



Ascendas Reit

Redevelopment of 1 Science Park Drive

15 November 2021

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Agenda

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The Redevelopment

Redevelopment of Prime Site in Singapore Science Park 1

- 1 Science Park Drive is located at the main entrance of Singapore Science Park 1, adjacent to the Kent Ridge MRT station
- 15 mins' drive to the Central Business District (CBD) via Ayer Rajah Expressway
- In close proximity to the National University of Singapore (NUS) and National University Hospital (NUH) making it an ideal location for research and development, innovation and test-bedding



Details of Redevelopment



CURRENT property:

- A 32-year old development comprising two storeys and three basement levels
- Utilised plot ratio: 1.0
- Valuation (31 Dec 2020): S\$90.0 m



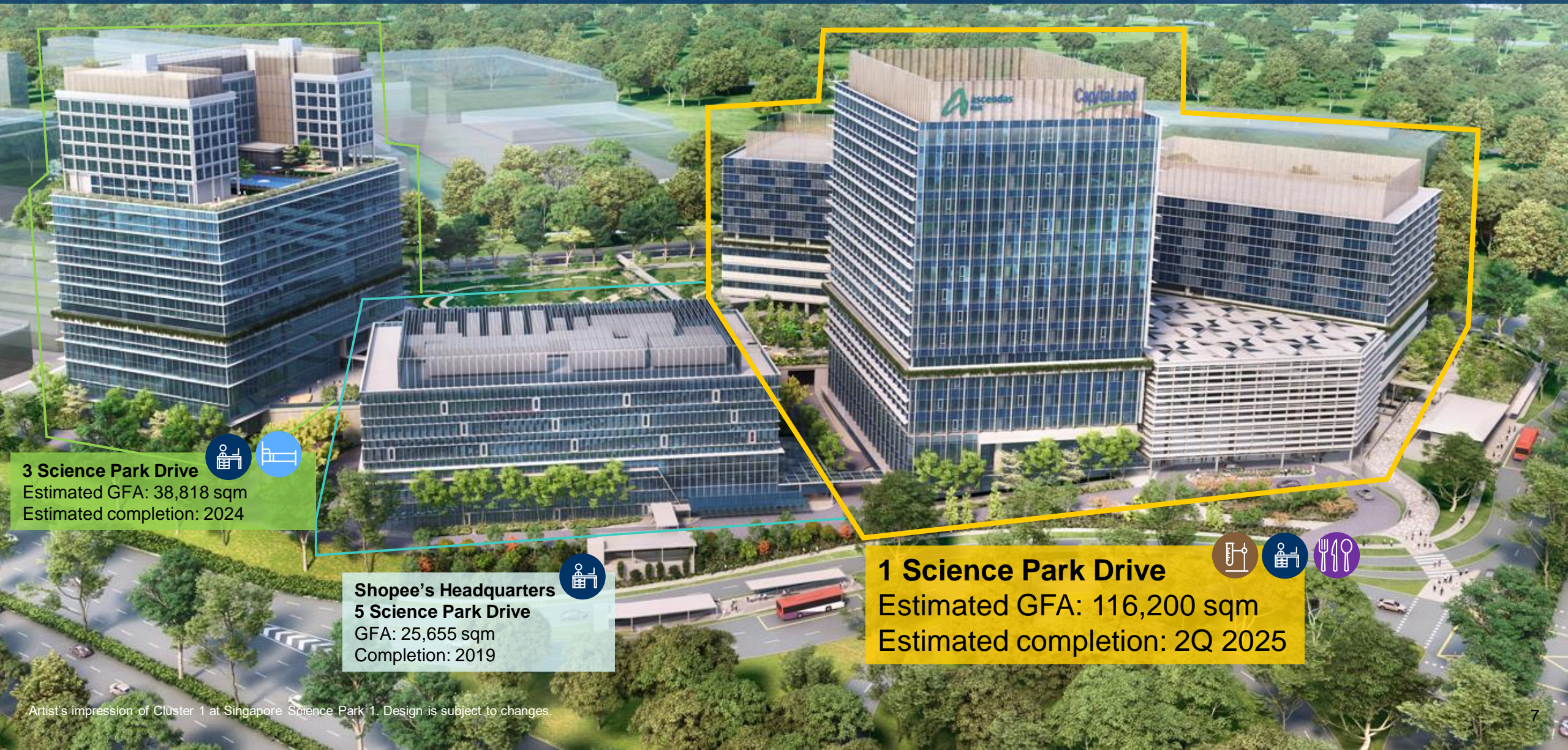
FUTURE development:

- Premium Life-Science and Innovation Campus
- New plot ratio: 3.6
- Estimated Total Development Cost of **S\$883.0 m**
- Estimated completion: 2Q 2025

Via Joint Venture (JV) with CapitaLand Development

A TRANSFORMATIVE REDEVELOPMENT

at Singapore Science Park 1



3 Science Park Drive
Estimated GFA: 38,818 sqm
Estimated completion: 2024



Shopee's Headquarters
5 Science Park Drive
GFA: 25,655 sqm
Completion: 2019



1 Science Park Drive
Estimated GFA: 116,200 sqm
Estimated completion: 2Q 2025





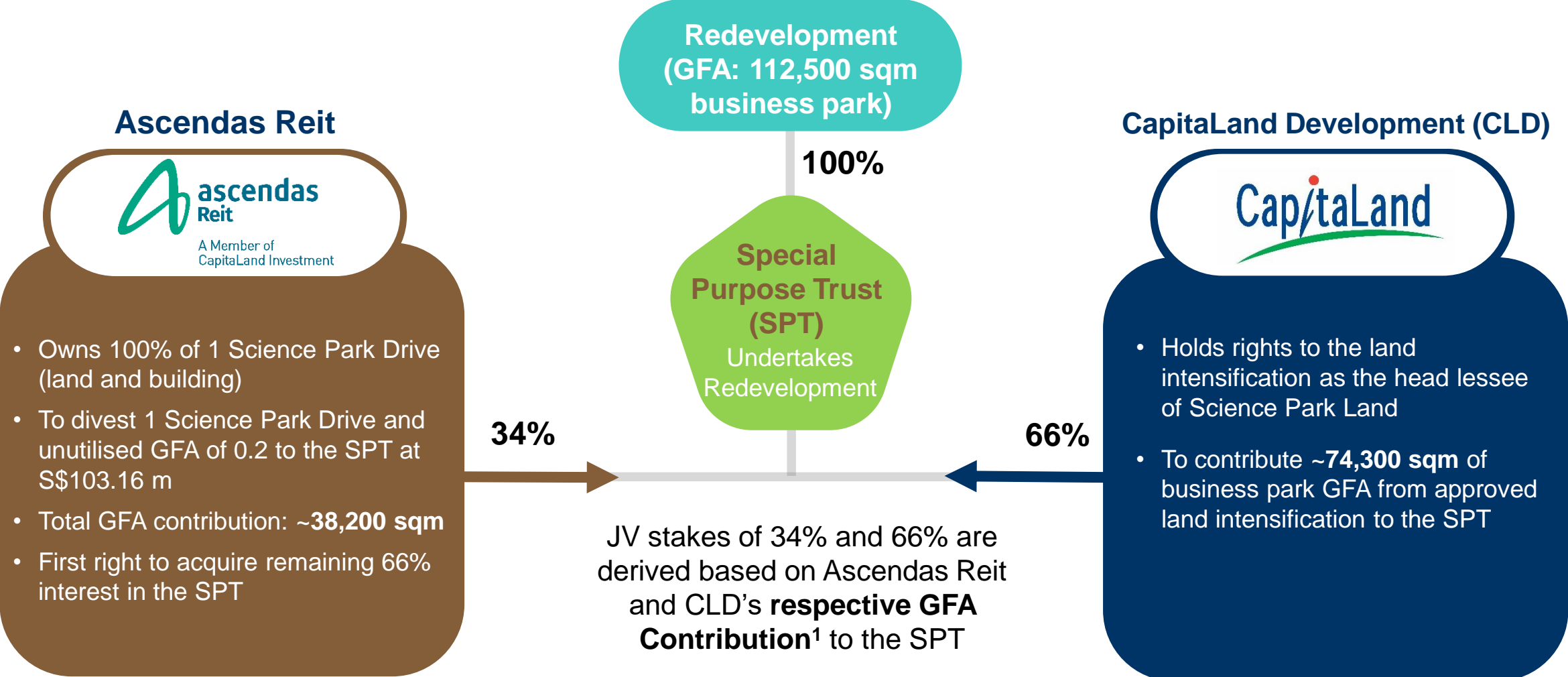
A LIFE SCIENCE AND INNOVATION campus

Designed to **GREEN MARK PLATINUM** standards



Artist's impression of the Redevelopment at 1 Science Park Drive. Design is subject to changes.

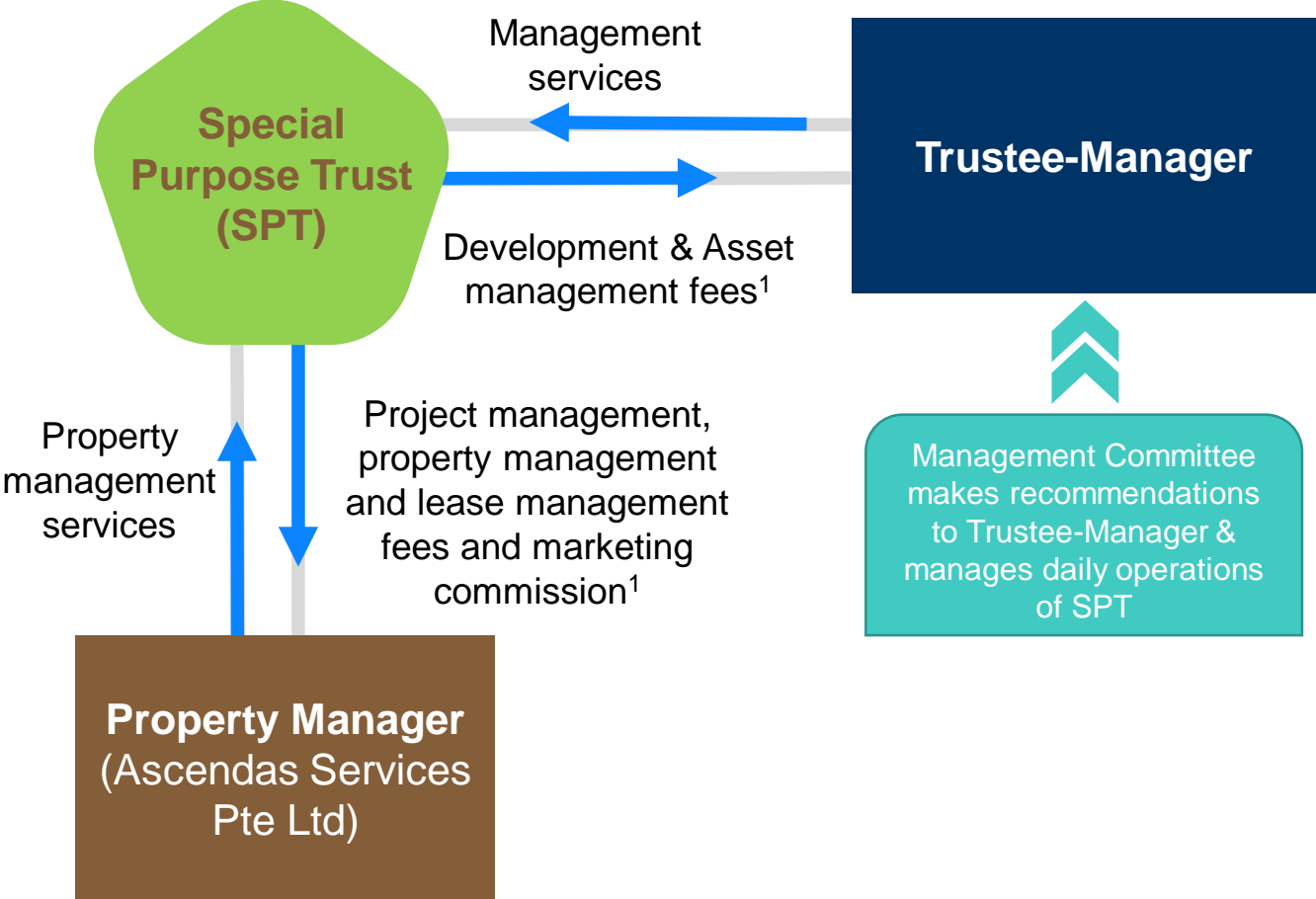
Overview of Joint Venture



¹ The JV stakes are derived based on total GFA contribution of 112,500 sqm. The Redevelopment includes an additional retail component with GFA of 3,700 sqm, which was not part of the calculation of the JV stakes as it is ancillary space contributed by CLD.

Overview of Special Purpose Trust (SPT)

- Trustee-Manager of SPT is a wholly-owned subsidiary of CapitaLand Limited
- A Management Committee (MC) will be constituted to make recommendations to the Trustee-Manager in relation to the business of the SPT and manage daily operations.
- MC comprises 5 members:
 - 2 representatives appointed by Ascendas Reit’s Trustee, and
 - 3 representatives nominated by CLD



¹ All the fees payable to the Trustee Manager, and the Property Manager are aligned with the Property Management Agreement between Ascendas Reit and ASPL, as well as Ascendas Reit’s Trust Deed.

Investment Cost and Funding

Ascendas Reit's 34% equity interest in JV

Equity investment	S\$131.9 m
Transaction cost	S\$0.8 m
Total investment cost	S\$132.7 m

- Total development cost of the Redevelopment is approx. S\$883.0 m
- Ascendas Reit's **34% equity investment is approximately S\$131.9 m**



Net proceeds from the divestment of 1 Science Park Drive would primarily be used to fund the total investment cost of S\$132.7 m (including transaction cost; remaining cost to be funded via debt)

- No significant impact to aggregate leverage expected

Key Merits of the Redevelopment

Key Merits of the Redevelopment



#1 Transformational Redevelopment to Create a Life Science and Innovation Campus



#2 Maximisation Of Plot Ratio



#3 Premium Integrated Buildings with Retail & Amenities



#4 Smart and Sustainable Green Campus



#5 Combined Expertise With CapitaLand Development



#6 Realising Gains And Recycling Proceeds Into Growth Opportunity

#1: Transformational Redevelopment to Create a Life Science and Innovation Campus

- Creating a flagship **Life Science and Innovation Campus** that will **strengthen the ecosystem** of biomedical sciences, digital and technology, agriculture technology and speciality chemical companies in the Singapore Science Park
- **80,000 sqm** (71%) out of the total 112,500 sqm of business space in the Campus has been designed to accommodate life science R&D activities (i.e. wet lab-ready)
- Biomedical sciences, digital and technology industries are expected to continue to expand in Singapore amidst a higher focus on healthcare, deep tech and acceleration of digital transformation
- 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



#2: Maximisation of Plot Ratio

- Gross Plot Ratio will **triple to 3.6**
- GFA increases by more than 84,000 sqm

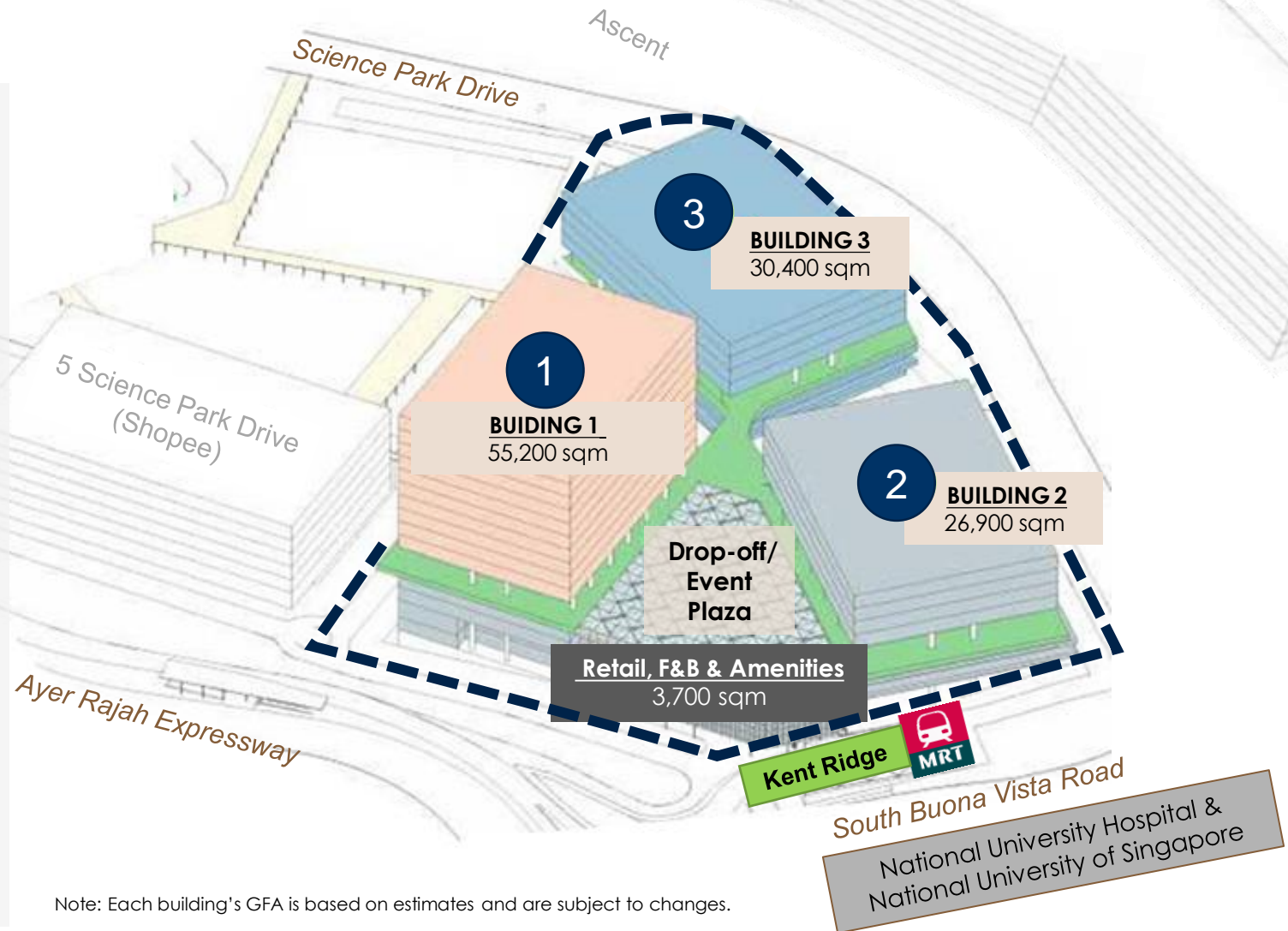
CURRENT Property (2021)	
Land Area	31,856 sqm
Current building GFA	31,888 sqm
Utilised Plot Ratio	1.0 (max. allowable plot ratio of 1.2)
Remaining Land Tenure (as at 30 Sep 2021)	58.8 years



FUTURE Development (est. 2Q 2025)	
Land Area	31,856 sqm
Estimated new GFA of development	Total GFA of 116,200 sqm Life Science & Innovation space: 112,500 sqm (80,000 sqm Wet Lab-ready) Retail and F&B (ancillary): 3,700 sqm
New Plot Ratio	3.6
Remaining Land Tenure (as at 30 Sep 2021)	59.7 years

#3: Premium Integrated Buildings with Retail & Amenities

- 3 Grade A buildings (112,500 sqm)
 - Mostly column-free
 - Efficient floor plates of >3,000 sqm
- All-weather event plaza
 - Open and collaborative space that can accommodate 500 people including an amphitheatre that can seat 300 people
 - Adjoins the main vehicular drop-off point
- Retail, F&B and amenities (3,700 sqm) add vibrancy to the Campus
- Interconnected basement provides seamless and sheltered connectivity to Kent Ridge MRT station



#4: Smart and Sustainable Green Campus

Green features of the Campus reinforce Ascendas Reit's commitment to the green movement and meet the needs of sustainability-minded tenants



Designed to achieve Building and Construction Authority's **Green Mark Platinum** rating (one of the highest green accolades)



Use of low-carbon concrete



Smart lighting controls and advanced sensors that can better monitor building health and performance



On-site mini-district cooling plant



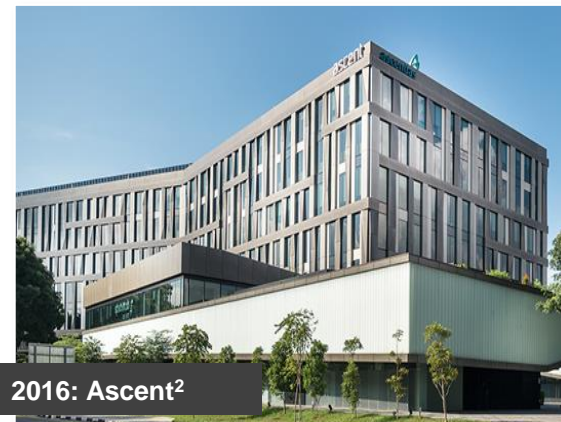
Electric vehicle fast charging stations



Next-Gen info technology infrastructure to enable 5G adoption

#5: Combined Expertise with CapitaLand Development

- Ascendas Reit is combining its expertise with CLD to develop the Campus into a next generation life science and innovation hub at the Singapore Science Park
- CLD is the development arm of CapitaLand Group (Sponsor Group), with expertise in master planning, land development and project execution
- The Sponsor Group kick-started the rejuvenation of Singapore Science Park 1 in 2013 and progressively completed the redevelopments of 12, 14 & 16 Science Park Drive¹ (DSO National laboratories and DNV GL Technology Centre), Ascent and 5 Science Park Drive (Shopee)
- CLD is currently redeveloping the former Franklin building (3 Science Park Drive) into an integrated development with 28,818 sqm of business park space and 10,000 sqm of serviced residence with a hotel licence



¹ Ascendas Reit acquired 12, 14 & 16 Science Park Drive from the Sponsor in 2017.

² Owned by the Sponsor Group.

#6: Realising Gains and Recycling Proceeds into Growth Opportunity

- Transited former tenant and created the opportunity to divest 1 Science Park Drive at S\$103.16 m
 - Realise **net accounting gain of ~S\$12.5 m**
 - Sale price is higher than two independent valuations obtained and 4.9% higher than the average valuation
- Divestment proceeds would primarily be used to fund Ascendas Reit's equity investment in the Redevelopment which is expected to generate a net property income yield of **6.3%** (post transaction cost) **on a stabilised basis**⁴
- Aligns with Ascendas Reit's capital recycling and asset redevelopment plans

Divestment of 1 Science Park Drive to SPT	
Sale Price ¹	S\$103.16 m
Latest Valuations ² (as at 1 Oct 2021)	CBRE: S\$97.0 m Savills: S\$99.7 m Average: S\$98.35 m
Book Value ³ (as at 31 Dec 2020)	S\$90.0 m
Year of Acquisition/ Purchase Price	2005 / S\$35.0 m
Estimated completion	4Q 2021

1 In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the property. The divestment fee will be paid to the Manager in the form of Units in Ascendas Reit, which shall not be sold within one year from the date of issuance.

2 Valuations take into consideration the land with allowable maximum plot ratio of 1.2. CBRE Pte Ltd (CBRE) was commissioned by Ascendas Reit's Trustee and the valuation was conducted using the residual land approach, direct comparison method, capitalisation method and discounted cashflow analysis. Savills Valuation and Professional Services (S) Pte Ltd (Savills) was commissioned by the Manager of Ascendas Reit and the valuation was conducted using the direct comparison and residual method.

3 Valuation takes into consideration the land and existing building. Based on the valuation commissioned by the Manager and the Trustee and carried out by Jones Lang LaSalle Property Consultants Pte Ltd using the capitalisation approach and discounted cash flow approach.

4 Ascendas Reit's share of net profits after tax 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 Redevelopment's first stabilised year of operation (occupancy rate of >90%).

Pro Forma Financial Impact

Pro Forma Financial Impact

(Based on 34% interest in SPT and on a stabilised basis)

	Financial Impact
DPU Impact¹ <i>(pro forma impact)</i>	+ 0.076 Singapore cents +0.5%
Net Property Income (NPI) Yield²	
Pre-transaction cost	6.4%
Post-transaction cost	6.3%

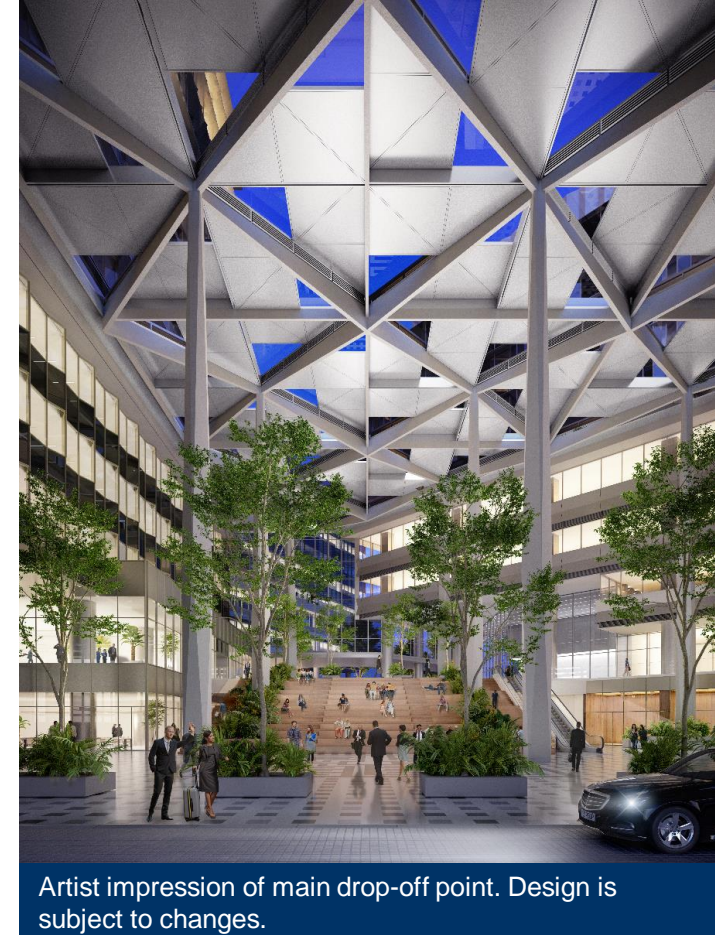
1 The *pro forma* DPU impact is calculated based on the following assumptions: (a) Ascendas Reit had disposed current property to SPT on 1 Jan 2020; (b) Ascendas Reit had a 34% interest in SPT from 1 Jan 2020 to 31 Dec 2020; (c) the Redevelopment was completed on 1 Jan 2020 and achieved an occupancy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

2 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 >90%).

Benefits to Ascendas Reit and Unitholders

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- DPU accretive on a stabilised basis
 - Stabilised post transaction cost NPI yield of 6.3% (*on a 34% basis*)
 - Pro forma DPU accretion of 0.076 Singapore cents; 0.5% DPU accretion (*on a 34% basis*)
- Key Merits of the Redevelopment
 - Transformational redevelopment to create a Life Science and Innovation Campus
 - Maximisation of plot ratio to 3.6 from 1.0
 - Premium integrated buildings with retail & amenities
 - Smart and sustainable green campus
 - Combined expertise with CapitaLand Development to build the next generation life science and innovation hub
 - Realising gains from divestment and recycling proceeds into growth opportunity



Thank you

