



NEWS RELEASE

For immediate release

Ascendas Reit to acquire Philips APAC Center in Singapore for S\$104.8 million

4 August 2022, Singapore – Ascendas Funds Management (S) Limited, as the manager (the “**Manager**”) of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce Ascendas Reit’s proposed acquisition of Philips APAC Center located at 622 Lorong 1 Toa Payoh, Singapore (“**APAC Center**” or the “**Property**”) from Philips Electronics Singapore Pte Ltd (the “**Vendor**”) (the “**Proposed Acquisition**”) which will leaseback their existing space to become the anchor tenant. The purchase consideration for the Proposed Acquisition is S\$104.8 million (the “**Purchase Consideration**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “Singapore remains a key market for Ascendas Reit, making up approximately 60% of total assets under management. The acquisition of APAC Center is a natural addition to the portfolio, strengthening our technology and biomedical customer base and improving the overall resilience of the portfolio with its high occupancy of 95.7% and long WALE of 4.5 years.”

Key Merits of the Proposed Acquisition

1. Aligned with Ascendas Reit’s strategic focus

In line with the growing digital economy and the increasing importance of life sciences and biomedical research and development, Ascendas Reit’s strategy is to continue investing in properties that support the requirements of related businesses.

In 2016, the Property was redeveloped into a high-tech campus for Philips’ ASEAN Pacific (“**APAC**”) headquarters and innovation centre. The six-storey building comprises laboratory, research and development, warehouse and ancillary office space over a gross floor area of 37,975 square metres.

The Proposed Acquisition is well aligned with Ascendas Reit's strategic intention and will strengthen both its portfolio and customer base. In addition, the Manager is targeting to attain a BCA Green Mark Gold^{Plus} certification for the Property after the completion of the Proposed Acquisition.

2. Centrally located high-tech campus

The Property is well accessible and centrally located within Toa Payoh town, which is a 15 minutes' drive to Singapore's central business district. It is in close proximity to the pan-island and central expressways and is a 3-minute walk to the Caldecott MRT station.

3. High occupancy rate with long weighted average lease to expiry ("WALE")

Upon completion of the Proposed Acquisition, the Vendor, Philips, a leading health technology company listed in Amsterdam and New York, will enter a multi-year leaseback of more than two-thirds of the Property's gross floor area. The Property serves as its APAC headquarters with a focus on its healthcare and technology business.

As at 30 June 2022, the Property is leased to a total of four tenants, has an occupancy rate of 95.7% and a long WALE of 4.5 years.

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

The first year net property income ("NPI") yield¹ of the Proposed Acquisition is approximately 7.2% and 6.8% pre-transaction costs and post-transaction costs respectively.

The Proposed Acquisition will be funded by Ascendas Reit through internal resources and/or existing debt facilities. The *pro forma* impact on the DPU for the financial year commencing on 1 January 2021 and ended 31 December 2021 is expected to be an improvement of 0.045 Singapore cents (0.29% DPU accretion) assuming the Proposed Acquisition was completed on 1 January 2021².

The Proposed Acquisition is expected to complete in the second half of 2022.

¹ The NPI yield is derived using the estimated NPI expected in the first year of acquisition.

² The *pro forma* DPU impact is calculated based on the following assumptions a) Ascendas Reit had completed the Proposed Acquisition on 1 January 2021, held and operated the Property from 1 January 2021 to 31 December 2021, b) the Proposed Acquisition is funded 100% by debt, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

Details of the Proposed Acquisition

HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit (the “**Trustee**”), has entered into a Call and Put Option Agreement with the Vendor today, to acquire the Property.

The Purchase Consideration of S\$104.8 million was negotiated on a willing-buyer and willing-seller basis. The independent market valuation of the Property as of 31 May 2022 is S\$111.5 million³.

The total cost of the Proposed Acquisition is estimated to be approximately S\$110.04 million comprising (i) the Purchase Consideration of S\$104.8 million, (ii) the acquisition fee payable to the Manager of approximately S\$1.048 million (being 1% of the Purchase Consideration), and (iii) stamp duty, professional and other fees and expenses of S\$4.192 million.

Upon completion of the Proposed Acquisition, Ascendas Reit will own 229 properties comprising 96 properties in Singapore, 36 properties in Australia, 48 properties in the United States and 49 properties in the United Kingdom/Europe.

- End -

³ The valuation (dated 31 May 2022) was commissioned by the Manager and HSBC Institutional Services (Singapore) Limited (as trustee of Ascendas Reit) and carried out by Jones Lang LaSalle Property Consultants Pte Ltd using the sales comparison and income capitalisation approaches.

About Ascendas Real Estate Investment Trust (www.ascendas-reit.com)

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.

As at 30 June 2022, Ascendas Reit's investment properties under management stood at S\$16.6 billion. It owns a total of 228 properties across three segments, namely Business Space and Life Sciences; Logistics; and Industrial and Data Centres. These properties are located in the developed markets of Singapore, Australia, the United States and the United Kingdom/Europe.

These properties house a tenant base of more than 1,600 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 (back room office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, DBS, Citibank, Pinterest, CareFusion, Equinix and J.P. Morgan.

Ascendas Reit 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. Ascendas Reit has an issuer rating of 'A3' by Moody's Investors Service.

Ascendas Reit is managed by 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 2022, CLI had about S\$124 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 29 private funds across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of CapitaLand Group, CLI places sustainability at the core of what it does. As a responsible real estate company, 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.

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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 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, 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 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 Ascendas Real Estate Investment Trust ("**Ascendas Reit**") is not indicative of future performance. The listing of the units in the Ascendas Reit ("**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.

Annex

Summary of Target Property (as at 30 June 2022)

Address	622 Lorong 1 Toa Payoh, Singapore
Total Gross Floor Area	37,975 sqm
Weighted Average Lease Expiry (by rental income)	4.5 years
Occupancy Rate	95.7%
Remaining Land Lease Tenure	21 years



Location of Target Property:

