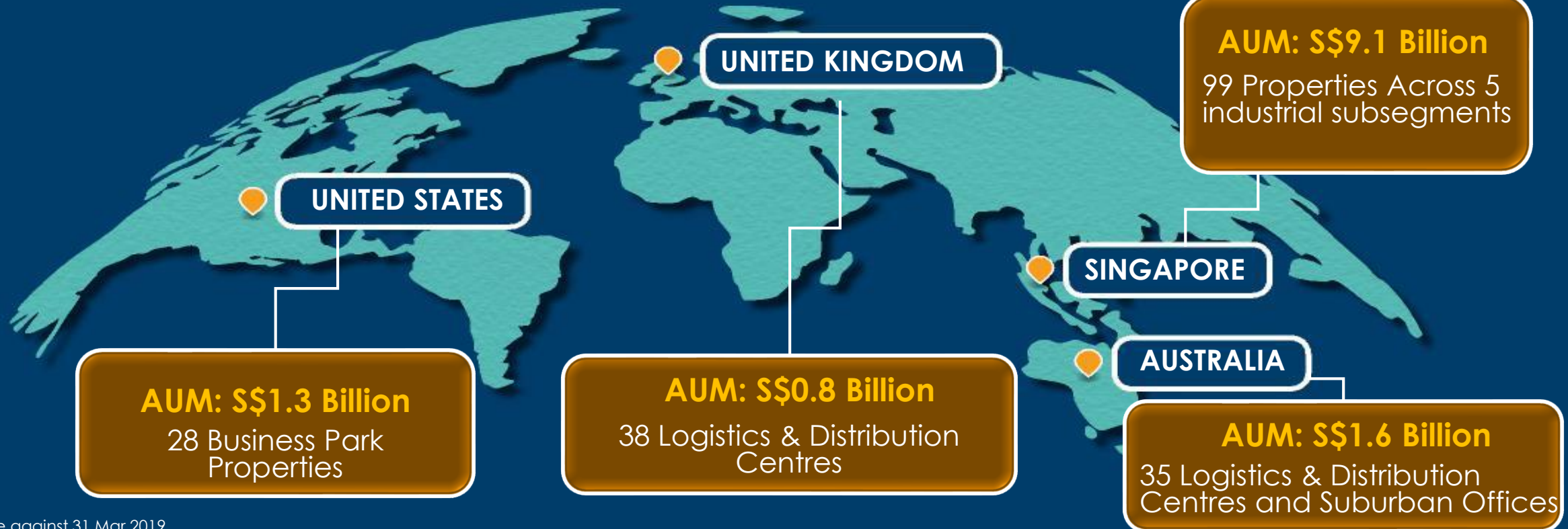
INVESTMENT PROPERTIES

**GREW 15%⁽¹⁾ TO
S\$12.8 Billion**



DIVERSIFIED PORTFOLIO ACROSS 4 DEVELOPED MARKETS

**72% SINGAPORE
28% OVERSEAS**

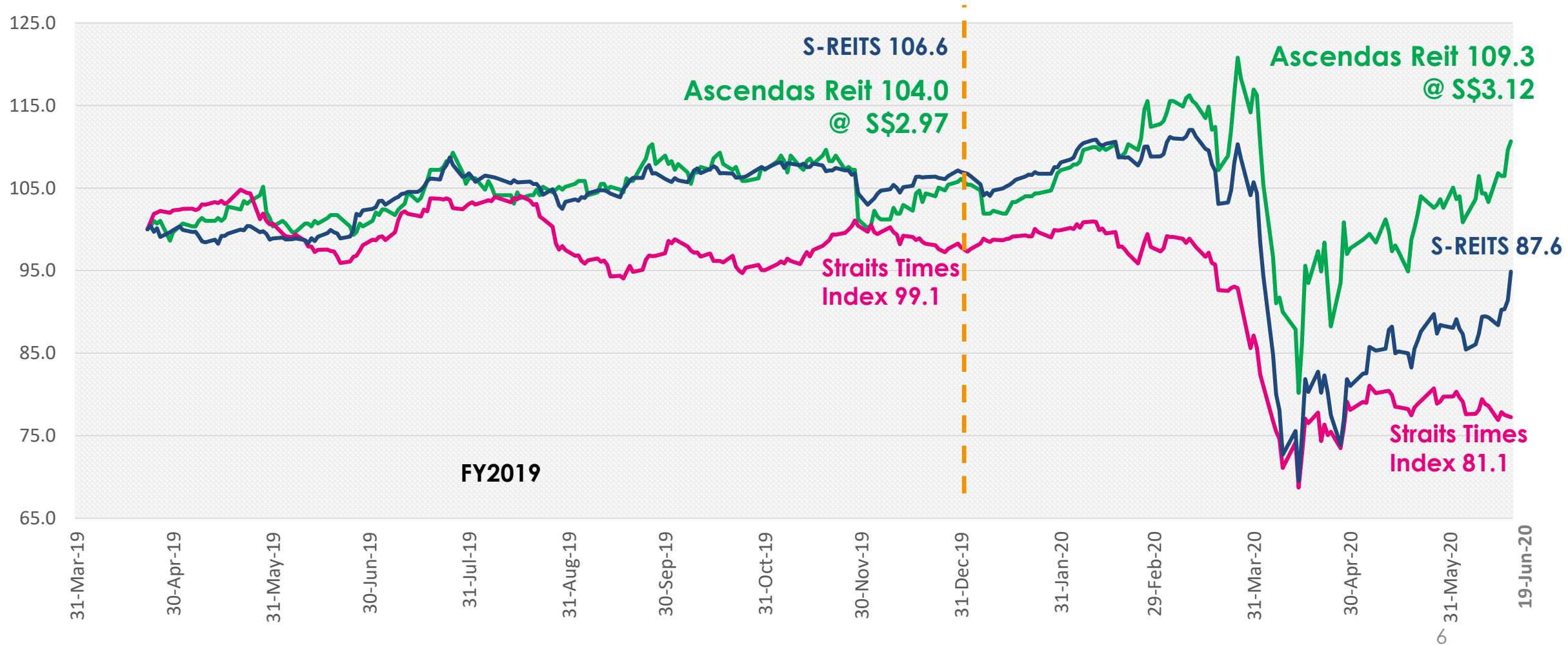


(1) Variance against 31 Mar 2019.

Ascendas Reit Unit Price Outperformed



- In FY2019, Ascendas Reit (+4%) outperformed the STI (-0.9%)





Financial Performance & Key Highlights

FY2019 Financial Highlights (April to Dec)*



Distributable Income
S\$375.4 m
+5.2% y-o-y ⁽¹⁾

Mainly attributed to newly acquired properties in UK, US and Singapore



Distribution per Unit
11.490 cents
-3.3% y-o-y ⁽¹⁾

Due to mismatch in timing between the contributions from newly acquired properties and additional Units issued from Rights Issuance



Total Assets
S\$13.9 b
As at 31 Dec 2019

Acquired S\$1.77 b of properties across the US, Singapore and Australia

* Ascendas Reit has changed its financial year end from 31 Mar to 31 Dec. Therefore, FY2019 is a nine-month period from 1 Apr 2019 to 31 Dec 2019.

(1) Variance against nine months ended 31 Dec 2018.

FY2019 Key Highlights (April to Dec)*



**Stable Portfolio
Occupancy**

90.9 %

As at 31 Dec 2019



**Lower Aggregate
Leverage at**

35.1%

From 36.3% as at
31 Mar 2019



**Positive Portfolio
Rental Reversion[#]**

+6.0%



**Stable Same-store
Valuation**

S\$11.13 b

(vs. S\$11.10 b as at
31 Mar 2019)

* Ascendas Reit has changed its financial year end from 31 Mar to 31 Dec. Therefore, FY2019 is a nine-month period from 1 Apr 2019 to 31 Dec 2019.

[#] 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 FY2019 and average gross rents are weighted by area renewed.

Investment Management

15378 Avenue of Science
San Diego, United States

Investment Highlights

A Record Year of Acquisitions
S\$1.77 b



Australia
S\$104 m

- ✓ 254 Wellington Road



Oct

United States
S\$1,282 m

- ✓ A portfolio of 28 business park properties



Dec

Singapore
S\$380 m

- ✓ Nucleos
- ✓ FM Global



Dec



Recycled Capital: S\$27 m
8 Loyang Way 1 (Sep)



Completed Asset Enhancement Initiative: S\$4.5 m
ONE @Changi City (Oct)

FY 2019

Deepening Presence in Australia



- (1) S\$ amounts is based on exchange rate of A\$1,000: S\$0.941 as at 30 Sep 2019
(2) WALE and Occupancy Rate is based on pre-committed lease to Nissan for 10 years. Physical occupancy is 65.2% (space pre-committed to Nissan). From practical completion date, the Vendor will provide a 3-year rental guarantee for any remaining vacant space.

Profile

- ✓ Well located in **Monash Technology Precinct**
- ✓ 8-level state-of-the-art office accorded with **5-star NABERS energy rating** and **5 Star Green Star Design**
- ✓ Nissan will lease 65.2% of the space and the property will serve as its head office and training centre with emphasis on electric vehicles
- ✓ Completion expected in **3Q 2020**

Land and Development cost

S\$104.4 m⁽¹⁾
(A\$110.9 m)

NPI Yield (post transaction cost)

5.7%

Land Tenure

Freehold

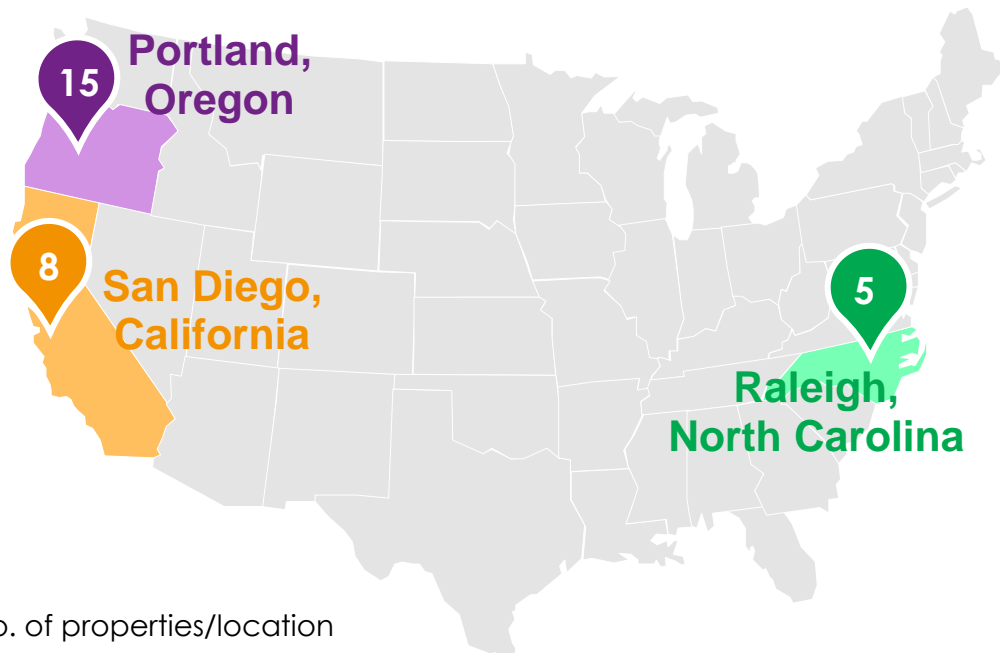
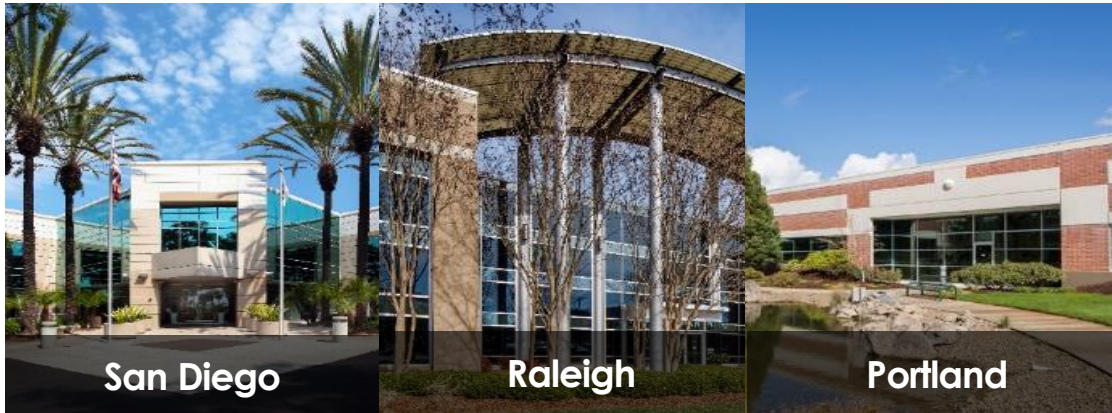
WALE

10 years ⁽²⁾

Occupancy

100% ⁽²⁾

Diversifying Geographically with US Portfolio



Profile

- ✓ 28 business park properties across the **US tech cities** of San Diego, Raleigh and Portland
- ✓ Well-located in **close proximity to renowned universities and leading corporations**
- ✓ >65% of tenants are in the growing information, medical and financial tech sectors e.g. CareFusion, Teleflex Medical, Northrop Grumman Systems

Agreed Portfolio Value S\$1,281.7 m⁽¹⁾
(US\$937.6 m)

NPI Yield (post transaction cost)
6.2%

Land Tenure
Freehold

WALE
4.1 years

Occupancy
93.9%

(1) S\$ amount is based on exchange rate of US\$1.00: S\$1.3708 as at 30 Sep 2019.

Strengthening Singapore Business Park Portfolio



Nucleos, Singapore

Profile

- ✓ 7-storey twin tower business park property located at **one-north**
- ✓ **BCA Green Mark Gold^{Plus}**
- ✓ Reputable bioscience tenants including DuPont, Takeda, Ingredion

Purchase Price
S\$289.0 m

NPI Yield (post transaction cost)
6.7%

Land Tenure
52 years

WALE
2.2 years

Occupancy
92.9%



FM Global Centre, Singapore

Profile

- ✓ 6-storey **built-to-suit business park property** located within Singapore Science Park 2
- ✓ **BCA Green Mark Gold**
- ✓ Leased to FM Global, a Fortune 1000 mutual insurance company

Purchase Price
S\$91.0 m

NPI Yield (post transaction cost)
5.5%

Land Tenure
72 years

WALE
>25 years

Occupancy
100%

Recent Investment Activities (1Q FY2020)

Acquired 25% stake in Galaxis for S\$102.9m



Galaxis, Singapore

- ✓ **Premium business park** property with a 17-storey business park/office space, a 2-storey retail/F&B podium and a 5-storey building with work lofts
- ✓ **BCA Green Mark Platinum**
- ✓ Well-located within Fusionopolis in one-north, with **direct access to the MRT station**
- ✓ Reputable tenants such as Canon, Oracle, and Sea (formerly Garena)

Purchase Price: S\$102.9 m ⁽¹⁾

NPI Yield (post transaction cost): 6.1%

Land Tenure: 52 years

WALE: 2.5 years

Occupancy: 99.6%

(1) Purchase price is based on 25% of the adjusted net asset value of the holding entity for Galaxis. Agreed property value of the property of S\$630.0 million, is about 3.1% lower than the independent market valuation of the Property of S\$650.0 million as at 26 March 2020.

3 Divestments Generated
Total Sales Proceeds of S\$125.3 m



Wisma Gulab,
Singapore



202 Kallang Bahru,
Singapore



25 Changi South
Street 1, Singapore

On-going Build-to-Suit and Redevelopment

Build-to-Suit Development (\$\$181.2 m)



- Business park property located within the vibrant **one-north precinct**
- **BCA Green Mark Gold^{Plus}** building
- **11-year lease to Grab for 100% of the space**
- Est completion date: 1Q 2021

Redevelopment (\$\$35.0 m)



- Redeveloping two existing light industrial buildings into a single **High-Specifications building**
- Maximise rental potential given the locational advantage, being **1-2 mins walk to Ubi MRT station**
- Est completion date: 2Q 2021

Redevelopment (\$\$84.3 m)










- Redevelopment to **maximise plot ratio and double Gross Floor Area**
- Designed to achieve **BCA Green Mark Platinum** rating
- Will include a gym, skydeck, food court and end-of-trip facilities
- Connected to **Jurong Region Line**
- *Est completion date: 3Q 2022*

Capital Management

Unit 2 Wellesbourne Distribution Park,
West Midlands, United Kingdom

Healthy Balance Sheet

- Robust financial metrics that **exceed bank loan covenants** by a healthy margin
- Available debt headroom of ~\$3.8 b to reach 50% aggregate leverage

	 Aggregate Leverage ⁽¹⁾	 Weighted Tenure Of Debt	 Average all-in Debt Cost	 Moody's Rating
As at 31 Dec 2019	35.1%	4.0 years	2.9%	A3
As at 31 Mar 2020	36.2%	3.8 years	2.9%	
	 Interest Cover	 Unencumbered Properties as % of Total Investment Properties ⁽⁴⁾	 Net Debt ⁽⁵⁾ / EBITDA	
As at 31 Dec 2019	4.9x ⁽²⁾⁽³⁾	91.8%	8.1x	
As at 31 Mar 2020	5.0x	92.5%	8.0x	

(1) Based on total gross borrowings divided by total assets.

(2) Exclude the effects of FRS 116.

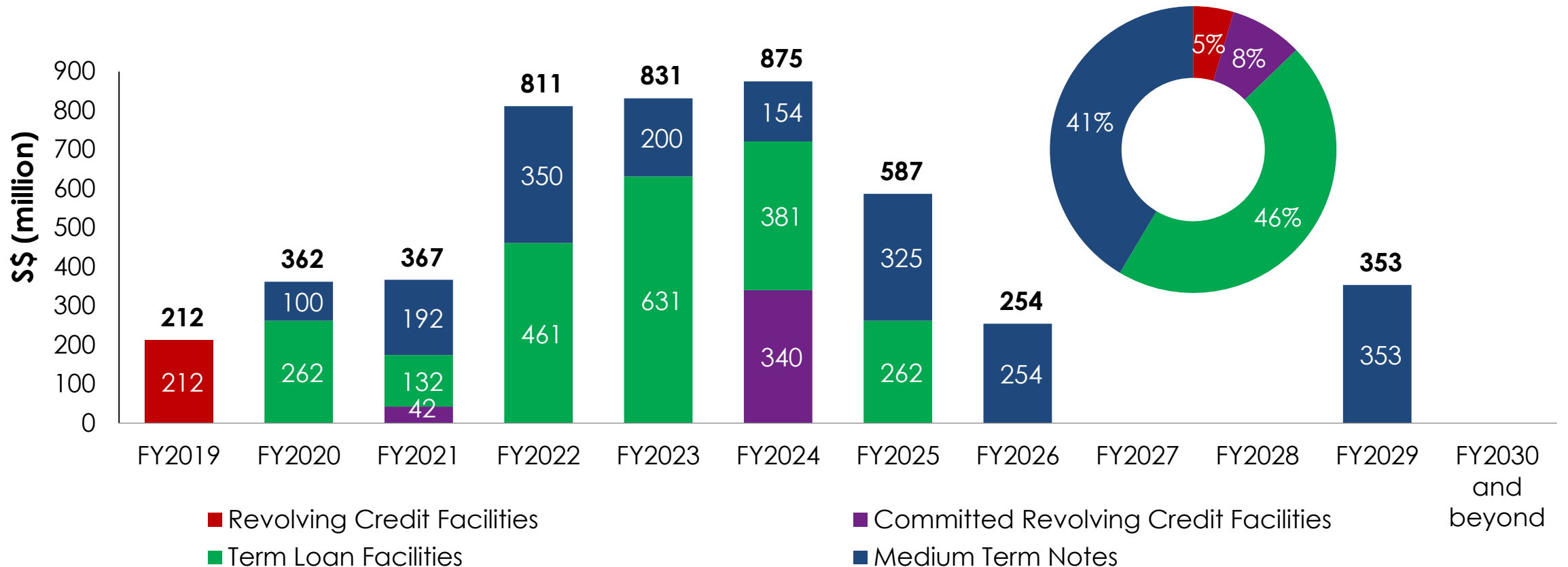
(3) Based on the trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees.

(4) Total investment properties exclude properties reported as finance lease receivable.

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

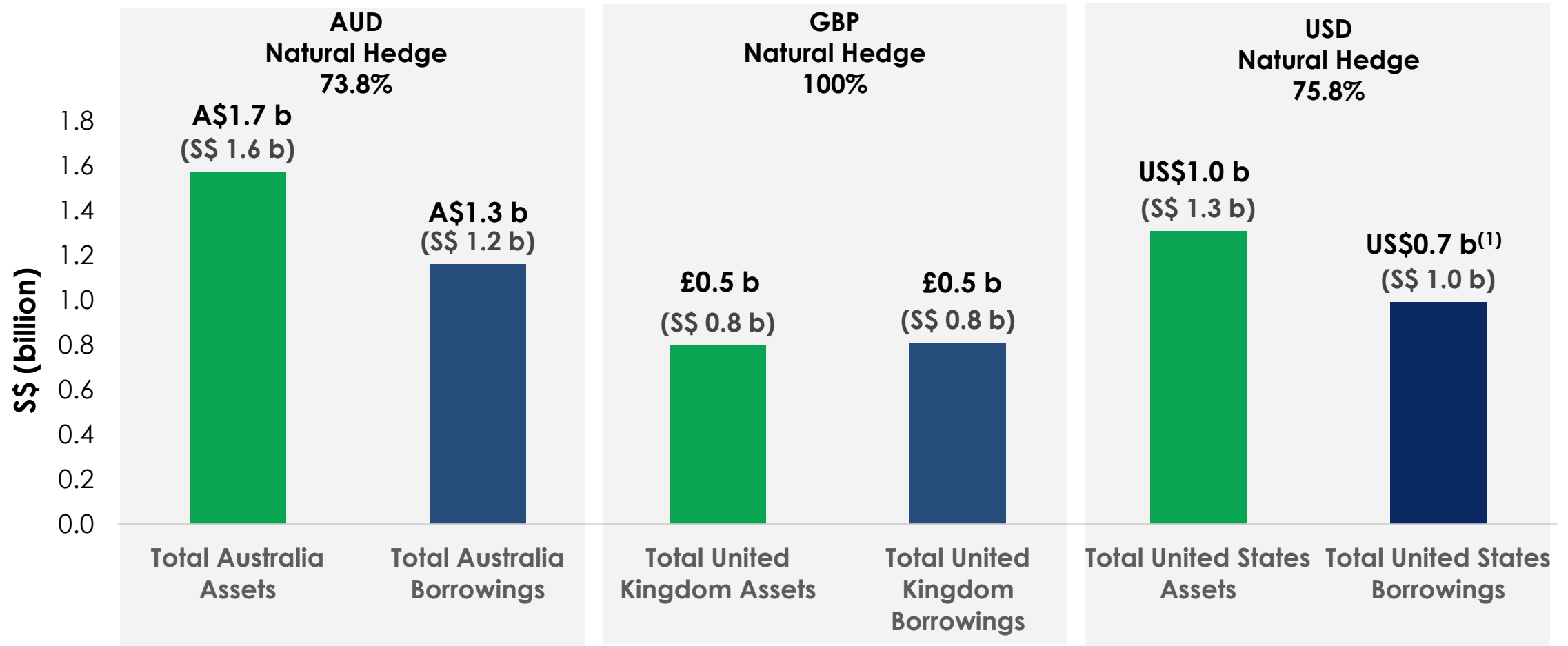
Well-Spread Debt Maturity Profile

- **Well-spread debt maturity** with the longest debt maturing in FY2029
- Average debt maturity maintained to 4.0 years as at 31 Dec 2019 (Mar 2019: 4.0 years)
- No refinancing requirements in 1H2020



High Level of Currency Hedge

- Maintained **high level of natural hedge** for Australia (73.8%), the UK (100%) and the US (75.8%) to minimise the effects of adverse exchange rate fluctuations.



(1) As at 31 Mar 2020, the US natural hedge has increased to 100%.

Annual Property Revaluation

- Total valuation of 198 properties ⁽¹⁾ was **S\$12.84 b**
- **Stable same-store valuation** for 168 properties ⁽²⁾ at S\$11.13 b (vs. S\$11.10 b @ 31 Mar 2019)

As at 31 Dec 2019	Valuation (S\$b)	Weighted Average Cap Rates	Cap Rates Range
Singapore portfolio (97 properties)	9.16	6.02%	5.25% - 7.25%
Australia portfolio (35 properties) ⁽³⁾	1.57	5.88%	5.00% - 6.75%
United Kingdom portfolio (38 properties) ⁽⁴⁾	0.80	5.82% ⁽⁵⁾	4.42% - 8.15% ⁽⁵⁾
United States portfolio (28 properties) ⁽⁶⁾	1.31	6.27%	5.75% - 7.25%
Total Portfolio (198 properties)	12.84		

(1) Excludes 25 & 27 Ubi Road 4 which are under redevelopment.

(2) Excludes 1 property which was divested in FY2019 (8 Loyang Way 1), 2 properties under redevelopment (25 & 27 Ubi Road 4) and 30 properties acquired in FY2019 (US properties, Nucleos and FM Global Centre).

(3) All S\$ amount based on exchange rate of A\$1.00: S\$0.92791 as at 31 Dec 2019.

(4) All S\$ amount based on exchange rate of £1.00: S\$1.75468 as at 31 Dec 2019.

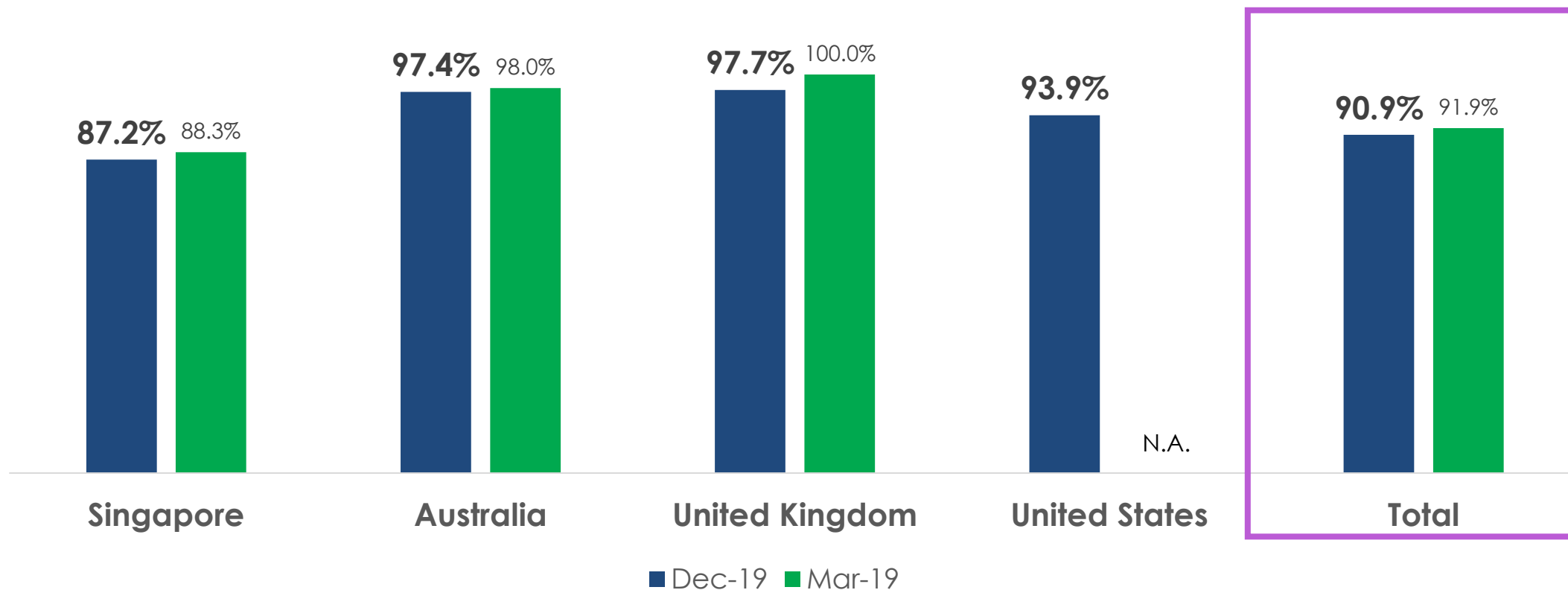
(5) Refers to equivalent yield, which reflects the current level of return on property investments in the United Kingdom.

(6) All S\$ amount based on exchange rate of US\$1.00: S\$1.36055 as at 31 Dec 2019.

Asset Management

Healthy Portfolio Occupancy

- Stable portfolio occupancy rate



Gross Floor Area (sqm) ⁽¹⁾

3,061,210

792,039 ⁽²⁾

509,907 ⁽³⁾

313,059

4,676,215

(1) Gross Floor Area as at 31 Dec 2019.

(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.

Positive Rental Reversions in FY2019

- Average portfolio rent reversion of +6.0% was recorded for leases renewed in FY2019
- Rental reversion for FY2020 is expected to be flat in view of the current uncertainties

% Change in Renewal Rates for Multi-tenant Buildings ⁽¹⁾	FY2019	FY18/19
Singapore	6.2%	3.7%
Australia	1.0%	- ⁽²⁾
United Kingdom	- ⁽²⁾	- ⁽²⁾
United States	- ⁽²⁾	N.A.
Total Portfolio :	6.0%	3.7%

(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 multi-tenant lease renewals signed during the period.

Stable Weighted Average Lease Expiry

(By gross revenue)

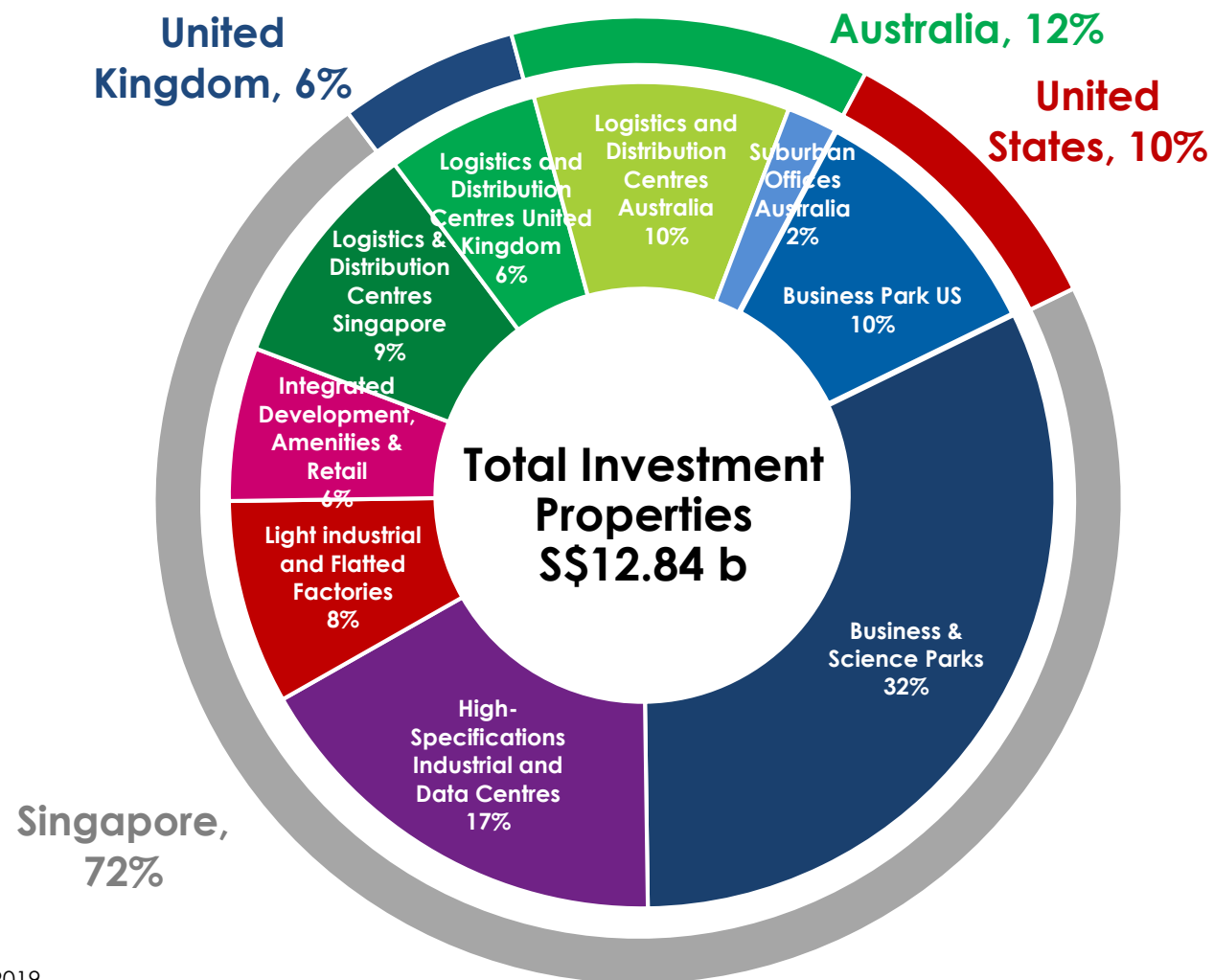
- Portfolio Weighted Average Lease Expiry (WALE) stood at 3.9 years

WALE (in years)	As at 31 Dec 2019
Singapore	3.5
Australia	4.4
United Kingdom	8.8
United States	4.1
Portfolio	3.9

Well-Diversified Portfolio

By Value of Investment Properties

- As at 31 Dec 2019, total investment properties stood at **S\$12.84 b**
- Well-diversified **geographically**:
 - Singapore portfolio: S\$9.16 b
 - Australia portfolio: S\$1.57 b
 - United Kingdom portfolio: S\$0.80 b
 - United States portfolio: S\$1.31 b
- Well-diversified by **asset class**:
 - Business & Science Park/ Suburban office: 44%
 - Industrial: 31%
 - Logistics & Distribution Centre: 25%

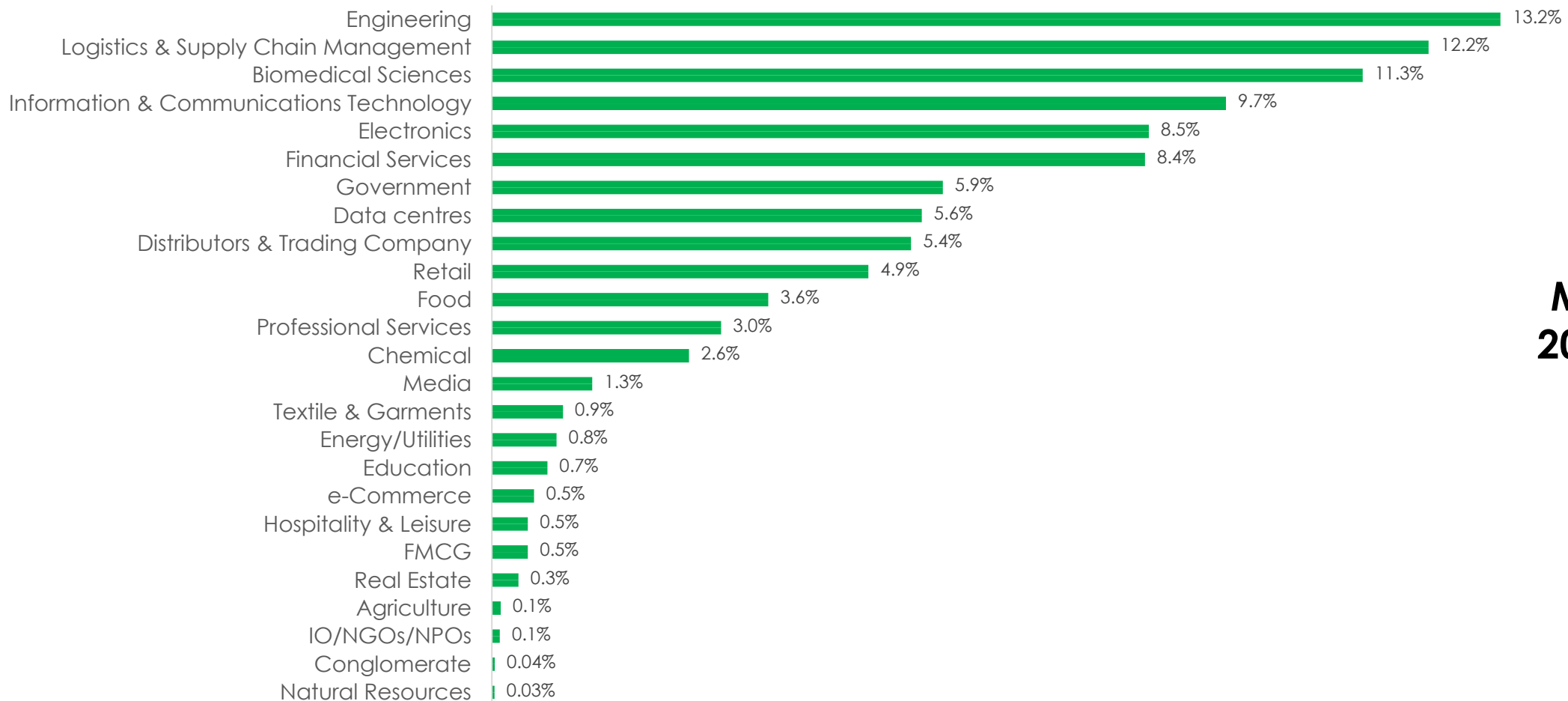


Notes:

Multi-tenant buildings account for 71.0% of Ascendas Reit's portfolio by asset value as at 31 Dec 2019.
 About 65.1% of Logistics & Distribution Centres in Singapore (by gross floor area) are multi-storey facilities with vehicular ramp access.
 Within Hi-Specs Industrial, there are 3 data centres (4.2% of portfolio), of which 2 are single-tenant buildings.
 Within Light Industrial, there are 2 multi-tenant flatted factories (2.6% of portfolio).

Well-Diversified Customers' base (By Monthly Gross Revenue)

- Customers are operating in **more than 20 industries**

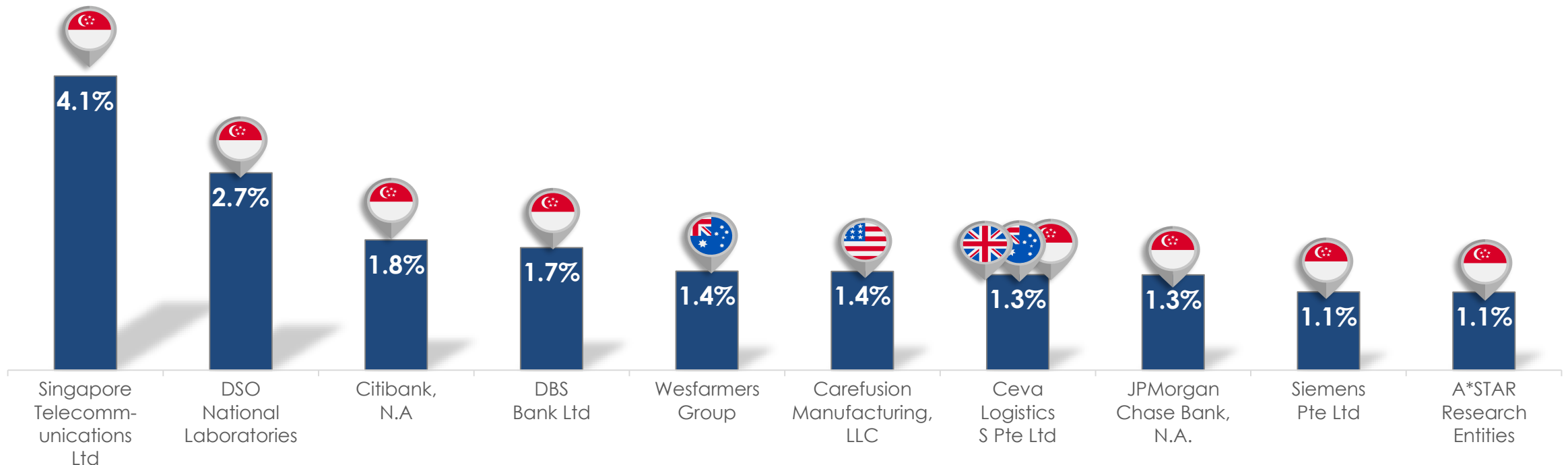


**More than
20 industries**

Note: Customers' Industry classifications have been updated to better reflect the organisation's primary industry sector. Previous industry classifications were based on the Singapore Standard Industrial Classification (SSIC) which may be outdated due to changes in business activities.

Quality and Diversified Customer Base

- Total customer base of around 1,490 tenants
- Top 10 customers (as at 31 Dec 2019) account for about 17.9% of monthly portfolio gross revenue
- On a portfolio basis, weighted average security deposit is about 4.7 months of rental income



Sustainability

TECH POINT

Sustainability Achievements

1st industrial building in Singapore awarded Green Mark Platinum **Super Low Energy (SLE)** status by BCA⁽¹⁾



LogisTech, Singapore

Best-in-class energy efficient building

Largest number of electrical Vehicle (EV) charging lots in Singapore



80 Bendemeer Road, Singapore

40 lots across 8 properties providing high-speed charging

Largest combined solar installation by a real estate company in Singapore



40 Penjuru Lane, Singapore

>21,000 solar panels across 6 properties generating over 10,000 MWh of solar energy



SIAS Investors' Choice Awards 2019
Sustainability Award – Runner Up (REITs & Business Trust Category)

(1) Building and Construction Authority, Singapore

The Amazon logo is displayed on a white rectangular sign mounted on the upper part of a light grey corrugated metal building. The logo consists of the word "amazon" in a lowercase, sans-serif font, with a curved orange arrow underneath it pointing from the letter 'a' to the letter 'z'.

amazon

COVID-19 Updates

8




9

10

Units 1a, 1b, 2 & 3 Upwell Street,
Yorkshire & the Humber, United Kingdom

COVID-19 Country Update:

Singapore – Providing support to SME tenants

<p>Government Measures Implemented</p> 	<ul style="list-style-type: none">• Government assistance:<ul style="list-style-type: none">✓ Property tax rebate (Retail/F&B/amenities: 100%, Industrial: 30%)✓ For SMEs: additional cash grant (Retail/F&B/amenities: 0.8 months, Industrial: 0.64 months)• For qualifying SMEs ⁽¹⁾:<ul style="list-style-type: none">✓ Additional rent waiver by landlord✓ Instalment repayment scheme for rental arrears; interest capped at 3% p.a.
<p>Impact</p> 	<ul style="list-style-type: none">• Retail/F&B/amenities SME tenants will receive 4 months of base rent waiver, inclusive of government's property tax rebate and cash grant ⁽²⁾• Qualifying industrial SME tenants will receive 2 months of base rent waiver, inclusive of government's property tax rebate and cash grant ⁽³⁾
<p>Outlook</p> 	<ul style="list-style-type: none">• 2020 GDP forecast: -4% to -7% (source: MTI)• To-date, no tenants have pre-terminated due to COVID-19• Challenging leasing environment

(1) Eligibility criteria for qualifying SMEs include substantial drop in average monthly revenue during COVID-19 (average monthly revenue from April to May 2020 on an outlet level reduced by 35% or more, compared to April to May 2019). Source: <https://www.mlaw.gov.sg/covid19-relief/rental-relief-framework-for-smes#eligibility>

(2) To-date 3 months disbursed; remaining to be disbursed by Sep 2020.

(3) Qualifying industrial SME tenants (based on Ascendas Reit's records) will receive 1 month of base rent waiver in Jun 2020 on top of property tax rebates. Further adjustments will be made by Sep 2020, to ensure that all qualifying industrial SME tenants will receive 2 months of base rent waiver.

COVID-19 Country Update

Australia – Reopening of retail outlets and leisure activities

Government Measures Implemented



- Mandatory code of conduct (for SMEs): landlords unable to terminate leases/draw on deposits and to offer reductions in rent (as waivers or deferrals) based on the tenant's reduction in trade during COVID-19, tenants to honour leases

Impact



- Suspended rent collection from F&B tenants (<1% of Australia portfolio by rental income) from Apr until they reopen
- Restructured lease of one leisure/hospitality tenant, providing rental rebate
- Pro-active discussions with tenants to offer assistance via existing lease incentives or rent deferral

Outlook



- 2020 GDP forecast: -4.5% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- New leasing enquiry to remain subdued, but existing tenants may be more likely to renew than relocate on lease expiry.

COVID-19 Country Update

United Kingdom – Easing lockdown in England

Government Measures Implemented



- Up until 30 Jun 2020, landlords are not allowed to terminate leases for any missed payments. The UK government has the option to extend this if needed. Tenants will still be liable to pay rent i.e. no rent holiday
- Deferment of VAT payments for Mar – Jun 2020 to the end of the financial year

Impact



- No rent rebates given to-date
- Allowed some tenants to change their rental payment from quarterly to monthly in advance and some to defer rent payments to the latter part of the year, to help them with their cashflow management
- Defer the VAT payment by one year to Mar-21
- Extending available space for short-term leases

Outlook



- 2020 GDP forecast: -7.8% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- More leasing challenges expected as many interests have been aborted or put on hold. However leases in the final stages are continuing to progress

COVID-19 Country Update

United States – Cautious outlook

Government Measures Implemented



- Landlords are not allowed to evict tenants due to non-payment of rents in Portland, Oregon (until 7 Jul 2020), San Diego, California (until 25 Sep 2020) and Raleigh, North Carolina (until 20 Dec 2020)

Impact



- Provided rental rebate to one small café operator in Portland

Outlook



- 2020 GDP forecast: -5.7% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- Majority of our tenants are operating with skeleton crews serving essential functions on site, with rest of staff working remotely
- Slowdown in leasing activity as tenants are holding back expansion plans; trend towards shorter-term extensions for near-term expiries

Key Policy

New Measures

(By Monetary Authority of Singapore, Ministry of Finance and Inland Revenue Authority of Singapore)

- Higher aggregate leverage (gearing) limit to 50% (from 45%)
- Extension to distribute at least 90% of S-REIT's taxable income for FY ending in 2020 from 3 months (after the end of the FY) to 31 Dec 2021 to qualify for tax transparency
- Banks' assurance that there will be no automatic enforcement of loan covenant breaches for landlords impacted by the requirements under the rental relief framework for SMEs⁽¹⁾

Ascendas Reit

Aggregate Leverage



Healthy aggregate leverage at ~36% with available debt headroom of ~S\$3.8 b⁽²⁾⁽³⁾ before reaching 50.0% aggregate leverage

Distribution Policy



Whilst Ascendas Reit has been distributing 100% of taxable Income available for distribution, its policy is to distribute at least 90% of the taxable income

(1) Please refer to Ministry of Law Singapore's news release "[New Rental Relief Framework for SMEs](#)" dated 3 June for details on the framework.

(2) Excludes the effects of FRS 116.

(3) Includes interests in JV.

Prudent Capital Management

Robust Financial Metrics



- Healthy aggregate leverage at ~36%
- Financial metrics exceed key bank covenant thresholds
- **Sufficient cashflow to meet financial and operational obligations** as they come due
- Has **reserves of S\$490 m**, comprising of S\$290 m in cash and S\$200 m in committed facilities

Outlook & Strategy



- The onset of the COVID-19 outbreak since the beginning of the year has caused varying knock-on effect on all of us – tenants, landlord and Unitholders.



- We will continue to assess and respond to the changing situation



- Strong financial profile and well diversified portfolio will help Ascendas Reit navigate the uncertainties in 2020



- We look forward to the early end of the COVID-19 pandemic worldwide. This will enable our economies and tenants to restart and recover to normalcy.



Thank you



(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 JUNE 2020

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 (%)
Ordinary Business					
<u>Ordinary Resolution 1</u> To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Ascendas Reit for the financial year ended 31 December 2019 and the Auditors' Report thereon.	2,483,640,721	2,483,621,921	100.00	18,800	0.00
<u>Ordinary Resolution 2</u> To re-appoint Ernst & Young LLP as Auditors of Ascendas Reit to hold office until the conclusion of the next AGM of Ascendas Reit, and to authorise the Manager to fix their remuneration.	2,501,972,268	2,501,953,468	100.00	18,800	0.00

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 (%)
Special Business					
<u>Ordinary Resolution 3</u> To authorise the Manager to issue Units and to make or grant convertible instruments.	2,501,972,267	2,273,404,365	90.86	228,567,902	9.14
<u>Ordinary Resolution 4</u> To approve the renewal of the Unit Buy-Back Mandate.	2,501,265,696	2,498,509,016	99.89	2,756,680	0.11



A Member of CapitaLand

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

**Annual General Meeting
Responses to Substantial and Relevant Questions**

A. Impact of COVID-19	
1.	<p>(i) How has COVID-19 affected your portfolio and operations in the different countries?</p> <p>(ii) Please update on the impact of COVID-19 on Ascendas Reit's assets in Singapore, the United States (US), the United Kingdom (UK) & Australia.</p> <p>(iii) In Singapore, how has the Circuit Breaker affected the Integrated Development, Amenities & Retail (IDAR) and Business Park segments?</p> <p>(iv) In Australia, how has the Suburban Offices been impacted?</p> <p>(v) In the US, have the lockdowns affected business continuity at the three Tech Cities?</p>
	<p>Response:</p> <p>All Ascendas Reit's properties remained opened during the pandemic.</p> <p>At the height of the pandemic, various forms of lockdown were imposed by respective governments in our markets and most of our tenants' employees were working from home. Tenants in essential industries continued to operate normally.</p> <p>Our retail and F&B tenants, located in some business parks properties and Aperia in Singapore as well as in our suburban offices in Australia, have been more directly impacted due to the lockdowns and work-from-home arrangements. However, they comprise less than 5% of Ascendas Reit's portfolio by rental income.</p> <p>We have provided assistance to selected tenants across the geographies, such as in rental rebates and changes in payment schedule. To date, the financial amounts of the assistance do not have a material impact on revenue.</p> <p>There has been no pre-termination of leases due to COVID-19 in any of the four countries.</p>

2.	<p>(i) How much if any, will it cost Ascendas Reit in 2020 to support tenants during the period of lockdowns?</p> <p>(ii) What is the impact from the COVID-19 laws that require landlords to give SME tenants more rental relief?</p> <p>(iii) What is the impact to rental revenue during the circuit breaker period? What about after the COVID-19 period?</p> <p>(iv) Do we have to set aside a percentage of Distributable Income for deferred rentals, rental abatement and tenancy termination?</p>
	<p>Response:</p> <p>In Singapore, we estimate that rent waivers provided to tenants year to date amount to less than S\$20 million. The actual amount to be disbursed will depend on the tenants' eligibility assessment by the authorities.</p> <p>This amount is in addition to the Singapore Government's property tax rebates and cash grants which we will fully pass through to eligible tenants.</p> <p>SME tenants currently make up less than 20% of Ascendas Reit's Singapore portfolio by gross rental income. About 12% of these tenants are F&B and retail SMEs and the remaining 88% are industrial SMEs.</p> <p>In Australia, we have suspended rent collection from our F&B and retail tenants located at our three suburban offices from April 2020 until their reopening. We have also restructured one lease of a leisure/hospitality tenant and provided the tenant with rent rebate. The overall impact is less than S\$0.5 million.</p> <p>To date, we have not offered any rent rebates to our tenants in the UK. Instead, we have allowed some tenants to change their rental payment frequency from quarterly to monthly in advance and approved some rent deferrals to the latter part of the year, to help them with their cashflow management.</p> <p>In the US, we have provided rent rebate of about US\$10,000 to a small café operator in Portland, whose business was affected after employees in the vicinity started to work from home.</p>
3.	<p>Has any major tenants terminated their leases and what is the financial impact of these terminations in FY2020?</p>
	<p>Response:</p> <p>To date, no tenant has pre-terminated their lease due to COVID-19 in all the four countries.</p>

4.	Does management see any risk in terms of tenant's credit given the significant depression in the global economy?
	<p>Response:</p> <p>Currently, about S\$3 million of rent in Singapore has been granted deferment, and these are covered by the tenants' security deposits.</p> <p>For tenants who have been granted deferment, we will continue to monitor them closely to minimise the possibility of default.</p> <p>There are also measures under the rental relief framework for SMEs in Singapore to protect landlords. For example, the landlord will be entitled to immediate repayment of arrears if the tenant fails to make a payment under the statutory repayment scheme within the prescribed period of time or if the tenant terminates the lease. Tenants will also need to file a statutory declaration on their statement of accounts from April 2020 until the termination of the lease and set out how he proposes to repay the outstanding rental arrears.</p>
5.	Have the built-to-suit deadline for Grab & the two Asset Enhancement Initiatives at Science Park 2 been affected by foreign worker dormitories issues?
	<p>Response:</p> <p>The development of Grab's headquarters will be delayed from 4Q 2020 to 1Q 2021 due to a delay in materials from China and the stop-work order during the circuit breaker.</p> <p>Our two asset enhancement initiatives at The Capricorn and The Galen, located in Singapore Science Park 2, were completed on 20 February 2020 and 6 April 2020 respectively.</p>
6.	Does COVID-19 affect the future growth of the business?
	<p>Response:</p> <p>Logistics space in large markets such as Australia and the UK remain a very attractive asset class as they support e-commerce activities which has accelerated amidst the pandemic. In Singapore too we have seen an increase in demand for logistics spaces for certain industries. Ascendas Reit's portfolio of overseas logistics properties is well-positioned to benefit from the growth.</p> <p>A significant part of our business park and suburban offices in Singapore and the US cater to growth industries such as biomedical, infocomm technologies and healthcare, which we believe will continue to remain resilient in the near to medium term.</p>

7.	Has any tenant failed to pay rent so far?
	<p>Response:</p> <p>To date, the amount of rent arrears is less than 1% of portfolio revenue.</p>
8.	Which segments of the properties most affected?
	<p>Response:</p> <p>Ascendas Reit's customer base of about 1,490 tenants is diversified in more than 20 different industries.</p> <p>Whilst some industries such as retail, aviation, oil and gas and hospitality & leisure are more affected by COVID-19, they make up less than 15% of Ascendas Reit's monthly gross revenue.</p> <p>On the other hand, about 50% of monthly gross revenue is contributed by relatively more resilient industries such as financial services, government, infocomm data centres and biomedical.</p> <p>Although some companies may be more affected than others by the COVID-19 outbreak, we have not experienced any pre-termination by tenants so far.</p>
9.	Do we see a weakening in property valuation in coming months?
	<p>Response:</p> <p>So far, occupancy rates for our business park and industrial properties remain relatively stable. Hence, we do not expect any significant adjustment in valuations due to COVID-19. Additionally, there has not been any significant market transactions that indicate otherwise.</p>
10.	<p>(i) How does the impact of rent deferral and rebate affect the dividend distribution?</p> <p>(ii) What is the estimated distribution per Unit (DPU) for FY2020 after giving rental rebates to tenant?</p> <p>(iii) Will any distributions be held back in 2020?</p> <p>(iv) Would the DPU be comparable to last year?</p>
	<p>Response:</p> <p>There will be an impact on the dividend distribution, although, as you can see from the various answers provided above, the impact of COVID-19 on Ascendas Reit has been minimal.</p> <p>So far, we see no reason to hold back any dividends and we will continue to monitor the circumstances and business environment.</p>

11.	<p>(i) How will COVID-19 affect the operations of Ascendas Reit going forward?</p> <p>(ii) What pre-emptive measures will the management and Board take in the new world?</p>
	<p>Response:</p> <p>As per our various answers above, the impact has been minimal.</p> <p>However, we will continue to monitor the situation closely and adopt a conservative and cautious stance until we have a clearer understanding of how the future new world will evolve.</p>
<p>B. Strategy and Outlook</p>	
12.	<p>(i) What is Ascendas Reit's strategy to stay resilient amidst the COVID-19 crisis (during and post-COVID-19)?</p> <p>(ii) What is the company's medium-term strategy to overcome the challenges posed by the COVID-19 pandemic?</p>
	<p>Response:</p> <p>So far, our diversification strategy has enabled Ascendas Reit to ride through good and bad economic cycles, including the on-going COVID-19 pandemic.</p> <p>Ascendas Reit's portfolio is diversified across geographic locations and across asset classes. With more than 1,490 customers across over 20 industries, this reduces exposure to any one industry and lowers customer concentration risk. We will remain disciplined and selective in acquisitions.</p> <p>We will also continue to maintain a prudent capital management strategy. Besides maintaining aggregate leverage at healthy levels below 40%, we also ensure that our debt maturity is well spread with no more than 20% of our debt due in any one year.</p>
13.	<p>Please update Unitholders on the current business status, and the outlook of the Ascendas Reit for 2020 and beyond (especially your overseas business).</p>
	<p>Response:</p> <p>In the first quarter of FY2020, Ascendas Reit delivered a healthy set of operational results with minimal impact from COVID-19. Occupancy improved quarter-on-quarter to 91.7% and positive rental reversions of 8% was achieved.</p> <p>Financially, aggregate leverage was healthy at 36.2% and all our loan covenants were well within the thresholds. We also have sufficient cash of (S\$290 million) and unutilised credit facilities (S\$200 million committed and S\$1.0 billion uncommitted) to meet financial and operating requirements as they come due.</p> <p>The near term outlook remains uncertain given that the COVID-19 situation remains fluid. Leasing remains challenging in all our markets as existing and potential tenants put their business and expansion plans on hold until they have greater clarity.</p> <p>In the longer term, we believe that Ascendas Reit has the right mix of properties that can deliver sustainable returns:</p>

	<ul style="list-style-type: none"> • In Singapore, 45% of the portfolio is in the business and science park segment which puts us in a good position to ride the growth in the new economy; • the logistics properties in the UK and the Australia will benefit from the e-commerce growth and demand from their large domestic markets; and • the US business park properties are well located in US tech cities and taps on the increasing demand from companies in the technology and healthcare sectors.
C. Investments	
14.	Are there new markets that Ascendas Reit is interested to enter into across the world?
	<p>Response:</p> <p>As at 31 March 2020, Ascendas Reit's investment properties under management amounts to S\$12.8 billion i.e. S\$9.0 billion in Singapore, S\$1.6 billion in Australia, S\$1.3 billion in the United States and S\$0.8 billion in the United Kingdom.</p> <p>We would like to focus mainly on these four developed markets for now and continue to acquire well-located and good quality assets to scale up and deepen our presence.</p>
15.	<p>(i) Can the manager help Unitholders understand the rationale for acquiring a minority stake in Galaxis, which is a rather mature asset?</p> <p>(ii) What is the level of control or influence over the daily operations and strategic direction?</p> <p>(iii) Are there opportunities for the manager to value-add given its minority 25% stake?</p>
	<p>Response:</p> <p>For clarity, Galaxis was owned by two parties (25% stake by MBK Real Estate Asia Pte Ltd and 75% stake by CapitaLand) prior to Ascendas Reit's acquisition.</p> <p>It was an opportune time for Ascendas Reit to secure a 25% stake in a quality business park property at an attractive 6.1% net property income yield. The strategic location of Galaxis in Fusionopolis with direct access to the one-north MRT station, long land lease tenure of 52 years and strong tenant base were some of the key factors that led to our decision to acquire the stake.</p> <p>We have ensured veto rights over key operational issues such as the approval of asset enhancement and capital expenditure plans and sale of Galaxis, in accordance with the Property Funds Appendix of the Code of Collective Investment Schemes (issued by the Monetary Authority of Singapore).</p> <p>If there is an opportunity to acquire the remaining 75% stake, we will look at it.</p>

16.	<p>(i) Which assets in its Singapore portfolio have the potential to be redeveloped?</p> <p>(ii) What is the investment hurdle used by the manager in its planning process for its redevelopment projects?</p>
	<p>Response:</p> <p>Every year, we undertake about S\$100 million worth of asset enhancement initiatives (AEIs) including redevelopments. We conduct asset-level analysis to evaluate the best option for each property.</p> <p>Redevelopment projects and AEIs such as asset repositioning are undertaken to enhance our properties and the returns of the existing portfolio.</p> <p>For example, new collaborative areas, enhancement to the lobby areas and other improvements were introduced in our AEIs at Singapore Science Park 2 at The Capricorn and The Galen.</p> <p>The redevelopment of iQuest@IBP and AEIs at Nordic European Centre in the International Business Park are part of the transformation plan to rejuvenate Ascendas Reit's portfolio of assets within the park. iQuest@IBP will benefit from the enhanced accessibility via the future Jurong Regional MRT Line and enjoy greater vibrancy from its proximity to the future Jurong Lake District which is envisioned to be the largest regional and commercial centre outside the CBD.</p> <p>Each of the projects are carefully studied and timed. We will make the announcement at the appropriate time.</p> <p>Generally, redevelopment projects are forecast to be yield accretive and achieve a return on investment (ROI) of $\geq 6\%$.</p>
17.	<p>What are the long-term capital allocation targets by asset class as set by the board? Does the manager have a pre-determined portfolio allocation by geography?</p>
	<p>Response:</p> <p>We do not have allocation targets by asset class or by countries.</p> <p>Generally, we still want to be a Singapore-focused REIT, so the majority of our assets (60% to 70%) will be in Singapore, with the remaining 30-40% overseas.</p>
18.	<p>Please elaborate on management's plans to expand its portfolio of data centres, if any.</p>
	<p>Response:</p> <p>We continue to seek additions to our Data Centre portfolio. If the project is accretive, fits our portfolio and provides a sustainable income stream for Ascendas Reit, we will take a serious look at it.</p>

19.	For the overseas markets, where does the manager see the greatest opportunities?
	<p>Response:</p> <p>Ascendas Reit has always adopted a prudent and cautious approach when investing in overseas markets.</p> <p>Our focus is in developed markets such as Australia, the US and the UK which have clear rule of the law, a transparent property market, good infrastructure and good scalability potential.</p>
20.	<p>(i) During this COVID-19 outbreak, are there opportunities for the REIT to acquire good assets at distressed prices?</p> <p>(ii) Has COVID-19 presented any acquisition opportunities for Ascendas Reit here in Singapore or in the other markets?</p>
	<p>Response:</p> <p>We are always on the lookout for opportunities that are yield accretive, and will evaluate the opportunities in the markets closely.</p>
D. Capital Management	
21.	How is this impact on the debt situation?
	<p>Response:</p> <p>Ascendas Reit has a strong balance sheet with a healthy aggregate leverage ratio of 36.2% (as at 31 March 2020).</p> <p>In the second half of 2020, about S\$660 million worth of bond, perpetual securities and loan are due for refinancing. We are exploring various refinancing options to determine the best options for Ascendas Reit. Key considerations include competitive rates, certainty of funding, achieving an optimal capital structure, and at the same time, not to have any negative impact on our portfolio and Moody's A3 credit rating.</p> <p>There were no refinancing requirements in the first half of 2020.</p> <p>So far, COVID-19 has not negatively affected our debt situation. Our Moody's credit rating remains an A3.</p>

22.	<p>(i) In April 2020, the Monetary Authority of Singapore increased the aggregate leverage for REITs to 50% (from 45%) and delayed the implementation of the interest cover ratio of 2.5x.</p> <p>Would the manager help Unitholders understand the practical debt headroom available? In the past, REITs have not used up the full aggregate leverage as a matter of prudence in view of market volatility.</p> <p>Specifically, has the board set an internal limit on aggregate leverage?</p> <p>(ii) Would the manager be utilising the extra headroom from the higher aggregate leverage limit to push ahead with its acquisitions or will the REIT be using it as a buffer during this uncertain time?</p>
	<p>Response:</p> <p>Based on our current aggregate leverage of 36.2%, the debt headroom is S\$3.8 billion to reach the 50% threshold.</p> <p>Despite the increase in aggregate leverage limit to 50%, we plan to keep Ascendas Reit's aggregate leverage ratio at below 40%, which is a level that we remain comfortable with. This translates into a headroom of about S\$900 million.</p>
E. Asset Management	
23.	<p>While it was mentioned in the chairman's message that the portfolio occupancy was stable at 90.9%, it was a drop from 91.9% as at 31 March 2019. The drop in the occupancy rates of the Singapore portfolio was between (1.1)% and (2.1)%. The overall portfolio Singapore portfolio was at 87.2% while the occupancy rate of multi-tenant buildings was just 83.4%, down (2.1)%.</p> <p>With approximately one-sixth of the space vacant, is there an over-supply in the multi-tenant buildings segment? Coupled with the challenges from the pandemic, what are the manager's plans to improve the occupancy rates of the Singapore portfolio?</p>
	<p>Response:</p> <p>The weaker Singapore portfolio occupancy as at 31 December 2019 was mainly attributable to vacant properties under divestment discussions then. These included Wisma Gulab, 202 Kallang Bahru and 25 South Changi South Street 1, which were divested in 1Q 2020. If these properties had been excluded, the occupancy of the overall Singapore property portfolio and multi-tenanted buildings as at 31 December 2019 would be 88.5% and 85.1% respectively.</p> <p>As an update, the Singapore portfolio recorded an improved occupancy rate of 88.6% as at 31 March 2020.</p> <p>Island-wide occupancy rate in Singapore has hovered around 88% to 89% in the past 3 years. Whilst new supply completions have tapered since its peak between 2014 and 2017, demand for space has been muted.</p> <p>During the COVID-19 pandemic, enquiries for space have been soft as businesses hold back their decisions to relocate or expand. However, there has been no forced termination of lease to date.</p>

	<p>Simultaneously, we are adopting a more competitive pricing strategy to target new prospects to fill up the vacant space and to retain tenants, as well as pursue shorter term leases.</p> <p>We will continue to conduct asset-level analyses to evaluate the best option for each property, among options that include hold-as-is/sell, asset enhancement initiatives and redevelopment. The key objective is to improve the overall performance of the portfolio.</p>
24.	What is the likelihood that rental reversions for 2020 will be negative?
	<p>Response:</p> <p>We expect rent reversions to be flattish for the rest of the 2020 although it is dependent on the specific property and tenant situation.</p>