

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 EXTRAORDINARY GENERAL MEETING
HELD BY ELECTRONIC MEANS ON WEDNESDAY, 16 JUNE 2021 AT 4.00 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 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 Khiatani Non-Executive Non-Independent Director
Mr Andrew Lim Non-Executive Non-Independent Director

Company Secretary

Present in person : Ms Mary Judith de Souza
Present remotely Mr Hon Wei Seng

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

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

Present remotely : Ms Ciara Houlihan
Ms Christine Png
Ms Valerie Chwee
Ms Claudia Lee

Representatives from Allen & Gledhill LLP
(as legal counsel to the Manager)

Present remotely : Mr Jerry Koh
Ms Foong Yuen Ping
Ms Victoria Leong
Mr Timothy Lau
Ms Foo Hui Min
Ms Delphine Goh

Representatives from Shook Lin & Bok LLP
(as legal counsel to the trustee of Ascendas
Reit)

Present remotely : Ms Andrea Ng
Mr Andrew Chow

Representatives from SAC Capital Private
Limited (Independent Financial Adviser to
the Audit and Risk Committee and
Independent Directors of the Manager and
the trustee of Ascendas Reit)

Present remotely : Mr Bernard Lim
Mr Foo Siang Sheng
Mr Nicholas Neo

1. INTRODUCTION

- 1.1. Ms Yeow Kit Peng, the Master of Ceremonies, welcomed unitholders of Ascendas Reit (“**Unitholders**”) to the extraordinary general meeting of Unitholders (“**EGM**”) 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 EGM 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, as stated in the Notice of EGM, there would not be a “live” question and answer session. 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 EGM. 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 EGM were then handed over to Chairman.
- 1.6. Chairman noted that (i) a quorum was present, (ii) Ascendas Reit’s Circular and Notice of EGM dated 31 May 2021 were issued to the Unitholders via electronic means and (iii) the Notice of EGM was taken as read.
- 1.7. Chairman noted that Boardroom Corporate & Advisory Services Pte. Ltd. was appointed as the polling agent and DrewCorp Services Pte Ltd. was appointed as the scrutineers (the “**Scrutineers**”).

- 1.8. The Chairman of the EGM was appointed as the sole proxy for the Unitholders, and voting for all the resolutions tabled at the EGM would be via proxy through the Chairman of the EGM. 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 EGM. 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.

2. **AGENDA ITEMS**

- 2.1. Chairman proceeded to set out the details of each resolution and announce the voting results in relation to the resolutions tabled for Unitholders' approval at the EGM.
- 2.2. All agenda items were proposed as ordinary resolutions.
- 2.3. Each of the resolutions as set out in the Notice of EGM 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 EGM 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 EGM and declared the EGM closed. The EGM ended at 4.30 p.m.

Confirmed by:

Dr Beh Swan Gin
Chairman of the Meeting



Appendix 1

Extraordinary General Meeting

To be held on 16 June 2021

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

Disclaimers



- **This material shall be read in conjunction with the Circular dated 31 May 2021 released to the SGX-ST.**
- This presentation is for information only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in Ascendas Reit ("Units").
- This presentation has been prepared by Ascendas Funds Management (S) Limited, in its capacity as the manager of Ascendas Reit (the "Manager") and includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, none of the Manager or any of its officers, representatives, affiliates or advisers has independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.
- No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. The information contained in this presentation, unless otherwise specified, is only current as at the date of this presentation. To the maximum extent permitted by law, the Manager and its officers, directors, employees and agents disclaim any liability (including, without limitation, any liability arising from fault or negligence) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with it.
- 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 Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this presentation to reflect any change in the Manager's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.
- The value of 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

- 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

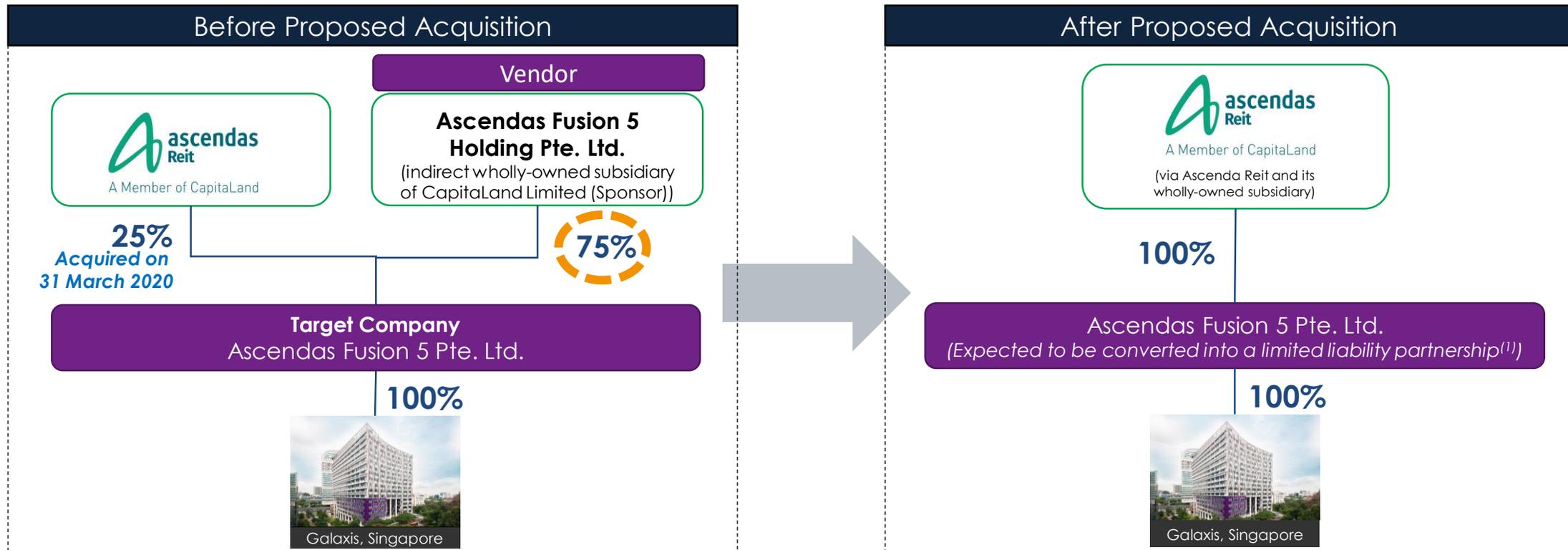
Portsmouth Rd

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.

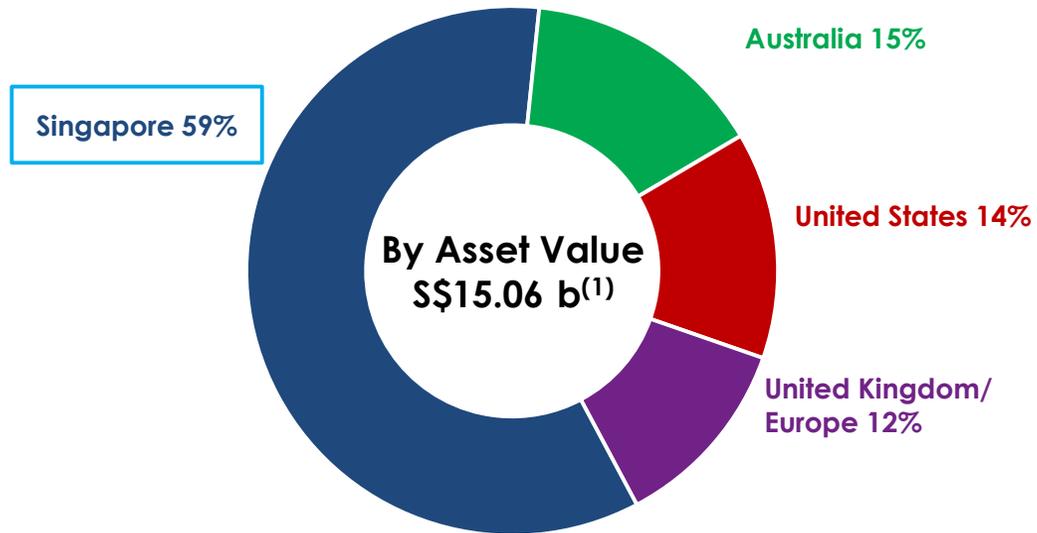
(2) The *pro forma* NAV per Unit impact is calculated as at 31 Dec 2020 and assumes the Proposed Acquisition is funded based on a funding structure of approximately 40% debt and 60% equity (comprising S\$240.1 m from proceeds of a private placement on 5 May 2021, S\$80.0 m of Consideration Units and 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.

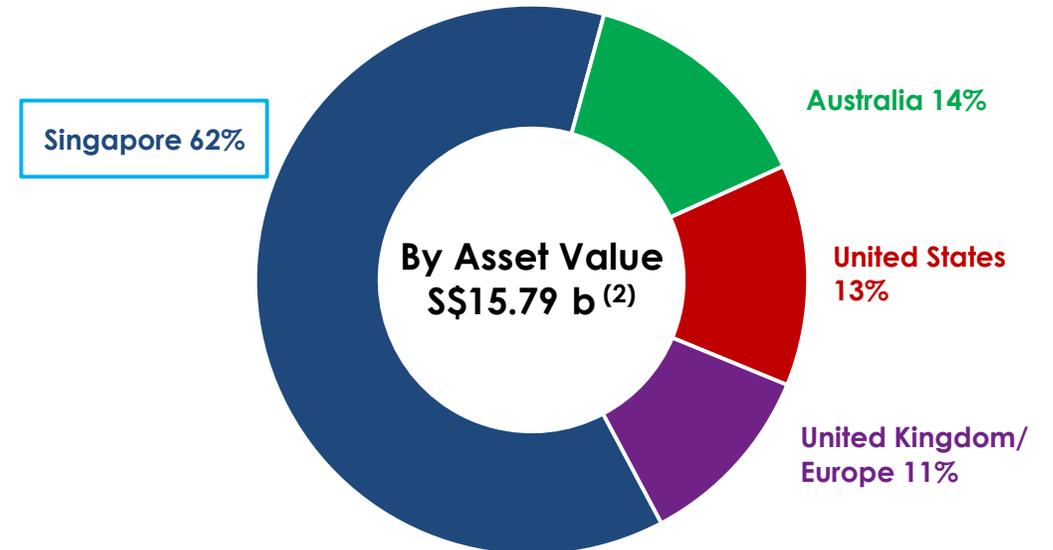
Pro Forma Portfolio Impact

Staying focused in 4 key developed markets

Before Acquisition



After Acquisition



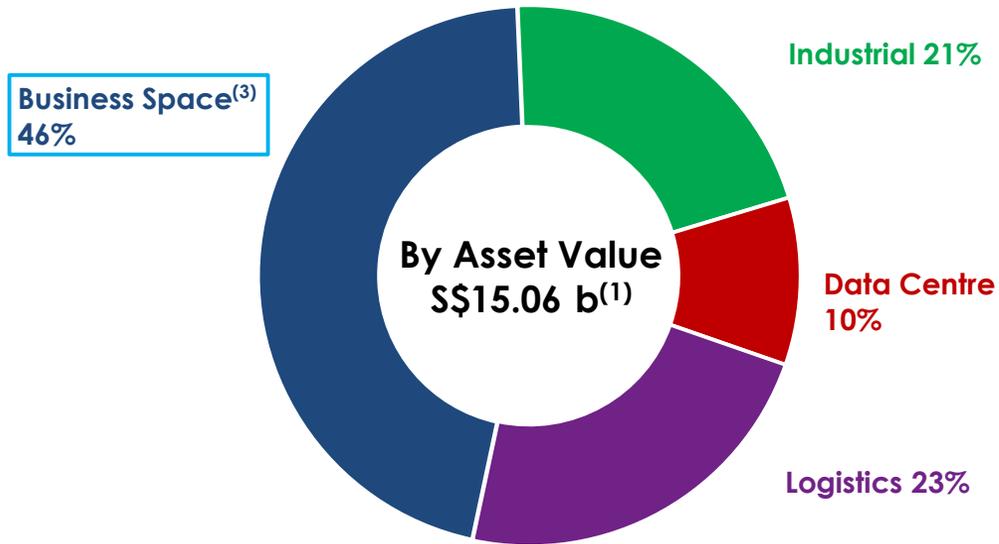
(1) As at 31 Mar 2021.

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

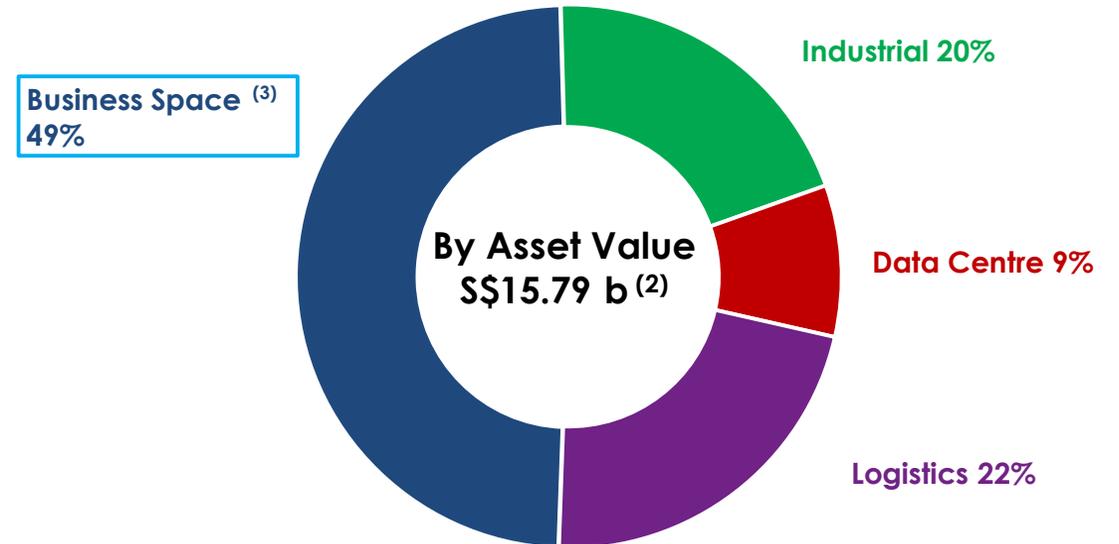
Pro Forma Portfolio Impact

Strengthens Business Space portfolio

Before Acquisition



After Acquisition



(1) As at 31 Mar 2021.

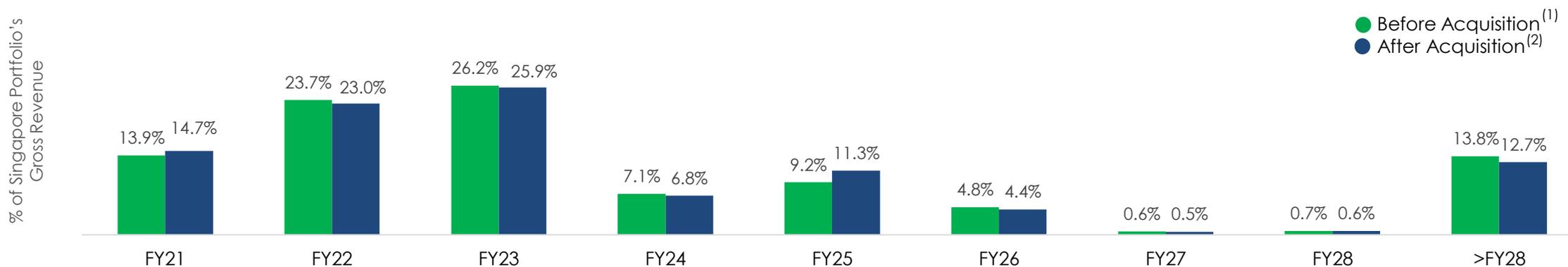
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021 and including the Property on a 100% basis.

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

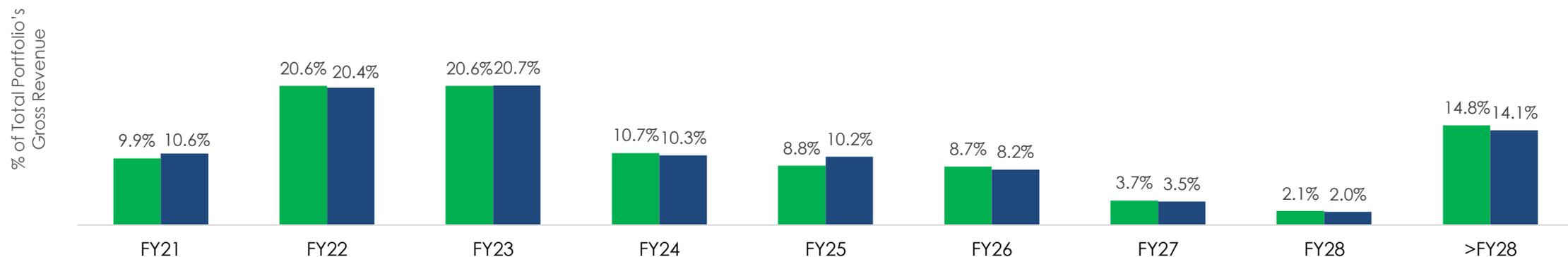
Pro Forma Portfolio Impact

Lease expiry profile remains well spread

Singapore Portfolio Lease Expiry Profile



Ascendas Reit Total Portfolio Lease Expiry Profile

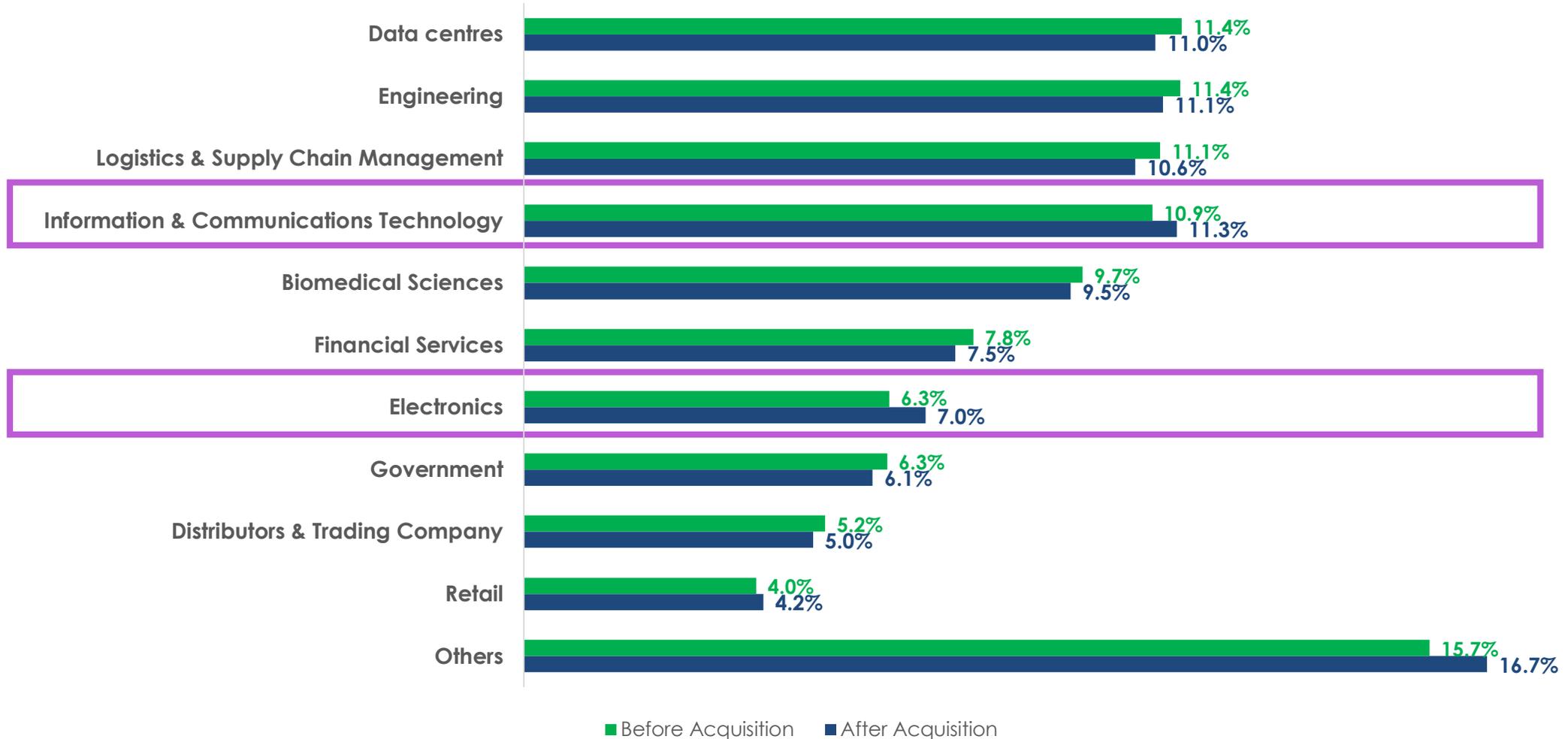


(1) As at 31 Mar 2021.

(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.

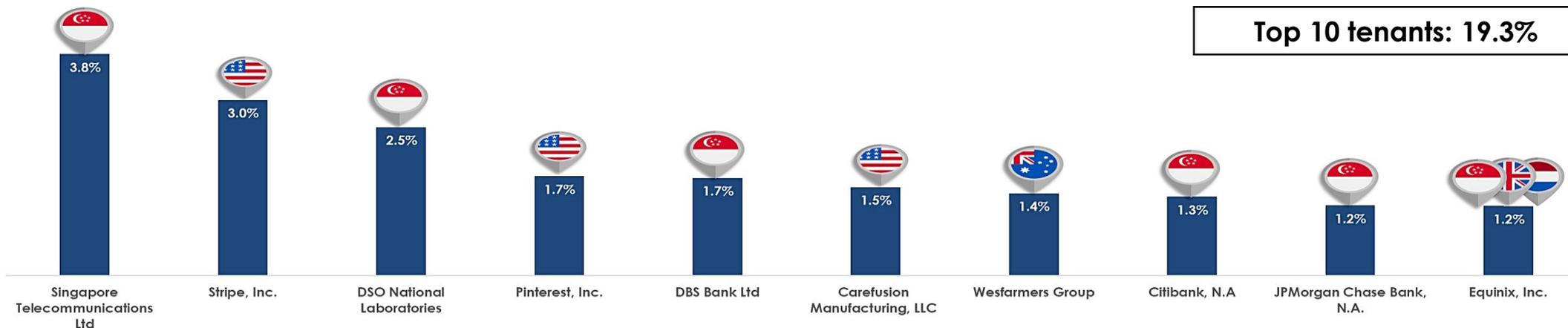
(2) Assuming the Proposed Acquisition was completed on 31 Mar 2021.

Pro Forma Portfolio Impact

Top 10 Tenants contributes 18.5% of monthly revenue

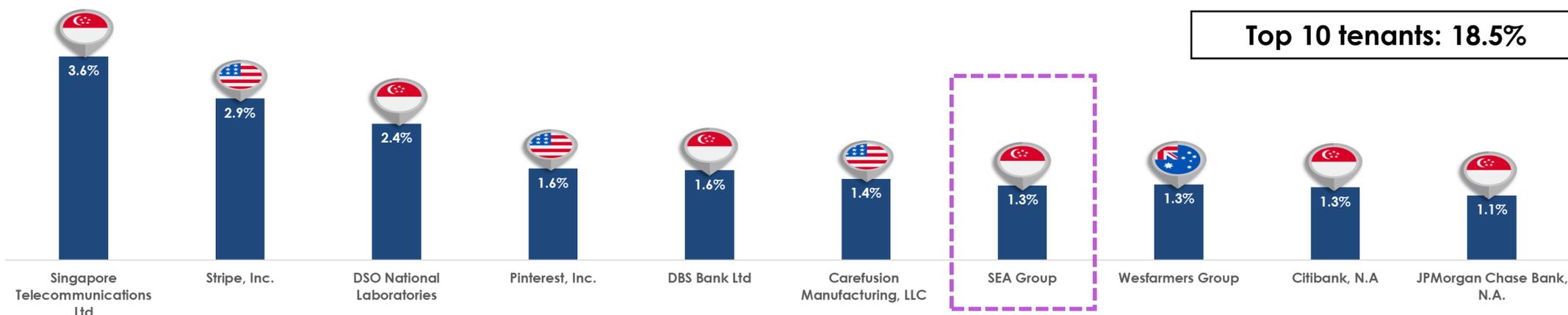
Before Acquisition⁽¹⁾

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.

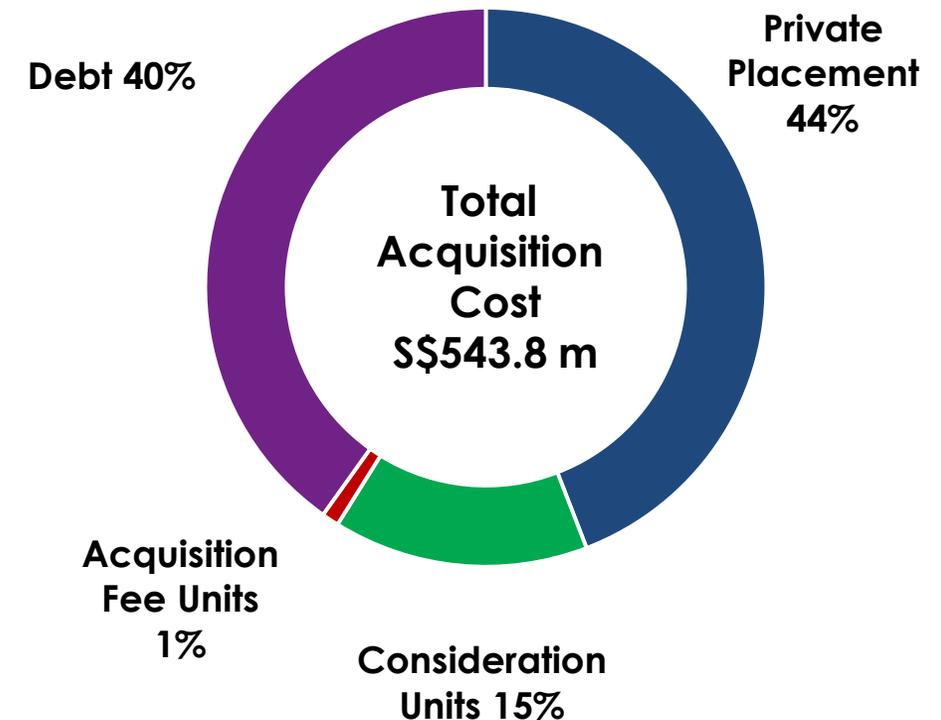
Funding of Proposed Acquisition

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



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

RESULTS OF EXTRAORDINARY GENERAL MEETING HELD ON 16 JUNE 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 Extraordinary General Meeting (“**EGM**”) of holders of units of Ascendas Reit held on 16 June 2021, all resolutions set out in the Notice of EGM dated 31 May 2021, and put to vote by poll at the EGM, 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:

(a) Breakdown of all valid votes cast at the EGM

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 the total number of votes for and against the resolution (%)	Number of units	As a percentage of the total number of votes for and against the resolution (%)
<u>Ordinary Resolution 1</u> To approve the Proposed Acquisition of 75% of the total issued share capital of Ascendas Fusion 5 Pte. Ltd. as an Interested Person Transaction	1,819,038,302	1,818,583,966	99.98	454,336	0.02
<u>Ordinary Resolution 2</u> To approve the Proposed Issuance of Consideration Units (conditional on the passing of Ordinary Resolution 1)	1,819,038,302	1,818,309,637	99.96	728,665	0.04

Please refer to the Notice of EGM for the full version of the Resolutions.

As more than 50% of votes were cast in favour of Resolution 1, Resolution 1 was duly passed at the EGM.

As more than 50% of votes were cast in favour of Resolution 2, Resolution 2 was duly passed at the EGM.

(b) Details of parties who are required to abstain from voting on any resolution(s), including the number of Units held and the individual resolution(s) on which they are required to abstain from voting

As set out in paragraph 11 of the Circular, CapitaLand Limited and their associates are required to abstain from voting on Resolution 1 and Resolution 2. Based on the information available to the Manager as at the date of the EGM on 16 June 2021, the following parties are required to abstain and did in fact abstain from voting on Resolution 1 and Resolution 2:

Resolution number	Name	Number of Units held	As a percentage of the total Units in issue (%)⁽¹⁾
<u>Ordinary Resolution 1</u>	Ascendas Land International (Investments) Pte. Ltd.	725,632,766	17.42
	Ascendas Funds Management (S) Limited	25,979	N.M. ⁽²⁾
<u>Ordinary Resolution 2</u>	Ascendas Land International (Investments) Pte. Ltd.	725,632,766	17.42
	Ascendas Funds Management (S) Limited	25,979	N.M. ⁽²⁾

Note:

(1) Calculated based on the total number of 4,166,055,368 Units in issue as at 16 June 2021, rounded to the nearest two decimal places.

(2) Not meaningful.

In keeping with good corporate governance practice, Mr Lim Cho Pin Andrew Geoffrey, a Non-Executive Non-Independent Director of the Manager, and Mr William Tay Wee Leong, the Chief Executive Officer and an Executive Non-Independent Director of the Manager, have also voluntarily abstained from voting on the resolution in respect of their respective holdings of Units.

(c) Appointed scrutineer

DrewCorp Services Pte Ltd was appointed as scrutineer for the EGM.



A Member of CapitaLand

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**Extraordinary General Meeting to be held on 16 June 2021
Responses to Substantial and Relevant Questions**

1.	Why didn't you buy 100% of Galaxis last year? Why 25% stake in 2020 and 75% in 2021?
	<p>Response:</p> <p>Galaxis was originally developed and owned by CapitaLand (75%) and MBK Real Estate Asia Pte Ltd (25%). The two owners are non-related parties and have their own decision making process. The earlier acquisition in March 2020 by Ascendas Reit was the 25% stake held by MBK Real Estate Asia Pte Ltd. Even though CapitaLand's 75% stake was not available to us at the same time, we decided that it was an opportune time to acquire the 25% stake in a Grade A business park property in one-north.</p> <p>The acquisition of the 25% stake from MBK in March 2020 as well as the current proposed acquisition of remaining 75% from CapitaLand are both accretive to Distribution per Unit (DPU).</p>
2.	It was mentioned in the circular that by converting the Target Company (Ascendas Fusion 5 Pte Ltd, the holding entity of Galaxis) into a Limited Liability Partnership (LLP), we would be able to enjoy tax transparency on the income from Galaxis. What is the impact to Unitholders?
	<p>Response:</p> <p>The target company is currently a Private Limited company subject to standard corporate income tax rate of 17% on its taxable income.</p> <p>With full ownership of Galaxis, the LLP conversion would allow Unitholders to enjoy tax transparency treatment on Ascendas Reit's income from the Property and the income generated from the Property will not be subject to corporate income tax in the hands of the Property LLP as a limited liability partnership is tax transparent for Singapore tax purposes.</p> <p>In our <i>pro forma</i> financial impact analysis, we have assumed that the LLP conversion will take 6 months and have incorporated 6 months of corporate tax payment in the 1st year of acquisition. The <i>pro forma</i> DPU accretion based on this scenario is 0.067 cents or 0.46%.</p> <p>If the LLP conversion is shorter than the 6 months assumption, the <i>pro forma</i> DPU accretion would be higher.</p>

3.	Can we expect Ascendas Reit to acquire more properties from the Sponsor this year?
	<p><i>Response:</i></p> <p>CapitaLand's pipeline of Business and Science Park properties are well-occupied, well-located and have long remaining land lease tenures. These properties will enhance our existing business park portfolio.</p> <p>We continue to be in discussion with the Sponsor and will evaluate all opportunities available to us before making any investment decisions.</p>
4.	Why wasn't a Preferential Offering or Rights Issue offered to existing unitholders on top of just the private placement in May?
	<p><i>Response:</i></p> <p>Taking into account the S\$420 million equity requirement and Ascendas Reit's market capitalisation of S\$12 billion, a private placement would be more efficient and cost effective.</p> <p>The discount was 3.5% to the adjusted volume weighted average price of S\$3.0499 (which is based on 4 May's volume weighted average price (VWAP) of S\$3.1062 and net of advanced distribution of S\$0.0563). This was an attractive pricing for a new issuance.</p> <p>Ascendas Reit will continue to expand and build a stronger and profitable portfolio for the longer term. To fund our investments, we will take a prudent approach and consider all factors such as the optimal capital structure, market condition, effectiveness of the various financing instruments, as well as the funding requirements for the target acquisitions.</p>
5.	Why does Ascendas Reit raise equity so frequently? Why don't the company fund it fully with debt given the regulatory gearing limit of 50% and the current low interest rate environment?
	<p><i>Response:</i></p> <p>Since inception 18 years ago, Ascendas Reit has steadily increased its assets under management from about S\$630 million in 2002 to S\$15 billion currently through acquisitions and development projects.</p> <p>To fund these acquisitions and development projects, we have to strike a balance between debt and equity in order to maintain a strong balance sheet and Moody's credit rating of A3.</p> <p>There are advantages in having a moderate 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; (4) stronger access to funding sources; and (5) secure borrowings at competitive rates.</p>