



**ASCENDAS REAL ESTATE INVESTMENT TRUST**  
(Constituted in the Republic of Singapore  
pursuant to a trust deed dated 9 October 2002 (as amended))

**ANNOUNCEMENT**

**PROPOSED REDEVELOPMENT OF 1 SCIENCE PARK DRIVE SINGAPORE 118221  
INTO A LIFE SCIENCE AND INNOVATION CAMPUS WITH CAPITALAND**

**1. INTRODUCTION**

Ascendas Funds Management (S) Limited (the "**Manager**"), as manager of Ascendas Real Estate Investment Trust ("**Ascendas Reit**"), is pleased to announce that a joint venture (the "**Joint Venture**") has been formed between HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**") (in its capacity as trustee of Ascendas Reit) and CapitaLand Singapore (BP&C) Pte. Ltd. ("**CLS**"), a subsidiary of CapitaLand Limited ("**CapitaLand**"), to redevelop the piece of land known as the whole of Lot 2162K of Mukim 3 located at 1 Science Park Drive, Singapore 118221 (the "**Plot 1 Land**") into a life science and innovation campus comprising a cluster of three (3) Grade A business park buildings – one (1) 15-storey-tall and the other two (2) nine (9)-storey-tall – and an event plaza with retail, food and beverage and supporting amenities (the "**Redevelopment**").

**1.1 The Plot 1 Land and the Redevelopment**

The Trustee (in its capacity as trustee of Ascendas Reit) is the registered lessee of a leasehold interest ("**Plot 1 Leasehold Interest**") in the Plot 1 Land of 95 years 6 months commencing on 1 January 1985 and expiring on 30 June 2080 (the "**Plot 1 Lease Term**"). CLS is the registered lessee of a leasehold interest of 99 years from 1 June 1982 in respect of the Plot 1 Land under a state lease issued by the President of the Republic of Singapore, and CLS is entitled to the reversion immediately expectant upon the determination of the Plot 1 Leasehold Interest.

The Plot 1 Land is part of a cluster of land (collectively, the "**Cluster 1 Land**") comprising the (a) Plot 1 Land; (b) piece of land known as the whole of Lot 5506A of Mukim 3 (now known as (A) Lot 5588X of Mukim 3 (the "**5 SPD Land**"); and (B) Lot 5589L of Mukim 3); and (c) piece of land known as the whole of Lot 2742N of Mukim 3 (now amalgamated with Lot 5589L of Mukim 3 to form new Lot 5595W of Mukim 3). The Urban Redevelopment Authority ("**URA**") has granted its approval to the proposed increase (the "**Cluster 1 Intensification**") in the overall allowable gross floor area ("**GFA**") for the Cluster 1 Land to a plot ratio of 3.0 on the terms and subject to the conditions and requirements set out in an outline planning permission issued by URA.

The GFA of the existing building on the Plot 1 Land is 31,888<sup>1</sup> square metres. To undertake the Redevelopment (which is subject to prior written approvals from relevant authorities being obtained), SPT (as defined at paragraph 1.2 below) will be utilising additional GFA arising from the Cluster 1 Intensification, up to a plot ratio of 3.6 in respect of the Plot 1 Land. URA has granted (subject to certain conditions) its approval to the proposed erection of three (3) blocks (one (1) block of 15 storey and two (2) blocks of nine (9) storey) business park buildings with two (2) basement car parks and ancillary facilities on the Plot 1 Land with a total GFA of 116,200<sup>2</sup> square metres mainly for business park use. Completion of the Redevelopment is targeted to be in 2025.

The total development cost of the Redevelopment is expected to amount to approximately S\$883 million. Ascendas Reit will finance its share of the funding contributions through a portion of the proceeds from the Disposal (as defined at paragraph 2.1 below) and external financing.

## 1.2 The Joint Venture

In connection with the Joint Venture and to undertake the Redevelopment and the investment in, ownership, operation of and/or management thereof, a special purpose trust (the "**SPT**") has been jointly established by the Trustee (in its capacity as trustee of Ascendas Reit) and a special purpose company that is a wholly-owned subsidiary of CLS, SPRINT Plot 1 Unitholding Pte. Ltd. ("**CLS SPV**"). A framework agreement (the "**Framework Agreement**") has also been entered into between CLS and the Trustee (in its capacity as trustee of Ascendas Reit) setting out an overview of the key terms of the Joint Venture and the Redevelopment.

## 1.3 Formation of Special Purpose Trust and entry into Unitholders' Agreement

The trustee-manager of SPT, SPRINT Plot 1 TM Pte. Ltd., ("**SPT TM**") is a special purpose company that is a wholly-owned subsidiary of CLS.

The units in SPT are held by (a) CLS SPV; and (b) the Trustee (in its capacity as trustee of Ascendas Reit), in the proportion 66%-34% respectively<sup>3</sup>. Such units in SPT are held subject to the terms and conditions of the unitholders' agreement entered into between CLS SPV, the Trustee (in its capacity as trustee of Ascendas Reit) and SPT TM (in its capacity as trustee-manager of SPT) (the "**Unitholders' Agreement**").

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<sup>1</sup> The GFA figures in this Announcement are rounded to the nearest whole number, unless otherwise stated.

<sup>2</sup> The GFA figures in this Announcement relating to the Campus (as defined in paragraph 3(a) below) and/or the New Buildings (as defined in paragraph 3(c) below) are rounded to the nearest hundred.

<sup>3</sup> The stakes in SPT held by CLS SPV and the Trustee (in its capacity as trustee of Ascendas Reit) were derived based on the respective GFA contributions of CapitaLand Development and Ascendas Reit to the total GFA contribution to SPT of 112,500 square metres. The additional retail component of the New Buildings, with a GFA of 3,700 square metres, was not taken into account in such calculation of stakes as it is an ancillary space contributed by CapitaLand Development.

## 2. CERTAIN KEY TERMS OF AND TRANSACTIONS IN CONNECTION WITH THE REDEVELOPMENT

### 2.1 Disposal of Plot 1 Assets

To undertake the Redevelopment, the Trustee (in its capacity as trustee of Ascendas Reit) has entered into a sale and purchase agreement (the "**SPA**") as vendor with SPT TM (in its capacity as trustee-manager of SPT) as purchaser, pursuant to which the Trustee (in its capacity as trustee of Ascendas Reit) will sell, and SPT TM (in its capacity as trustee-manager of SPT) will purchase, the Plot 1 Leasehold Interest and the fixed plant and equipment located in, on or which otherwise exclusively relates to the Plot 1 Land and the building thereon or the operations thereof and which are owned by the Trustee (in its capacity as trustee of Ascendas Reit) in its capacity as owner of the Plot 1 Leasehold Interest (collectively, the "**Property**", and together with the untapped plot ratio of 0.2, collectively, the "**Plot 1 Assets**"), in accordance with the terms of the SPA (the "**Disposal**").

#### (a) Consideration

Pursuant to the SPA, the consideration payable by SPT TM (in its capacity as trustee-manager of SPT) to the Trustee (in its capacity as trustee of Ascendas Reit) in respect of the Plot 1 Assets is S\$103.16 million (exclusive of goods and services tax) (the "**Consideration**").

The Consideration was negotiated on a willing-buyer and willing-seller basis after taking into account the Independent Valuations (as defined at paragraph 2.1(c) below).

The Consideration is to be paid to the Trustee (in its capacity as trustee of Ascendas Reit), or such other parties as may be directed by the Trustee (in its capacity as trustee of Ascendas Reit), as follows:

- (i) on the date of signing of the SPA, a deposit of S\$50,000 (the "**Deposit**") in cash; and
- (ii) the balance of the Consideration of S\$103.11 million in cash, being the Consideration less the Deposit, on completion of the Disposal in accordance with the terms of the SPA (the "**Plot 1 Land Completion**").

#### (b) Value of the Plot 1 Assets

As at 31 December 2020, the book value of the Property is S\$90 million<sup>4</sup>.

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<sup>4</sup> The book value of the Property for the financial year ended 31 December 2020 does not take into account the Plot 1 Land's additional untapped plot ratio of 0.2.

(c) Independent Valuations<sup>5</sup>

The Trustee (in its capacity as trustee of Ascendas Reit) commissioned an independent valuer, CBRE Pte. Ltd. ("**CBRE**"), to value the Plot 1 Assets. Based on the independent valuation conducted by CBRE on the Plot 1 Assets on 1 October 2021 using the residual land approach, direct comparison method, capitalisation method and discounted cashflow analysis, the value of the Plot 1 Assets is S\$97 million.

The Manager (in its capacity as manager of Ascendas Reit) also commissioned an independent valuer, Savills Valuation And Professional Services (S) Pte. Ltd. ("**Savills**"), and together with CBRE, collectively, the "**Independent Valuers**", to value the Plot 1 Assets. Based on the independent valuation conducted by Savills on the Plot 1 Assets on 1 October 2021 using the direct comparison and residual method, the value of the Plot 1 Assets is S\$99.7 million (together with the valuation conducted by CBRE, collectively, the "**Independent Valuations**").

The Consideration is not less than the S\$97 million value assessed by CBRE, being the lower of the two (2) Independent Valuations.

The Manager (in its capacity as manager of Ascendas Reit) will be paid a divestment fee of S\$515,800 in connection with the Disposal (the "**Divestment Fee**"). The Divestment Fee will be paid in the form of units in Ascendas Reit ("**Ascendas Reit Units**") issued to the Manager, which shall not be sold within one (1) year from their date of issuance pursuant to paragraph 5.7 of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**").

## 2.2 Extension of the Plot 1 Lease Term

On the date of the Plot 1 Land Completion, to facilitate certain sharing arrangements, including the sharing of carpark facilities that are intended to be put in place between the respective registered lessees (under the relevant leases) of the Cluster 1 Land after the Plot 1 Land Completion, CLS and SPT TM (in its capacity as trustee-manager of SPT) will, on the date of the Plot 1 Land Completion, enter into an agreement for extension of the Plot 1 Lease Term by a further leasehold period of 10 months and 30 days, such extended leasehold period to commence on 1 July 2080 so that the Plot 1 Lease Term will be co-terminus with the lease term for the 5 SPD Land, on 30 May 2081 (the "**Agreement for Lease Extension**").

Pursuant to the Agreement for Lease Extension, CLS and SPT TM (in its capacity as trustee-manager of SPT) will, on the date of the Plot 1 Land Completion, also enter into (a) an instrument of surrender in relation to SPT TM's surrender, and CLS' acceptance, of the Plot 1 Land and the Plot 1 Lease Term (the "**Surrender Instrument**"); and (b) a new lease instrument in relation to CLS' re-grant, and SPT TM's (in its capacity as trustee-manager of SPT) taking, of a lease of the Plot 1 Land, containing the same terms and conditions as the existing lease in respect of the Plot 1 Land, save that the lease term under such new lease instrument shall be extended by a further leasehold period of 10 months and 30 days, such extended leasehold period to commence on 1 July 2080 and expire on 30 May 2081 (the "**Re-grant Lease**").

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<sup>5</sup> For the avoidance of doubt, the Independent Valuations are of the Plot 1 Assets and have each taken into account the Plot 1 Land's existing plot ratio of 1.0 and additional untapped plot ratio of 0.2.

**Instrument**", and together with the Surrender Instrument and the Agreement for Lease Extension, collectively, the "**Plot 1 Lease Term Extension Documents**").

### 2.3 Intensification of GFA and Variation of the Plot 1 Land Lease

The current maximum allowable plot ratio for the Plot 1 Land which may be utilised for any development on the Plot 1 Land (putting aside the Intensification GFA (as defined at paragraph 2.3(b) below)) is 38,227 square metres (the "**Maximum Allowable Plot 1 GFA**") and URA has stated that the GFA of the existing building on the Plot 1 Land is 31,888 square metres. In the premises, SPT is able to utilise currently unutilised Maximum Allowable Plot 1 GFA of 6,338 square metres (being the difference between the Maximum Allowable Plot 1 GFA of 38,227 square metres and the GFA of 31,888 square metres) provided that SPT makes payment of the applicable differential premium in respect of such unutilised Maximum Allowable Plot 1 GFA of 6,338 square metres.

As such, after the Plot 1 Land Completion and entry into the Plot 1 Lease Term Extension Documents, to enable the carrying out and completion of the Redevelopment by SPT including utilising up to the aggregate of the Maximum Allowable Plot 1 GFA and the Intensification GFA (collectively, the "**Approved Plot 1 GFA**"), CLS and SPT TM (in its capacity as trustee-manager of SPT) will enter into an agreement (the "**GFA Agreement**") pursuant to which SPT will be allowed to utilise:

- (a) the Maximum Allowable Plot 1 GFA of 38,227 square metres and in this connection, SPT shall decommission and demolish the existing building on the Plot 1 Land with the existing GFA of 31,888 square metres after the Plot 1 Land Completion; and
- (b) the GFA of 79,800 square metres, being part of the additional GFA arising from the Cluster 1 Intensification (the "**Intensification GFA**"),

for the Redevelopment, on the terms and subject to the conditions contained in the Framework Agreement, the GFA Agreement, the Unitholders' Agreement and the approvals of the relevant authorities (including the provisional permission issued by URA).

A variation instrument to the Re-grant Lease Instrument to reflect the aforesaid use of the Approved Plot 1 GFA for the Redevelopment will also be entered into by CLS and SPT TM (in its capacity as trustee-manager of SPT) (the "**Variation Instrument**").

### 2.4 SPT Unitholder Obligations

Under the Unitholders' Agreement and/or the deed of trust constituting SPT:

- (a) a management committee (the "**Management Committee**") will be constituted to manage SPT and make recommendations to SPT TM in relation to the management of the business of SPT. The Management Committee will comprise five (5) members, of which three (3) members will be appointed by CLS SPV and two (2) members will be appointed by the Trustee (in its capacity as trustee for Ascendas Reit);

- (b) there is a set of reserved matters in respect of each of the Management Committee and the SPT unitholders ("**Unitholder Reserved Matters**") in relation to key operational and management issues affecting SPT, including but not limited to the matters set out in paragraph 6.5(b) of the Property Funds Appendix. The approval of Unitholder Reserved Matters will require unanimous approval of the SPT unitholders;
- (c) SPT TM shall declare a distribution of at least 90% of taxable income (excluding gains from real estate determined by the Inland Revenue Authority of Singapore to be trading gains) and net tax-exempt income (if any). Such distributions will be proportionate to the unitholding proportion of the SPT unitholders as at the date of the declaration;
- (d) in the event that an SPT unitholder wishes to transfer or dispose of all or any of its SPT units, the non-transferring SPT unitholders have a first right over such SPT units, to be exercised in accordance with the Unitholders' Agreement; and
- (e) a right of first refusal has been granted to the Trustee (in its capacity as trustee of Ascendas Reit) in the event of a sale of the Plot 1 Land (together with any buildings erected thereon), subject to the approval of such sale as a Unitholder Reserved Matter.

Further, as a unitholder of SPT via the Trustee (in its capacity as trustee of Ascendas Reit), it is anticipated that Ascendas Reit will have to make a capital commitment to SPT of up to S\$131.9 million (up to S\$132.7 million including transaction costs) in relation to the total development costs for the Redevelopment.

## 2.5 Provision of Management Services

In connection with the Redevelopment, it is also anticipated that certain management services including services in relation to development management, project management, asset management, property management and lease management (collectively, the "**Management Services**") will be provided by entities in the CapitaLand group (the "**CapitaLand Entities**") to SPT. Management fees including development management fees, project management fees, asset management fees, property management fees and lease management fees (collectively, the "**SPT Fees**") will thus be incurred by SPT and payable to such CapitaLand Entities.

## 3. RATIONALE FOR AND BENEFITS OF THE REDEVELOPMENT

The Manager believes that the Redevelopment will bring about the following key benefits to the unitholders of Ascendas Reit (the "**Unitholders**"):

- (a) Transformative redevelopment of the Plot 1 Land into a life science and innovation campus

The transformation of the Plot 1 Land into a flagship life science and innovation campus (the "**Campus**") is expected to strengthen the thriving ecosystem of biomedical sciences, digital and information technology, agriculture technology and speciality chemical companies within the Singapore Science Park.

Of the 112,500 square metres of business park space in the Campus, 80,000 square metres (approximately 71% of the total business park space) has been designed to accommodate life science research and development activities, allowing the Campus to, when completed, cater to demand from tenants in new economy sectors such as biomedical sciences, digital and technology. Such industries are continuing to expand in Singapore amidst a higher focus on healthcare, deep technology and acceleration of digital transformation.

Further, the Campus sits within a larger integrated precinct (comprising 3 & 5 Science Park Drive) which offers a holistic work-live-play environment for its community. Its prime location next to the Kent Ridge MRT as well as its close proximity to the National University of Singapore and National University Hospital makes it an ideal gateway to the Singapore Science Park.

(b) Maximisation of the Plot 1 Land plot ratio

The Redevelopment provides an opportunity for Ascendas Reit to maximise and optimally utilise the plot ratio at the Plot 1 Land that is presently untapped.

The Plot 1 Land is currently developed up to a plot ratio of 1.0 and has an untapped plot ratio of an additional 0.2. The existing development on the Plot 1 Land is a 32-year-old building comprising two (2) storeys and three (3) basement levels (the "**Existing Building**"), and as mentioned above, the Existing Building has a GFA of 31,888 square metres and the site area of the Plot 1 Land is 31,856 square metres. As at 30 September 2021, the Plot 1 Lease Term had a remaining lease tenure of 58.8 years.

Upon completion of the Redevelopment, the gross plot ratio of the Plot 1 Land will triple to 3.6 and the Campus will have a total GFA of 116,200 square metres, which is approximately 84,000 square metres more than the current GFA of the Existing Building.

Further, in connection with the Redevelopment, the Plot 1 Lease Term will be extended by approximately 11 months such that it will be co-terminus with the lease term for the 5 SPD Land (which is also part of the Cluster 1 Land) to facilitate certain sharing arrangements, including the sharing of carpark facilities.

(c) Development of premium integrated buildings with retail and amenities

The Redevelopment will be transformative and bring improved connectivity to the Plot 1 Land. With a higher approved gross plot ratio, the Plot 1 Land will be redeveloped into a campus comprising a cluster of three (3) Grade A buildings (the "**New Buildings**") with an aggregate of 112,500 square metres of business park space and 3,700 square metres for retail and food and beverage use. The New Buildings will share an interconnected basement, offer seamless and sheltered connectivity to the Kent Ridge MRT station and have efficient floor plates which are mostly column-free and of more than 3,000 square metres each.

A voluminous all-weather event plaza will adjoin the New Buildings, incorporating the main vehicular drop-off point and providing a grand entrance statement for the Campus that is open, collaborative and welcoming. The event plaza will be able to accommodate a total of 500 people, including an amphitheatre that can seat up to 300 people.

(d) Smart and sustainable green campus

The Campus will reinforce Ascendas Reit's commitment to the green movement and meet the needs of sustainability-minded tenants. The Campus is designed to achieve the Building and Construction Authority's Green Mark Platinum rating, one of the highest green accolades under the scheme, and will have sustainable features that include a mini-district cooling plant and the use of low-carbon concrete. The New Buildings will also be fitted with smart lighting controls and advanced sensors to better monitor building health and performance. To future-ready the Campus, there will be also provisions for electric vehicle fast-charging stations, and next-generation information technology infrastructure to enable 5G adoption.

(e) Combined expertise with CapitaLand Development

CapitaLand Development is the development arm of the CapitaLand group with strong expertise in master planning, land development and project execution, and well-established real estate development capabilities that span across various asset classes, including integrated developments, business parks, industrial, logistics, data centres, retail, office, lodging, and residential. The CapitaLand group kickstarted the rejuvenation of the Singapore Science Park 1 in 2013 and has progressively completed the redevelopments at 12, 14 & 16 Science Park Drive (DSO National Laboratories and DNV GL Technology Centre), Ascent and 5 Science Park Drive.

Through the Joint Venture and co-development of the Plot 1 Land with CapitaLand Development, Ascendas Reit can combine its expertise with CapitaLand Development to develop the Campus into a next generation life science and innovation hub at the Singapore Science Park 1 and meet the needs of sustainability-minded tenants.

(f) Realising gains and recycling proceeds into growth opportunities

The disposal of the Plot 1 Assets and the Redevelopment are aligned with Ascendas Reit's capital recycling and asset redevelopment plan.

The Consideration of S\$103.16 million is approximately 14.6% above the book value of the Property as at 31 December 2020 (S\$90 million), and the estimated net accounting gain from the Disposal is approximately S\$12.5 million after providing for transaction-related expenses. The Property was acquired in 2005 for S\$35.0 million.

The proceeds from the Disposal will primarily be recycled into funding the Redevelopment. On a stabilised basis, the investment is expected to generate a *pro*



*forma* distribution per Unit ("**DPU**") of 0.076 Singapore cents<sup>6</sup> (plus 0.5% accretion) and a net property income ("**NPI**") yield of approximately 6.4% and 6.3%<sup>7</sup> pre-transaction costs and post-transaction costs respectively.

This enables Ascendas Reit to enhance returns to the Unitholders, build the acquisition pipeline for Ascendas Reit and unlock further value for the Unitholders in the long term.

#### 4. **USE OF PROCEEDS FROM THE DISPOSAL**

Net proceeds of the Disposal would primarily be used to finance the Trustee's (in its capacity as trustee of Ascendas Reit) share of its funding contributions as a unitholder of SPT in connection with the Plot 1 Redevelopment, and the balance may be recycled to fund committed investments, repay existing indebtedness, extend loans to subsidiaries, fund general corporate and working capital needs and/or make distributions to the Unitholders.

Pending such deployment, the net sale proceeds of the Disposal, subject to relevant laws and regulations, may be deposited with banks and/or financial institutions or used for any other purpose on a short-term basis as the Manager (in its capacity as manager of Ascendas Reit) may, in its discretion, deem fit.

#### 5. **INTERESTED PERSON TRANSACTIONS AND INTERESTED PARTY TRANSACTIONS**

##### 5.1 **Ascendas Reit as an "Entity at Risk"**

Ascendas Reit is an "entity at risk" under Rule 904(2)(a) of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited.

(a) The Manager as an "interested person"

As the manager of Ascendas Reit, the Manager is considered an "interested person" of Ascendas Reit for the purpose of the Listing Manual. Accordingly, the Manager's receipt of the Divestment Fee constitutes an "interested person transaction" under the Listing Manual.

(b) CLS and CLS SPV as "interested persons"

As at the date of this announcement, CapitaLand has a deemed interest in 754,593,169 Ascendas Reit Units, which is equivalent to approximately 17.99%<sup>8</sup> of the total number of Ascendas Reit Units in issue. CapitaLand is therefore regarded as a "controlling

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<sup>6</sup> The *pro forma* DPU impact is calculated based on the following assumptions: (a) Ascendas Reit had disposed the Plot 1 Land to SPT on 1 January 2020; (b) Ascendas Reit had a 34% interest in SPT from 1 January 2020 to 31 December 2020; (c) the Redevelopment was completed on 1 January 2020 and achieved an occupancy rate of more than 90% from 1 January 2020 to 31 December 2020; and (d) the Redevelopment is funded at the SPT level based on a funding structure of 60% debt and 40% equity.

<sup>7</sup> Ascendas Reit's share of net profits in the Joint Venture will be part of the amount available for distribution to its Unitholders. The NPI yield is derived using the estimated NPI in the Campus' first stabilised year of operation (with an occupancy rate of more than 90%).

<sup>8</sup> This percentage is based on 4,194,989,792 Ascendas Reit Units in issue as at the date of this announcement.

unitholder" of Ascendas Reit under Chapter 9 of the Listing Manual and the Property Funds Appendix. CapitaLand is also a "controlling shareholder" of the Manager as the Manager is a subsidiary of CapitaLand. As CLS and CLS SPV are each subsidiaries of CapitaLand, CLS and CLS SPV are "associates" of CapitaLand for the purposes of Chapter 9 of the Listing Manual and accordingly, would each be considered an "interested person" of Ascendas Reit for the purpose of the Listing Manual. The Trustee's (in its capacity as trustee of Ascendas Reit) entry into the Joint Venture with CLS, and entry into the Unitholders' Agreement with CLS SPV, would therefore constitute "interested person transactions" under the Listing Manual.

(c) SPT as an "interested person"

As CapitaLand indirectly holds 64% of SPT, SPT is an "associate" of CapitaLand for the purposes of Chapter 9 of the Listing Manual and Appendix 6 of the Property Funds Appendix. Accordingly, SPT would be considered (for the purpose of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) an "interested party" of Ascendas Reit, and the Disposal and the Trustee's (in its capacity as trustee of Ascendas Reit) subscription for units in SPT in connection with Ascendas Reits' entry into the Joint Venture (the "**Subscription**") would each constitute an "interested person transaction" and "interested party transaction" under the Listing Manual and the Property Funds Appendix respectively.

## 5.2 SPT as an "Entity at Risk"

As the Trustee (in its capacity as trustee of Ascendas Reit) holds 34% of the issued units of SPT, and CLS, being an "interested person" of Ascendas Reit, has control over SPT, SPT would be considered an "entity at risk" of Ascendas Reit under Rule 904(2)(c) of the Listing Manual.

(a) CLS as an "interested person"

As CLS is a subsidiary of CapitaLand, CLS is an "associate" of CapitaLand for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix and accordingly, would be considered (for the purpose of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) an "interested party" of SPT. SPT's entry into the Plot 1 Lease Term Extension Documents, GFA Agreement and Variation Instrument with CLS would therefore constitute "interested person transactions" and "interested party transactions" under the Listing Manual and the Property Funds Appendix respectively.

(b) CapitaLand Entities as "interested persons"

As the CapitaLand Entities are each subsidiaries of CapitaLand, the CapitaLand Entities are each "associates" of CapitaLand for the purposes of Chapter 9 of the Listing Manual. Accordingly, each of the CapitaLand Entities would be considered an "interested person" of SPT for the purpose of the Listing Manual, and the provision of the Management Services would each constitute an "interested person transaction" under the Listing Manual.

### 5.3 Exception under Rule 916(2) of the Listing Manual

Rule 916(2) of the Listing Manual states that the investment in a joint venture with an interested person is not required to comply with Rule 906 of the Listing Manual if:

- (i) the risks and rewards are in proportion to the equity of each joint venture partner;
- (ii) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (iii) the interested person does not have an existing interest in the joint venture prior to the participation of the entity at risk in the joint venture.

CLS does not have an existing equity interest in the Joint Venture prior to the participation of Ascendas Reit in the Joint Venture and the Audit and Risk Committee of the Manager (the "**Audit Committee**") has provided the requisite confirmation in paragraph 7 below. As the entry into the Joint Venture with CLS (including the entry into the Unitholders' Agreement with CLS SPV and the Subscription) falls within the exception under Rule 916(2) of the Listing Manual, even if the aggregate value of all interested person transactions (including the entry into the Joint Venture) exceeds 5.0% of the latest audited net tangible assets ("**NTA**") of Ascendas Reit, compliance with Rule 906 of the Listing Manual and approval of the Unitholders for the interested person transactions is not required.

## 6. AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

As a result of the above, as at the date of this announcement:

- (a) the aggregate value of all interested person transactions between Ascendas Reit and CapitaLand and its subsidiaries and associates (including but not limited to the Manager, SPT, CLS, CLS SPV and the CapitaLand Entities) for the current financial year is approximately S\$172.5 million (which is approximately 1.88% of the NTA of Ascendas Reit as at 31 December 2020)<sup>9</sup>; and
- (b) the aggregate value of all interested person transactions of Ascendas Reit and its entities at risk for the current financial year is approximately S\$174.7 million (which is approximately 1.90% of the NTA of Ascendas Reit as at 31 December 2020).

## 7. AUDIT AND RISK COMMITTEE STATEMENT

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the Independent Financial Adviser (the "**IFA**") to the Audit Committee in respect of the Joint Venture and the IFA

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<sup>9</sup> This excludes the value of the interested person transaction entered into by Ascendas Reit in relation to the acquisition of a 75% stake in Ascendas Fusion 5 Pte Ltd.

has given its opinion to the Audit Committee that the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the Joint Venture are not prejudicial to the interests of Ascendas Reit and its minority Unitholders.

The Audit Committee has considered the Joint Venture and taking into consideration the IFA's opinion, is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the Joint Venture are not prejudicial to the interests of Ascendas Reit and its minority Unitholders.

## **8. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS**

As at the date of this announcement, certain directors of the Manager collectively hold, directly or indirectly, aggregate direct and indirect interests in 190,420 Ascendas Reit Units and/or 931,002 ordinary shares in CapitaLand Investment Limited ("**CLI**"), a subsidiary of CapitaLand.

Based on information available to the Manager as at the date of this announcement:

- (a) Temasek Holdings (Private) Limited has an aggregate deemed interest in 880,750,824 Ascendas Reit Units, which is approximately 21.00%<sup>10</sup> of the total number of Ascendas Reit Units in issue. This includes the interest held by CapitaLand and its subsidiaries; and
- (b) CapitaLand, through its subsidiaries, namely Ascendas Funds Management (S) Limited and CLI RE Fund Investments Pte. Ltd. (formerly known as Ascendas Land International (Investments) Pte. Ltd.), has an aggregate deemed interest in 754,593,169 Ascendas Reit Units, which is approximately 17.99%<sup>11</sup> of the total number of Ascendas Reit Units in issue.

Further, it should be noted that:

- (i) Mr Manohar Khiatani, a Non-Executive Non-Independent Director of the Manager, is the Senior Executive Director of the CLI group;
- (ii) Mr Lim Cho Pin Andrew Geoffrey, a Non-Executive Non-Independent Director of the Manager, is the Group Chief Financial Officer of the CLI group; and
- (iii) Mr William Tay Wee Leong is the Chief Executive Officer and an Executive Non-Independent Director of the Manager.

Save as disclosed above and based on the information available to the Manager as at the date of this announcement, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Joint Venture and/or Redevelopment.

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<sup>10</sup> This percentage is based on 4,194,989,792 Ascendas Reit Units in issue as at the date of this announcement.

<sup>11</sup> This percentage is based on 4,194,989,792 Ascendas Reit Units in issue as at the date of this announcement.

## 9. **DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection from 10.00 a.m. to 5.00 p.m.<sup>12</sup> at the registered office of the Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this announcement up to and including the date falling three (3) months thereafter:

- (a) the SPA; and
- (b) the Independent Valuations.

The Trust Deed dated 9 October 2002 constituting Ascendas Reit (as amended, restated and/or supplemented) will also be available for inspection at the registered office of the Manager for so long as Ascendas Reit continues to be in existence.

### BY ORDER OF THE BOARD

Ascendas Funds Management (S) Limited  
(Company Registration No.: 200201987K)  
As Manager of Ascendas Real Estate Investment Trust

Michelle Koh  
Company Secretary  
15 November 2021

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<sup>12</sup> Due to the current COVID-19 situation in Singapore, inspection at the registered office of the Manager shall be further subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities. Prior appointment with the Manager is required. Please contact the Manager at Telephone Number: +65 6713 2888 or email at [a-reit@capitaland.com](mailto:a-reit@capitaland.com).