



NEWS RELEASE

For immediate release

CapitaLand Ascendas REIT deepens presence in one-north, Singapore with acquisition of Seagate’s R&D facility for S\$218.2 million

16 May 2023, Singapore – CapitaLand Ascendas REIT Management Limited, as the manager (the “**Manager**”) of CapitaLand Ascendas REIT (“**CLAR**”), is pleased to announce the proposed acquisition of The Shugart, an integrated high-specification research and development (“**R&D**”) facility and business park property (the “**Property**”) from Seagate Singapore International Headquarters Pte Ltd (“**Seagate Singapore**” or the “**Vendor**”) (the “**Proposed Acquisition**”). The Property is situated at 26 Ayer Rajah Crescent in the one-north district in Singapore. The purchase consideration for the Proposed Acquisition is S\$218.24 million (the “**Purchase Consideration**”).

Mr William Tay, Chief Executive Officer and Executive Director of the Manager, said: “The acquisition of Seagate’s Singapore R&D facility is a strategic fit with our existing portfolio. Singapore remains one of our core markets and we are scaling up our presence with a highly sought-after asset in the heart of the R&D and technology district at one-north. The Proposed Acquisition is a continuation of our value creation efforts to grow CLAR’s portfolio with good quality assets that have long-term growth potential and income stability. This acquisition involves the leaseback of the property to Seagate for 10 years, with an option for an additional 10 years, which will generate an attractive long-term stable return.”

Rationale and Merits of the Proposed Acquisition

1. Further expands CLAR’s footprint in one-north

CLAR currently has five assets in various clusters in the one-north district, namely, Nexus @one-north, Galaxis, Grab Headquarters, Neuros & Immunos and Nucleos with a total AUM of S\$1.7 billion and net lettable area of 2.0 million sq ft¹. These clusters cater to the infocomm technology, media, science and engineering, biomedical and life sciences and emerging industries. Upon completion of the Proposed Acquisition, CLAR’s footprint in the

one-north district will increase by 13% to S\$1.9 billion (AUM) and by 21% to 2.5 million sq ft (NLA).

This enlarged footprint in the one-north district further enhances CLAR's presence in the resilient business park sector in Singapore where it is the largest operator, positioning CLAR to further strengthen both its portfolio and tenant base. The Proposed Acquisition is in line with CLAR's strategy to invest in properties that cater to the evolving market requirements arising from structural trends and consumption patterns such as digitalisation and e-commerce.

Upon completion, on a *pro forma* basis¹, the proportion of Business Space and Life Sciences properties will increase to 49% (S\$8.1 billion) of CLAR's total investment properties valued at S\$16.7 billion.

2. Strategic location in Singapore's key R&D district

The Property is situated in the Ayer Rajah cluster of the one-north district in Singapore. The one-north district was developed by JTC Corporation as a research and innovation business hub fostering R&D and high-technology activities in biomedical and life sciences, infocomm technology, media, science and engineering. Established as the epicentre of Singapore's knowledge-based economy, it is home to a large concentration of world-renowned multinational and local technology firms such as Sea Group, Grab, Equinix, ST Telemedia, and Razer.

The Property is centrally located with a four-minute drive to the Ayer Rajah Expressway and a 15-minute drive to the Central Business District. It is also a convenient 10-minute walk to the one-north MRT station (Circle Line) with a connecting shuttle bus service to the Buona Vista MRT station (interchange of East-West and Circle Lines) and the one-north MRT station.

3. High quality business park property

The Property comprises a six-storey podium and a nine-storey tower. Its specifications include R&D, cleanroom and data centre space for Seagate Singapore's operations. Other features include a sky garden, multi-purpose sports hall and gymnasium for its employees. The Property serves as Seagate's primary R&D location outside the United States.

¹ As at 31 December 2022.

Supported by a fast-growing demand for innovative storage products and services by enterprises, Seagate is one of the largest mass data storage providers. It is a market leader in data storage technologies and a dominant player in the hard disk drive and systems product market.

Seagate's R&D facility was newly built about eight years ago.

4. Fully occupied with a 10-year lease by Seagate with an additional 10-year renewal option

Upon completion of the Proposed Acquisition, Seagate Singapore, a wholly-owned subsidiary of Seagate Technology Holdings plc, a leading provider of data storage technology and infrastructure solutions group listed on Nasdaq, will enter into a 10-year leaseback of the Property's entire gross floor area, with the option to renew for an additional 10 years.

The long lease term of 10 years with built-in rent escalation of 2.5% p.a. will provide income stability and resilience to the portfolio.

The fully occupied Property with its weighted average lease to expiry ("**WALE**") of 10 years will uplift the overall portfolio WALE from 3.8 years to 3.9 years on a *pro forma* basis¹.

5. Distribution per Unit ("DPU") accretive acquisition

The first year net property income ("**NPI**") yield² of the Proposed Acquisition is approximately 8.3% and 7.8% pre-transaction costs and post-transaction costs, respectively.

The *pro forma* impact on the DPU for the financial year commencing on 1 January 2022 and ended 31 December 2022 (FY2022) is expected to be an improvement of approximately 0.110 Singapore cents or a DPU accretion of 0.70%, assuming the Proposed Acquisition was completed on 1 January 2022³.

² The NPI yield is derived using the estimated NPI expected in the first year after the Proposed Acquisition.

³ The estimated *pro forma* DPU impact is calculated based on the following assumptions a) CLAR had completed the Proposed Acquisition on 1 January 2022, and held and operated the Property through 31 December 2022, b) the Proposed Acquisition was 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.

Details of the Proposed Acquisition

On 15 May 2023, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CLAR (the “Trustee”), has entered into a Call and Put Option Agreement with the Vendor to acquire the Property.

The Purchase Consideration of S\$218.24 million was negotiated on a willing-buyer and willing-seller basis and is at a 5.1% discount to the independent market valuation⁴ of the Property of S\$230.0 million as of 31 March 2023.

The total cost of the Proposed Acquisition is estimated to be approximately S\$232.4 million comprising (i) the Purchase Consideration of S\$218.24 million, (ii) the acquisition fee payable to the Manager of approximately S\$2.18 million (being 1% of the Purchase Consideration), and (iii) stamp duty, professional and other fees and expenses of approximately S\$12.0 million.

The Proposed Acquisition is expected to be completed in the second quarter of 2023.

Upon completion of the Proposed Acquisition, CLAR will own 231 investment properties comprising 98 properties in Singapore, 36 properties in Australia, 48 properties in the United States, and 49 properties in the United Kingdom/Europe.

⁴ In accordance with the requirements of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the Manager and the Trustee have commissioned Jones Lang LaSalle Property Consultants Pte Ltd to carry out a valuation of the Property as at 31 March 2023 using the discounted cashflow analysis and income capitalisation approaches.

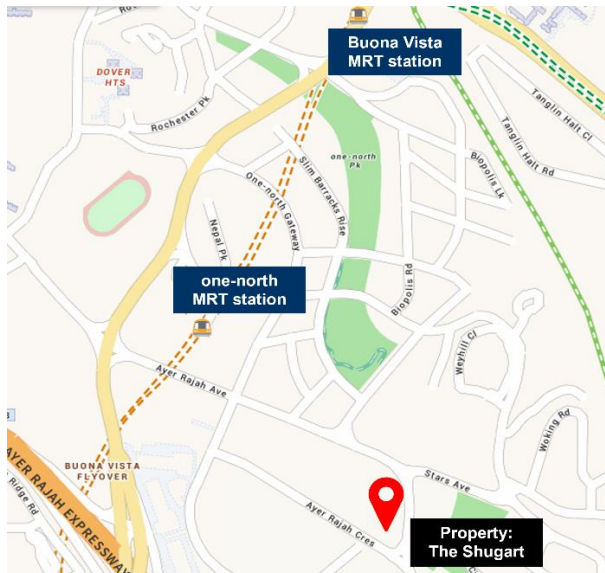
Annex

Summary of the Property

Address	26 Ayer Rajah Crescent, Singapore 139944
Description	Integrated 6-storey podium and 9-storey tower comprising mainly R&D facilities
Land Area	125,722 sq ft
Gross Floor Area / Net Lettable Area	440,028 sq ft
Lease Term	10 years with built-in rent escalation of 2.5% p.a., with the option to renew for an additional 10 years
Occupancy	100% by Seagate Singapore
Remaining Land Lease Tenure	approx. 20 years



Location of the Property:



- End -

About CapitaLand Ascendas REIT (www.capitaland-ascendasreit.com)

CapitaLand Ascendas REIT (CLAR), formerly known as Ascendas Real Estate Investment Trust (Ascendas Reit), is Singapore's first and largest listed business space and industrial real estate investment trust. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

CLAR has since grown to be a global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets. As at 31 March 2023, its investment properties under management stood at S\$16.7 billion and owned a total of 230 properties across three segments, namely Business Space and Life Sciences; Logistics; and Industrial and Data Centres. These properties are in the developed markets of Singapore, the United States, Australia, and the United Kingdom/Europe.

These properties house a tenant base of more than 1,720 international and local companies from a wide range of industries and activities, including data centres, information technology, engineering, logistics & supply chain management, biomedical sciences, financial services (backroom office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, DBS, Citibank, Pinterest, Equinix and J.P. Morgan.

CLAR is listed in several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. CLAR has an issuer rating of 'A3' by Moody's Investors Service.

CLAR is managed by CapitaLand Ascendas REIT Management Limited, formerly known as Ascendas Funds Management (S) Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 March 2023, CLI had S\$133 billion of real estate assets under management, and S\$89 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe, and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

For investor and media queries, please contact:

Ms Yeow Kit Peng
Head, Capital Markets & Investor Relations
CapitaLand Ascendas REIT Management Limited
Tel: +65 6713 1153
Email: yeow.kitpeng@capitaland.com

Mr Terence Lim
AVP, Investor Relations
CapitaLand Ascendas REIT Management Limited
Tel: +65 6713 1150
Email: terence.lim@capitaland.com

Important Notice

This press release may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements because of several 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this press release. Neither CapitaLand Ascendas REIT Management Limited (formerly known as Ascendas Funds Management (S) Limited) (“**Manager**”) nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this press release or its contents or otherwise arising in connection with this press release.

The past performance of CapitaLand Ascendas REIT (formerly known as Ascendas Real Estate Investment Trust) (“**CLAR**”) is not indicative of future performance. The listing of the units in CLAR (“**Units**”) on the Singapore Exchange Securities Trading Limited (SGX-ST) does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase, or subscribe for the Units.