

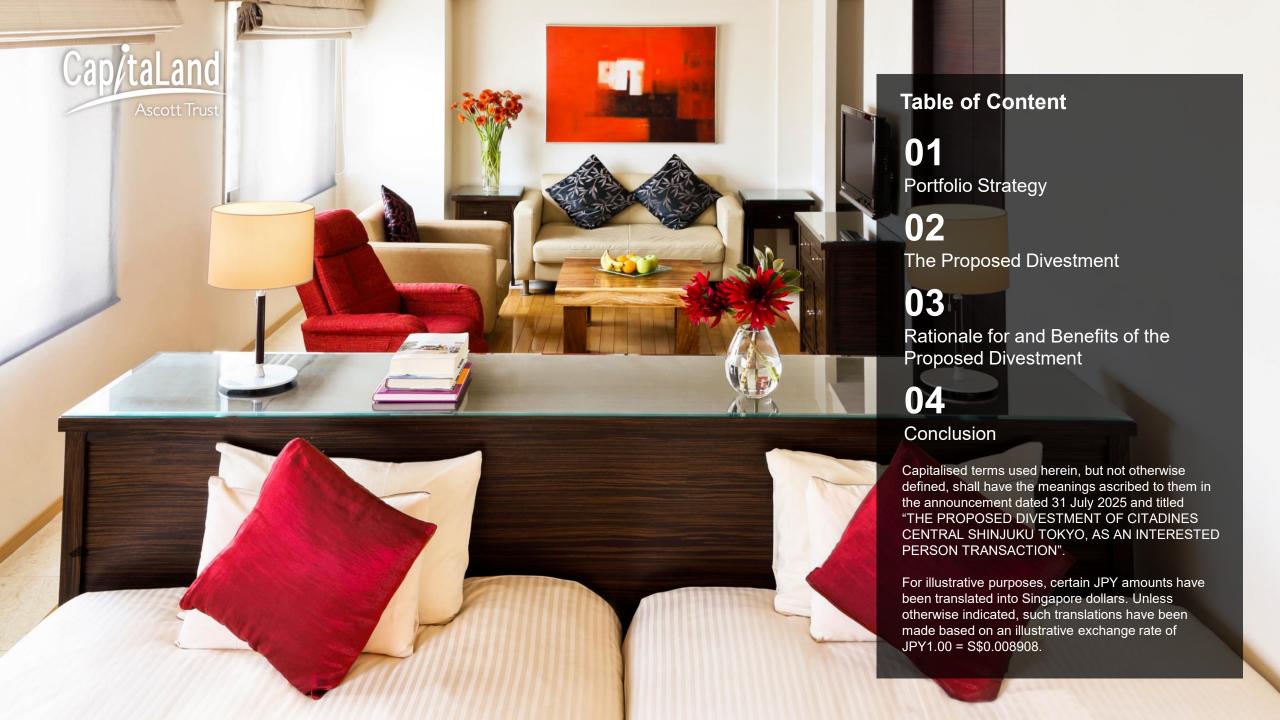
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#### **Proactive Investment & Portfolio Reconstitution**

Building a stronger portfolio, enhancing the quality and performance of CLAS' properties





### Divestments to unlock value

- Divesting properties which have reached the optimal stage of their life cycle
- Redeploying proceeds into optimal uses, including investing in higheryielding properties, funding asset enhancement initiatives (AEIs) and paying down debts with higher interest rates



### Accretive Investments in quality properties

- Accretive investments in prime locations within key gateway cities supported by strong demand drivers for travel and/or living
- Selectively undertaking development projects with higher yields



### Asset Enhancement to uplift performance and valuations

 AEIs from 2025 to 2026 and beyond provide CLAS with further capacity for growth



# **Proposed Divestment of Citadines Central Shinjuku Tokyo**

Divesting a mature property requiring significant capital expenditure at an attractive premium

JPY25.0 bil

(\$\$222.7 mil)

Divestment Consideration

3.2%

Exit EBITDA yield based on FY2024 EBITDA

c.100%

of the Property as at 30 Jun 2025 40.4%

Premium to average of 2 independent valuations

JPY5.7 bil

(S\$50.8 mil) Net gain after tax



| Address   | 1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021, Japan   |  |  |
|---|--|--|--|
| Year Built  | 2008   |  |  |
| Number of Units   | 206  |  |  |
| Title   | Freehold   |  |  |
| Independent Valuations (Income approach and cost approach, as at 10 Jul 2025) | JPY18.1 bil (S\$161.2 mil)   | JPY17.5 bil (S\$155.9 mil)   |  |
|   | <ul> <li>Valuer: Cushman &amp;<br/>Wakefield K.K (C&amp;W)</li> <li>Commissioned by:<br/>REIT Manager</li> </ul> | <ul> <li>Valuer: Colliers         <ul> <li>International Japan KK</li> <li>(Colliers)</li> </ul> </li> <li>Commissioned by:         <ul> <li>REIT Trustee</li> </ul> </li> </ul> |  |
| Divestment Consideration  | JPY25.0 bil (S\$222.7 mil)   |  |  |



# O Divesting a Mature Property Requiring Significant Capital Expenditure

Proceeds can be redeployed more effectively into other uses

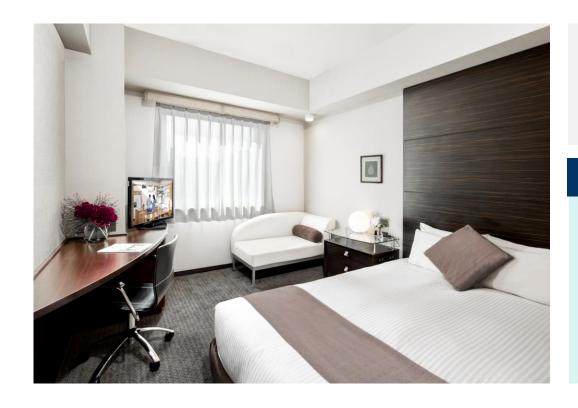
- The Property has not undergone any major renovation since CLAS acquired it in 2014
- As the Property has become dated, substantial capital expenditure and temporary closure would be required to enhance its operational performance and maintain competitiveness
- By divesting the Property, CLAS can redeploy the proceeds more effectively into other uses, such as repaying higher-interest debt, funding AEIs, reinvesting in higher-yielding properties and/or for general corporate purposes





# Unlocking Gains for Stapled Securityholders

Divesting at c.100% premium to Jun 2025 book value, unlocking attractive net gain



3.2% Exit yield based on FY2024 EBITDA c.100%

Premium to book value of the Property as at 30 Jun 2025



Attractive net gain

JPY5.7 bil

(S\$50.8 mil) Net gain after tax Provides CLAS with greater flexibility to distribute divestment gains, to mitigate the short-term impact of AEIs or macroeconomic downturns, when appropriate

# Strengthening Financial Flexibility, Delivering Accretion

DPS accretion of 1.0% on a FY2024 pro forma basis, if proceeds are used to repay debt



JPY21.0 bil

(S\$187.4 mil) Net proceeds +1.0%

DPS accretion on a FY2024 pro forma basis

Assuming the net proceeds are used to repay debt, and accounting for the loss of income from the divestment:

Expected DPS accretion of 1.0% on a FY2024 pro forma basis

Assuming the net proceeds are used to repay debt:

- Aggregate leverage expected to improve to 37.8% from 39.6% as at 30 Jun 2025
- Debt headroom to increase to c.S\$2.0 bil from c.S\$1.8 bil<sup>1</sup>

Notes: The pro forma financial effects of the Proposed Divestment on the DPS were prepared based on the audited consolidated financial statements of CLAS for FY2024.

1. Based on an aggregate leverage limit of 50% as permitted by the Property Funds Appendix issued by the Monetary Authority of Singapore.

## **Pro Forma Impact**

Proposed Divestment is DPS and NAV accretive; Japan remains a key market for CLAS

| For illustrative purposes only   | On a FY2024 pro forma basis                     |  |  |
|--|---|--|--|
| DPS accretion (%)  | <u>▲</u> 1.0%¹                                  |  |  |
| NAV per Stapled Security accretion (%)                                   | <u> </u>  |  |  |
| For illustrative purposes only   | As at / for the first half<br>ended 30 Jun 2025 | After the Proposed Divestment and Debt Repayment |  |
| Aggregate Leverage (%)   | 39.6%   | <b>37.8%</b>                                     |  |
| Gross profit contribution from Japan (%)                                 | Japan<br>18%                                    | Japan<br>16%                                     |  |
| Following the Proposed Divestment, CLAS will have 29 properties in Japan |   |  |  |

Notes: The pro forma financial effects of the Proposed Divestment on the DPS and NAV per Stapled Security were prepared based on the audited consolidated financial statements of CLAS for FY2024.

CapitaLand Ascott Trust

comprising 4 hotels, 1 serviced residence, 23 rental housing properties and 1 student accommodation property

<sup>1.</sup> After the Proposed Divestment, assuming the net proceeds are used to repay debt, and accounting for the loss of income from the divestment.

Includes net gain of S\$47.1 mil from the Proposed Divestment.



#### **Commitment to Deliver Stable Distributions**

Proposed Divestment is in line with CLAS' portfolio reconstitution strategy



#### **Proactive portfolio reconstitution**

- CLAS proactively seeks opportunities to enhance the portfolio's quality and yield by recycling capital from divestments into more optimal uses
- The Proposed Divestment unlocks gains for Stapled Securityholders



#### Disciplined and prudent capital management

- CLAS maintains a healthy financial and liquidity position
- The Proposed Divestment further strengthens CLAS' financial flexibility in the current uncertain macroenvironment



#### Resilient performance and outlook

- CLAS' diversification and base of stable income offer resilience
- Completed and planned AEIs are expected to uplift distribution income

### **Next Steps**

Stapled Securityholders' approval is required for the Proposed Divestment

| Event  | Date        |
|--|-------------|
| Announcement on the Proposed Divestment                          | 31 Jul 2025 |
| Notice of Extraordinary General Meeting and despatch of Circular | Sep 2025    |
| Extraordinary General Meeting                                    | Sep 2025    |
| Completion of the Proposed Divestment                            | 4Q 2025     |

#### Interested Person Transaction and Interested Party Transaction

- The Purchaser is an unrelated third party to the Vendors or CLAS. However, CJKK, an indirect wholly-owned subsidiary of CLI, is providing acquisition and investment management services to the Purchaser in relation to the Proposed Divestment. Additionally, CJKK has informed the Managers that it has entered into an Exclusivity Agreement with the Purchaser where the Purchaser has agreed to grant CJKK (or such third party designated by CJKK) the right to preferentially negotiate and acquire the Property. During the term of the Exclusivity Agreement, the Purchaser will not engage in any sales activity with any third party other than with CJKK and will as soon as practicable execute a sale and purchase agreement for the Property substantially in the form attached to the Exclusivity Agreement upon receipt of a notice from CJKK.
- While the interested party, being CJKK, is not a direct party to the Proposed Divestment or the Sale and Purchase Agreement, having regard to the objective of Chapter 9 of the Listing Manual, Listing Rule 904(4A) and the economic and commercial substance of the transaction and taking into account that (i) CJKK is providing acquisition and investment management services to the Purchaser for this transaction resulting in it representing the Purchaser in the negotiations of the Sale and Purchase Agreement against the Vendors and (ii) the Exclusivity Agreement requires the Purchaser to sell the Property to CJKK (or such other party designated by CJKK) during the exclusivity period, the Managers have deemed the Proposed Divestment as an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Stapled Securityholders will be required if the relevant thresholds are met.

