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CapitaLand Ascendas REIT

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**Proposed Acquisition  
of Seagate's Singapore R&D facility  
for S\$218.2 million**

16 May 2023

The Shugart, Singapore

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# Proposed Acquisition

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# Proposed Acquisition

## The Shugart, Singapore

<b>Purchase Consideration</b>	S\$218.24 m (5.1% discount to independent market valuation)
<b>Acquisition Fee<sup>(1)</sup>, Stamp Duty and Other Transaction Costs</b>	S\$14.18 m
<b>Total Acquisition Cost</b>	S\$232.4 m
<b>Vendor</b>	Seagate Singapore International Headquarters Pte Ltd
<b>Valuation (as at 31 March 2023)<sup>(2)</sup></b>	S\$230.0 m
<b>Land Area</b>	125,722 sq ft
<b>Land Tenure</b>	20 years remaining
<b>Gross Floor Area / Net Lettable Area</b>	440,028 sq ft
<b>Occupancy Rate</b>	100%
<b>Lease Term</b>	10 years (built-in rent escalation of 2.5% p.a. with an option to renew for an additional 10 years)
<b>Initial NPI Yield<sup>(3)</sup></b>	8.3% (7.8% post-transaction cost)
<b>Estimated Completion Date</b>	2Q 2023



### Property:

- ✓ Integrated six-storey podium and nine-storey tower comprising mainly R&D facilities
- ✓ Houses cleanrooms, laboratories, data centre facilities, a sky garden, multi-purpose sports hall and gymnasium

### Location:

- ✓ Excellent connectivity to Ayer Rajah Expressway and a 15-minute drive to the Central Business District
- ✓ 10-minute walk to one-north MRT station
- ✓ Bus shuttle service to one-north MRT station and Buona Vista MRT station

(1) In accordance to the Trust Deed, the Manager is entitled to receive an acquisition fee, payable in Units, of 1% of the Purchase Consideration, which amounts to approximately S\$2.18 m.

(2) The independent valuer Jones Lang LaSalle Property Consultants Pte Ltd (JLL) was commissioned by HSBC Institutional Trust Services (Singapore) Limited (as trustee of CLAR) and the Manager to carry out a valuation of the Property using the discounted cash flow analysis and income capitalisation approaches.

(3) The NPI Yield is derived using the estimated NPI expected in the first year after the Proposed Acquisition.

# Key Merits and Rationale

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# Acquisition Rationale

## Further expands CLAR's footprint in one-north

- one-north is Singapore's key Research & Development district
- AUM and Net Lettable Area in one-north increase 13% and 21% respectively
- Reinforces CLAR's market leadership in the Singapore Business Space & Life Sciences sector

## Strengthens Portfolio

- High quality business park property

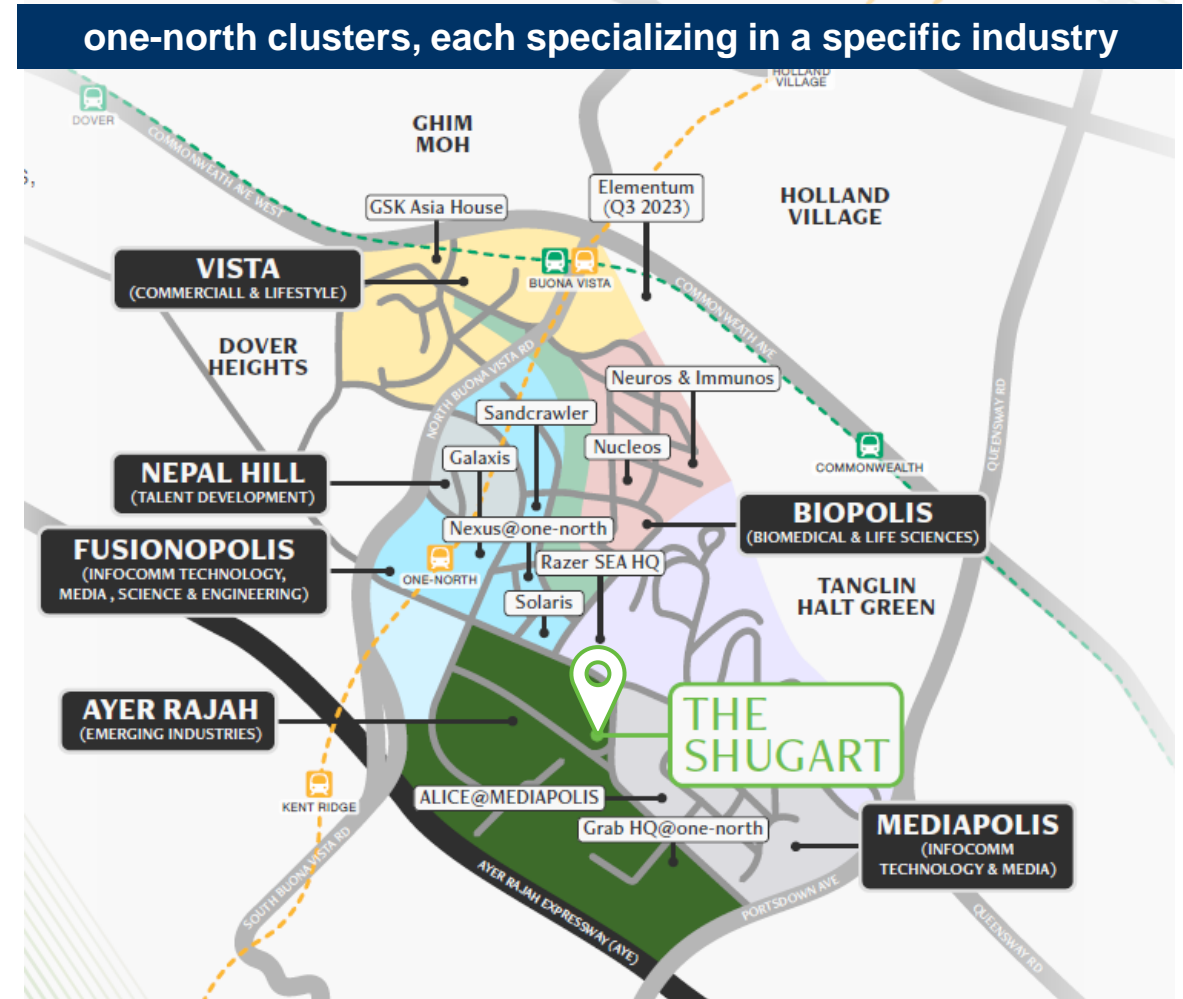
## Provides Income Stability

- Fully occupied by reputable global technology tenant
- Long lease term of 10 years, with built-in rent escalation of 2.5% p.a. and an option to renew for an additional 10 years

# Further expands CLAR's footprint in one-north

one-north district, Singapore's key Research & Development district

- The Property is strategically located in the Ayer Rajah cluster of the one-north district developed by JTC Corporation as a research and innovation business hub
- Key industries include 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
- Excellent connectivity:
  - ✓ 4-minute drive to Ayer Rajah Expressway
  - ✓ 15- minute drive to Central Business District
  - ✓ 10-minute walking distance to one-north MRT station
  - ✓ Bus shuttle connecting the Property to one-north MRT station and Buona Vista MRT station



Source: Colliers



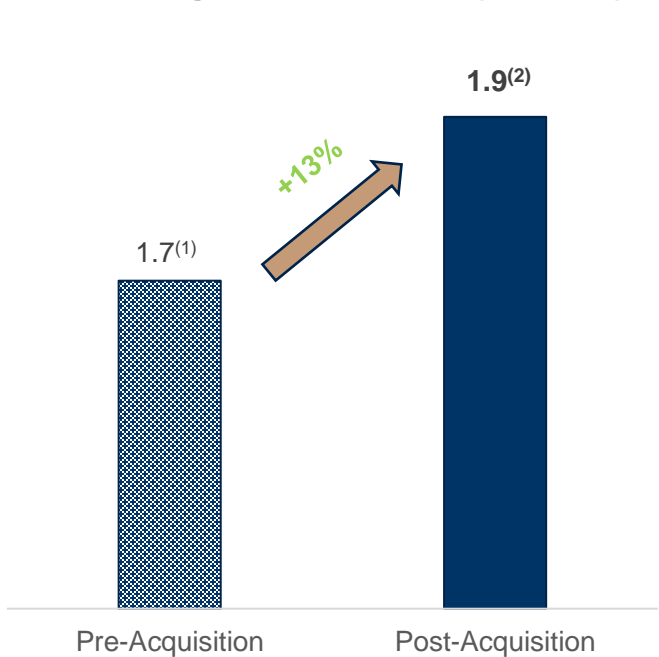
# Further expands CLAR's footprint in one-north

AUM and Net Lettable Area increase 13% and 21% respectively

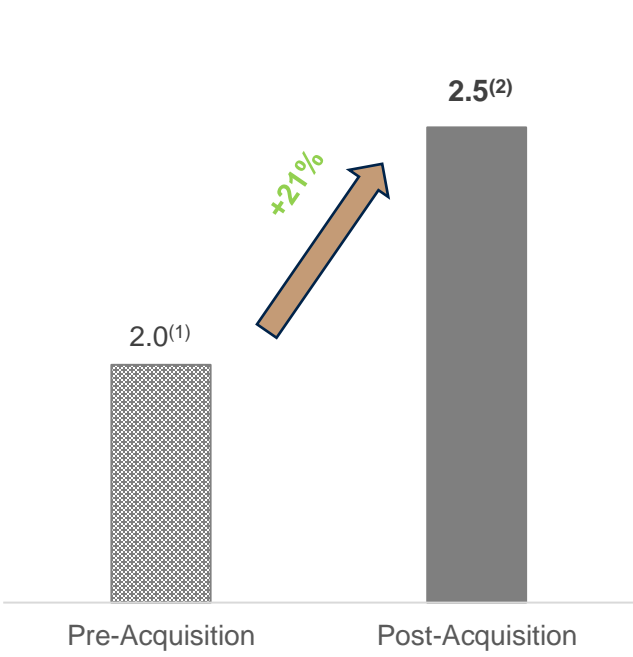


(1) As at 31 Dec 2022  
 (2) Assuming the Property was acquired on 31 Dec 2022

AUM growth in one-north (S\$ billion)



NLA growth in one-north (million sqft)

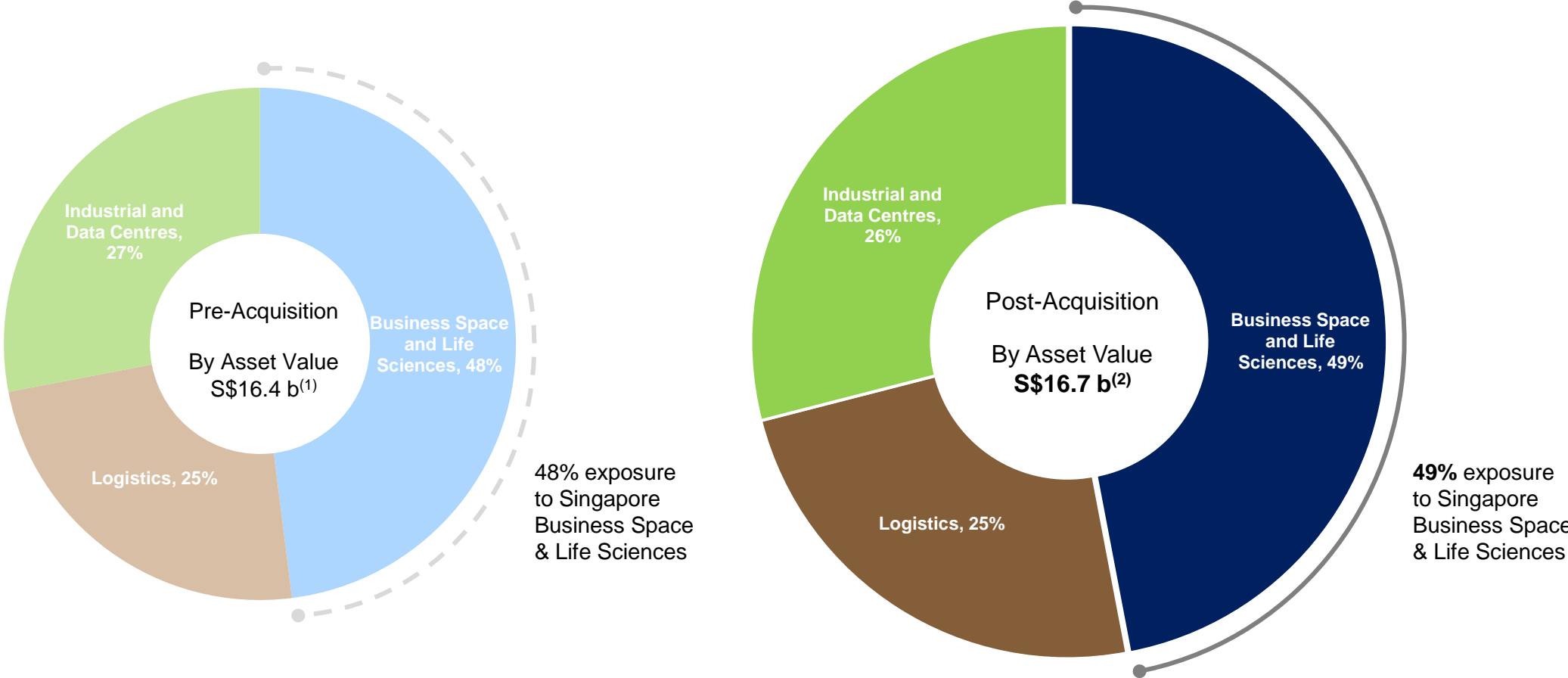


With the Proposed Acquisition, CLAR will increase its footprint in the one-north district

- AUM increase by +13% to S\$1.9 b<sup>(2)</sup>
- Net Lettable Area: +21% to 2.5 m sq ft<sup>(2)</sup>

# Deepens Presence in Business Space

Reinforces CLAR's market leadership in the Singapore Business Space & Life Sciences sector



(1) As at 31 Dec 2022

(2) Assuming the Property was acquired on 31 Dec 2022

# Strengthens Portfolio

## High Quality Property

- Integrated six-storey podium and nine-storey tower comprising R&D, cleanrooms and data centre space for Seagate Singapore's operations
- Other features include a sky garden, multi-purpose sports hall and gymnasium
- Newly built about 8 years ago



# Provides Income Stability

Fully Occupied with a 10-Year Lease

- Proposed Acquisition with the following lease terms:
  - 10-year leaseback of the Property's entire GFA
  - Built-in rent escalation of 2.5% per annum
  - With an option to renew for an additional 10 years
  
- Overall portfolio WALE will increase from 3.8<sup>(1)</sup> years to 3.9<sup>(2)</sup> years on a *pro forma* basis
  
- Target to complete in 2Q 2023

(1) As at 31 Dec 2022

(2) Assuming the Property was acquired on 31 Dec 2022

# *Pro Forma Impact*

  
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# Pro Forma Financial Impact

Attractive NPI yield and DPU accretive

Net Property Income (NPI) Yield <sup>(1)</sup> in Year 1		(Singapore cents)	Before Proposed Acquisition	After Proposed Acquisition	Pro Forma Financial Impact
Pre-transaction cost	8.3%				
Post-transaction cost	7.8%				
		DPU <sup>(2)</sup>	15.798	15.908	+0.110 (0.70% accretion)

(1) The NPI Yield is derived using the estimated NPI expected in the first year after the Proposed Acquisition.

(2) The annualised *pro forma* DPU impact is calculated based on the following assumptions a) CLAR had completed the Proposed Acquisition on 1 Jan 2022, held and operated the Property from 1 Jan 2022 to 31 Dec 2022, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.



# ≡ Conclusion

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# Conclusion

## EXPANDS CLAR'S FOOTPRINT IN ONE-NORTH

- one-north is Singapore's key Research & Development district
- AUM and Net Lettable Area in one-north increase 13% and 21% respectively
- Reinforces CLAR's market leadership in the Singapore Business Space & Life Sciences sector

## STRENGTHENS PORTFOLIO

- High quality business park property

- Fully occupied by reputable global technology tenant
- Long lease term of 10 years, with built-in rent escalation of 2.5% p.a. and an option to renew for an additional 10 years

## PROVIDES INCOME STABILITY

- Expects initial post-transaction cost NPI yield<sup>1</sup> of 7.8%
- *Pro forma* DPU accretion<sup>(2)</sup> of 0.110 Singapore cents; 0.70% DPU accretion

## DPU ACCRETIVE

(1) The NPI Yield is derived using the estimated NPI expected in the first year after the Proposed Acquisition.

(2) The annualised *pro forma* DPU impact is calculated based on the following assumptions a) CLAR had completed the Proposed Acquisition on 1 Jan 2022, held and operated the Property from 1 Jan 2022 to 31 Dec 2022, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.



**Thank you**

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