

CIRCULAR DATED 13 JUNE 2012

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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If you have sold or transferred all your units in Ascendas Real Estate Investment Trust (“**A-REIT**”, and units in A-REIT, “**Units**”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

MANAGED BY

ASCENDAS FUNDS MANAGEMENT (S) LIMITED

(Company Registration No. 200201987K)

**CIRCULAR TO UNITHOLDERS
IN RELATION TO:**

- (1) THE PROPOSED ENTRY INTO THE NEW SINGAPORE PROPERTY MANAGEMENT AGREEMENT;**
- (2) THE PROPOSED ENTRY INTO THE NEW CHINA PROPERTY MANAGEMENT AGREEMENT;
AND**
- (3) THE PROPOSED ENTRY INTO THE LEASE MANAGEMENT AGREEMENT.**

**Independent Financial Adviser to the Independent Directors of the Manager
DMG & Partners Securities Pte Ltd**

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms : Tuesday, 26 June 2012 at 3.30 p.m.

Date and time of Extraordinary General Meeting : Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned)

Place of Extraordinary General Meeting : Marina Mandarin Singapore
6 Raffles Boulevard Marina Square
Singapore 039594,
Level 1, Taurus Room

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CORPORATE INFORMATION

Directors of Ascendas Funds Management (S) Limited (the manager of A-REIT (the “Manager”))	: Mr Koh Soo Keong (Chairman and Independent Director) Ms Chong Siak Ching (Vice Chairman and Non-Executive Director) Mr Joseph Chen Seow Chan (Independent Director) Mr Chia Kim Huat (Independent Director) Mr Henry Tan Song Kok (Independent Director) Mrs Monica Villegas Tomlin (Independent Director) Mr Teo Eng Cheong (Independent Director) Mr Tan Ser Ping (Executive Director and Chief Executive Officer)
Registered Office of Ascendas Funds Management (S) Limited	: 61 Science Park Road #02-18 The GALEN Singapore Science Park II Singapore 117525
HSBC Institutional Trust Services (Singapore) Limited (the trustee of A-REIT (the “Trustee”))	: HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser to the Manager	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee	: WongPartnership LLP One George Street #20-01 Singapore 049145
Unit Registrar and Unit Transfer Office (the “Unit Registrar”)	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors of the Manager (the “IFA”)	: DMG & Partners Securities Pte Ltd 10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 22 to 26 of this Circular.

SUMMARY OF APPROVALS SOUGHT

The Manager seeks approval from the unitholders of A-REIT (“**Unitholders**”) for the following resolutions:

(1) RESOLUTION 1: The Proposed Entry into the New Singapore Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 2 and 3)

The proposed entry into a new property management agreement (the “**New Singapore Property Management Agreement**”) between the Trustee, the Manager and Ascendas Services Pte Ltd (“**ASPL**”), a wholly-owned Subsidiary of Ascendas Pte Ltd, pursuant to which ASPL would be appointed as the property manager for the properties located in Singapore which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager.

The existing Singapore property management agreement which was entered into on 10 October 2002 and was renewed on 19 November 2007 would expire on 18 November 2012 (the “**Existing Singapore Property Management Agreement**”).

(2) RESOLUTION 2: The Proposed Entry into the New China Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 3)

The proposed entry into a new property management agreement (the “**New China Property Management Agreement**”) between the Trustee, the Manager and Ascendas (China) Pte Ltd (“**ACPL**”, and ASPL, each a “**Property Manager**”), a wholly-owned subsidiary of Ascendas Pte Ltd, pursuant to which ACPL would be appointed as the property manager for the properties located in China which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager.

The Existing China Property Management Agreement (as defined herein) which was entered into on 3 January 2012 will effectively expire on 30 June 2012.

(3) RESOLUTION 3: The Proposed Entry into the Lease Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 2)

The proposed entry into a lease management agreement between the Trustee and the Manager, pursuant to which the Manager would perform lease management services for properties located in Singapore and China which are held by the Trustee on behalf of A-REIT (the “**Lease Management Agreement**”, together with the New Singapore Property Management Agreement and the New China Property Management Agreement, the “**Agreements**”).

THE RATIONALE FOR THE ENTRY INTO THE AGREEMENTS

The Manager believes that the entry into the Agreements will be beneficial to A-REIT and Unitholders after having considered the following factors:

- refined and improved scope of services, which includes:
 - the introduction of key performance indicators to ensure that the services are delivered consistently and are of high quality;
 - the introduction of a system of warnings, compensation and termination of service contract for persistent non-performance; and
 - the introduction of additional services to be provided in relation to the management of the Properties (as defined herein);

- refined and streamlined fees formulae to further align the interest of the service providers and A-REIT which may result in potential cost savings for A-REIT;
- the proven track record of the Property Manager / service providers as shown by;
 - a healthy and stable occupancy rate; and
 - positive rental renewal rates;
- the experienced operations team of the Property Manager / service providers;
- economies of scale; and
- pro-active solutions.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the extraordinary general meeting (the “**EGM**”) is indicative only and is subject to change at the Manager’s absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
Last date and time for lodgement of Proxy Forms	: Tuesday, 26 June 2012 at 3.30 p.m.
Date and time of the EGM	: Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned)

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

Directors of the Manager

Mr Koh Soo Keong (Chairman and Independent Director)
Ms Chong Siak Ching (Vice Chairman and Non-Executive Director)
Mr Joseph Chen Seow Chan (Independent Director)
Mr Chia Kim Huat (Independent Director)
Mr Henry Tan Song Kok (Independent Director)
Ms Monica Villegas Tomlin (Independent Director)
Mr Teo Eng Cheong (Independent Director)
Mr Tan Ser Ping (Executive Director and Chief Executive Officer)

Registered Office

61 Science Park Road
#02-18 The GALEN
Singapore Science Park II
Singapore 117525

13 June 2012

To: Unitholders of Ascendas Real Estate Investment Trust

Dear Sir/Madam

1. APPROVALS SOUGHT

The Manager is convening the EGM to seek approval from the Unitholders in relation to the following resolutions:

- (i) Resolution 1: The Proposed Entry into the New Singapore Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 2 and 3).
- (ii) Resolution 2: The Proposed Entry into the New China Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 3).
- (iii) Resolution 3: The Proposed Entry into the Lease Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 2).

2. THE PROPOSED NEW SINGAPORE PROPERTY MANAGEMENT AGREEMENT

In accordance with the terms of the proposed New Singapore Property Management Agreement, ASPL would be appointed as the property manager for the properties located in Singapore which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager. The duration of the New Singapore Property Management Agreement is 10 years commencing from 1 October 2012 (save for the car park management services which will commence on 1 July 2012). The parties to the Existing Singapore Property Management Agreement have agreed that the Existing Singapore Property Management Agreement shall terminate prior to its expiry (originally to expire on 18 November 2012) so as to allow the New Property Management Agreement to commence from 1 October 2012.

Under the New Singapore Property Management Agreement, the Property Manager will be entitled to certain fees to be borne out of the Deposited Property (as defined herein) on the Properties and to certain reimbursements set out below.

(See **Appendix A** for a comparison of the Agreements with the Existing Property Management Agreements (as defined herein), which includes a comparison of the fees payable under the Agreements and the Existing Property Management Agreements.)

2.1 Property Management Services

The Trustee will pay the Property Manager, for each Fiscal Year (as defined herein), a fee of 2.0% per annum of the Adjusted Gross Revenue (as defined herein) of each Property for the property management services rendered.

In the event that the Property Manager only manages such Property for less than one calendar year, such amount will be pro-rated based on the number of days which the Property Manager manages such Property divided by the number of days in such year.

2.2 Marketing and Sales Services

In respect of the marketing and sales services provided by the Property Manager for a Property, the Trustee shall pay to the Property Manager, the following fees as set out in the table below:

	Length of Tenancy Secured	Commission Payable
a	Three years	Equivalent to one month's gross rent inclusive of service charge
b	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (a) above
c	Five years	Equivalent to two months' gross rent inclusive of service charge
d	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above
e	More than five years, with the terms of the lease subject to the prior approval of the Manager ⁽¹⁾	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge
f	Less than six months	Nil

Note:

(1) The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of A-REIT's income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.

If a third party agent secures a tenancy, then the Property Manager shall pay to the third party agent the same fees as stated in the table above.

The Property Manager shall be responsible for all commissions payable (as set out in the table above) to such third party agent, and the prior approval¹ of the Manager is required for the Property Manager to pay a third party agent a commission that is less than as set out in this paragraph. For the avoidance of doubt, there will not be double charging of commission payable to the third party agents and the Property Manager as the commissions payable to such third party agents shall be paid out of the Property Manager's fee.

An administrative charge of 20.0% of the commission is payable to the Manager or the Property Manager in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Manager².

If the Manager does not provide the relevant marketing administrative support and such marketing administrative support is provided by the Property Manager to a third party agent, then the Property Manager shall be entitled to be paid an marketing administrative charge of 20.0% of the commission payable to the third party agent in the case of a new lease take-up which involves a third party agent³.

¹ The rationale for requiring the approval of the Manager is to ensure that third party agents are appropriately incentivised to deliver the desired leasing outcomes to A-REIT. The provision is to ensure that the Property Manager pays the agreed amount of commission to the third party agents and any deviation (such as work done jointly by the Property Manager and a third party agent) should be approved by the Manager. This will ensure that the Property Manager does not pay a sum too low that may jeopardise the quality of the services provided by third party agents.

² The administrative fee was previously reflected together with the fees paid under the Existing Singapore Property Management Agreement (which is also the structure adopted by a number of industrial real estate investment trusts ("REITs") in Singapore). The New Singapore Property Management Agreement separates out the administrative fee so as to define more precisely the 0.2 months of commission as being the administrative fee incurred by the Property Manager in providing marketing support, documenting and administering the lease transaction on behalf of A-REIT for such new leases.

³ This provision is to make it flexible for either the Manager or the Property Manager to provide the marketing administrative support services to third party agents. This is especially so if A-REIT appoints joint marketing agents in addition to the Property Manager. The party that provides the service will be paid the 20.0% administrative service charge. There is no difference in impact to A-REIT regardless of whether payment is made to the Manager or the Property Manager.

Should a tenancy be prematurely terminated within six months of its commencement:

- (i) (in the instance where such tenant is secured by the Property Manager) the Property Manager shall refund the Trustee 50.0% of the commission which it received from the Trustee; and
- (ii) (in the instance where such tenant is secured by a third party agent) the Trustee, for and on behalf of A-REIT, is entitled to a refund of 50.0% of the commission paid to the third party agent, subject to the Property Manager procuring (on a best efforts basis) the third party agent to refund 50.0% of the commission received.

If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Property Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Property Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

2.3 Project Management Services

In respect of the project management services provided by the Property Manager for a Property, the Trustee shall pay to the Property Manager the following fees for:

- development, re-development, refurbishment, retrofitting and renovation works to a Property where submission to the relevant authorities for the approval of such works is required; or
- routine maintenance where the expenses for the routine maintenance of a Property results in such expenses being classified as capital expenditure under the Singapore Financial Reporting Standards.

	Amount of Construction Costs	Fee
a	S\$2.0 million or less	3.0% of the construction costs
b	Exceed S\$2.0 million but do not exceed S\$12.0 million	2.15% of the construction costs
c	Exceed S\$12.0 million but do not exceed S\$40.0 million	1.45% of the construction costs
d	Exceed S\$40.0 million but do not exceed S\$70.0 million	1.4% of the construction costs
e	Exceed S\$70.0 million but do not exceed S\$100.0 million	1.35% of the construction costs
f	Exceed S\$100.0 million	To be mutually agreed by the parties, but in any event, no higher than 1.35% of the construction costs

For the purpose of calculating the fees payable to the Property Manager, “construction costs” means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, but excluding development charges, differential premiums, statutory payments, consultants’ professional fees and goods and services tax (“GST”).

If in compliance with applicable regulatory requirements relating to interested person transactions and interested party transactions (both as defined herein) relating to REITs, the approval of Unitholders is required for payment of any of the abovementioned fees for project management services, such payment will be subject to the obtaining of such Unitholders’ approval in accordance with the provisions of the Trust Deed (as defined herein). The Trustee shall not be obliged to pay such fees to the Property Manager if the aforesaid conditions are not fulfilled, in which event the Property Manager shall not be obliged to provide the relevant project management services and the Trustee shall be entitled to engage other consultants to provide the relevant project management services.

2.4 Reimbursable Employment Costs for Site-Staff

The Trustee shall (i) reimburse the base salary of the employees of the Property Manager (approved by the Manager) engaged solely for site supervision of the Properties (such costs

are part of the annual business plan and budget approved by the Trustee on the recommendation of the Manager or otherwise agreed between the Trustee and the Manager) and (ii) pay a fee of 10.0% of such base salary. This payment of 10.0% of the base salary is to cover the cost of providing employment benefits such as medical, insurance, staff welfare and other related fringe benefits which are not covered by the base salary.

It should be noted that the reimbursement of the costs of employing the site staff from landlords is the practice in the market (for both REITs in Singapore and the Singapore real estate market in general).

This also reflects the current practice of A-REIT under the Existing Singapore Property Management Agreement.

2.5 Energy Audit Services

If the Property Manager is engaged to conduct energy audit services on the Properties, the following fees are payable by the Trustee to the Property Manager:

Energy Audit	Base Energy Audit Fee	Energy Audit Fee based on Savings
First two chillers in a Property	S\$4,000 each	Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum fee of S\$40,000 per Property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).
Subsequent chiller in the same Property ⁽¹⁾	S\$2,000 each	

Note:

- (1) A comparable energy audit exercise will cost approximately S\$50,000 to S\$70,000. The Manager has structured the energy audit fee to provide a minimum upfront fee to cover the cost of doing such an audit. If the building is large and has more chillers, the upfront cost could be spread out and therefore resulting in a lower fee for subsequent chillers. As there is upfront cost in establishing a professional energy audit team as well as basic capital investment in various equipment, the Manager believes it is reasonable that a minimum fee of S\$4,000 be used as a basis for a building with one to two chillers. The subsequent fee of S\$2,000 per chiller is to take into account the incremental costs incurred by the Property Manager in performing audits to additional chillers. The fee of S\$2,000 is a reflection of the resource costs allocated for the exercise. To incentivise the Property Manager to perform the audit exercise to its fullest value, the Manager has proposed a fee computed based on a share of the energy savings actually realised through the implementation of the audit findings. This arrangement aligns the interest of the service provider with the outcome of the energy audit.

Energy audit services are increasingly critical in facility management. The audit services allow the Manager to identify, on a continual basis, buildings with potential to save on energy consumption either through more efficient management policy or capital expenditure. Through such audit and improvement actions taken, A-REIT saved 1,500,000 kilowatt per hour (“kwh”) (approximately S\$375,000 based on S\$0.25 / kwh) of energy consumption in 2010 and 2011.

The energy audit service is carried out by experienced personnel from the Property Manager. Third party service providers will either charge a lump sum upfront or charge a fixed fee plus share of savings for the said services. However, to align the interests of the service provider to the desired outcome of the energy audit (which is to achieve realised energy savings), the Manager has structured the fee to the service provider into two parts (being the base energy audit fee and a percentage of savings realised). The upfront base energy audit fee is kept low, and the second part of the fee is only paid if actual savings are realised. The total amount payable is capped at S\$40,000 per Property (such amount is inclusive of the base energy audit fee and the fees based on the savings achieved).

The Manager believes that the Property Manager has the necessary experience to undertake energy audits on chillers as the Property Manager has developed a specific competence in undertaking energy audit on chillers over the years. The Property Manager's team comprises qualified personnel with relevant professional qualifications. Its track record includes the following:

- (i) completed total of 26 building energy audits in Singapore, China, Korea and India since December 2005;
- (ii) implemented energy management initiatives which involved project cost of S\$9.0 million; and
- (iii) achieved energy savings of 13.0 million kwh per year, which is translated into utilities cost saving of S\$3.1 million per year.

The fees paid for the energy audit services were previously subject to a separate agreement.

2.6 Reimbursable Advertising Costs for the Promotion of Leasing

The Trustee shall reimburse the Property Manager for the cost of advertising incurred by the Property Manager in relation to the promotion of leasing for a Property provided that prior approval of the Manager for such cost incurred has been obtained.

It should be noted that third party marketing agents would, in general, require the landlord to reimburse the marketing agent for such out of pocket expenses.

Advertising and promotional services are instrumental in achieving better marketability, higher customer satisfaction and retention, resulting in a pricing premium. This is a strategic approach that the Manager is proposing to focus on having managed A-REIT for the last 10 years.

The Existing Singapore Property Management Agreement has certain provisions which allows for reimbursement for such amounts as set out in the agreed budget but does not have provisions which expressly set out the reimbursement for advertising cost.

2.7 Reimbursable Customer Care Costs

The Trustee shall reimburse the Property Manager for the cost of customer care incurred by the Property Manager in relation to tenants of a Property provided that prior approval of the Manager for such cost incurred has been obtained.

It should be noted that third party marketing agents would, in general, require the landlord to reimburse the marketing agent for such out of pocket expenses.

Appropriate customer care initiatives are instrumental in achieving better marketability, higher customer satisfaction and retention, resulting in a pricing premium. This is a strategic approach that the Manager is proposing to focus on having managed A-REIT for the last 10 years.

The Existing Singapore Property Management Agreement has certain provisions which allows for reimbursement for such amounts as set out in the agreed budget but does not have provisions which expressly set out the reimbursement for advertising cost.

2.8 Third Party Facility Management Arrangement

In the situation where a tenant insists on contracting with A-REIT (through the Trustee and/or the Manager) for facility management services even though such services will be performed by the Property Manager, the Trustee shall pay the Property Manager any fees which it receives from a tenant of A-REIT which is payable by such tenant as a result of the Trustee or the Manager (on behalf of A-REIT) engaging the Property Manager on a back-to-back basis to serve as a facility manager for such tenant.

For the avoidance of doubt, A-REIT is not paying anything additional, and neither the Manager nor the Property Manager will be charging any administrative fee for facilitating such an arrangement. It is merely facilitating the pass through payment of third party facility management fees paid by the tenant to the Property Manager for facility management services that the tenant has engaged the Property Manager to perform separately for their premises.

The arrangement as set out above was not in the Existing Singapore Property Management Agreement.

2.9 Project Management Expenses

The Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for:

- (i) costs for printing drawings, documents and other lithography expenses incurred for calling of tenders;
- (ii) costs for preparing and printing perspectives, plans, models and any materials required for marketing purposes and costs of all submissions to authorities;
- (iii) overseas travelling and accommodation expenses and other similar disbursements in respect of the Property Manager acting on the instructions of the Trustee for any purpose in connection with and/or arising out of a project; and
- (iv) costs of tele-conferencing, video conferencing and/or project management portal in connection with and/or arising out of a project,

provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

The following personnel must be engaged by the Trustee at the costs and expense of A-REIT:

- (i) contractors and surveyors for determining site boundaries, topography information and obtaining other necessary information for project planning and design;
- (ii) consultants required for each project;
- (iii) contractors required for the construction of the works;
- (iv) site supervisory personnel; and
- (v) accredited checkers and registered inspectors.

Reimbursement for such incidentals is a norm commonly practiced in the market. Most service providers would charge for incidentals on top of the professional fees.

It should be noted that it is the market practice for the above mentioned costs to be borne by the landlord/developer. These reimbursable costs are currently provided in the Existing Singapore Property Management Agreement. Furthermore, such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

For the avoidance of doubt, the Manager is not being paid to provide any of the above-mentioned services and neither is it receiving any payment relating to this.

2.10 Car Park Management Services

The Trustee shall pay the Property Manager the following car park management fees:

- (i) in relation to the Managed Car Parks (as defined herein), management fees of S\$2.16 million per annum (the "**Base Car Park Fee**") and 40.0% of hourly parking collections for such car parks (excluding GST); and
- (ii) in the event that additional car parks are subsequently added to or removed from the list of Managed Car Parks, the Base Car Park Fee shall be adjusted as follows:
 - (a) in relation to a Property which has up to 100 car park lots — the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the Managed Car Parks) by S\$35 per car park lot per month multiplied by such number of car park lots which are added to or removed from the list of Managed Car Parks; and
 - (b) in relation to a Property which has more than 100 car park lots — the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the

(Managed Car Parks) by management fees of S\$25 per car park lot per month multiplied by such number of car park lots which are added to or removed from the list of Managed Car Parks.

For the avoidance of doubt, any hourly car park rebates given to car park users will not be included in the hourly car park collections for the computation of revenue and profit sharing.

The fees paid for car park management were previously set out in a separate agreement from the Existing Singapore Property Management Agreement. Currently, the car parks are managed by the Property Manager who pays A-REIT a licence fee based on a fixed rate per lot per month. In return, the Property Manager is entitled to all the benefits of season and hourly car park income.

Under the New Singapore Property Management Agreement, the Manager is proposing a different operating model which could lead to higher car park income for A-REIT. This involves A-REIT paying a fixed management fee to the Property Manager as car park operator who will provide all the capital expenditure and resources to operate the car parks. In return, all season parking income and part of the hourly parking income will accrue to A-REIT. The Manager believes that the proposed operating model and fee structure is more beneficial to Unitholders compared to the current model of fixed car park fee income paid by the Property Manager.

A comparison of fees based on the current practice and proposed new structure is as follows (computed based on the information for the financial year ended 31 March 2012):

	Current Practice	Proposed new structure
Revenue / License fee	Approximately S\$3.9 million per annum of license fee	Approximately S\$7.58 million of car park revenue
Expenses	Nil	Fixed management fees of S\$2.16 million plus the 40.0% of hourly car park charges (which is estimated to be approximately S\$0.92 million)
Net car park income receivable by A-REIT from the Property Manager	Approximately S\$3.9 million per annum	Approximately S\$4.5 million per annum (15.0% higher than under the current practice)
Other costs payable to the Property Manager	There are no other costs payable except for the property management fee and the lease management fee as the income earned from the license fee is classified as Gross Revenue (as defined herein) which is the basis of computation of the property management fee and lease management fee under the Existing Singapore Property Management Agreement.	No property management fee or lease management fee are payable as car park income is excluded from the Adjusted Gross Revenue which is the basis for computation of the property management fee and lease management fee under the New Singapore Property Management Agreement.

3. THE PROPOSED NEW CHINA PROPERTY MANAGEMENT AGREEMENT

In accordance with the terms of the proposed New China Property Management Agreement, ACPL would be appointed as the property manager for the properties located in China which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager. The New China Property Management Agreement shall commence from 1 July 2012 and expire on 30 September 2022.

The Existing China Property Management Agreement commenced on 3 January 2012 and is valid for a term of one month from its commencement date. However, unless otherwise notified, the Existing China Property Management Agreement is automatically renewed and extended on a monthly basis up to 30 June 2012.

Under the New China Property Management Agreement, the services which ACPL (or its related corporations) are required to provide are similar to the services which ASPL will provide pursuant to the New Singapore Property Management Agreement.

(See **Appendix A** for a comparison of the Agreements with the Existing Property Management Agreements, which includes a comparison of the fees payable under the Agreements and the Existing Property Management Agreements.)

In the event that the Property Manager is required to obtain licences and approvals in compliance with applicable laws and regulations to be appointed as the Property Manager for a new Property, and if the Property Manager is unable to obtain such licences and approvals within 30 days after receipt of the relevant notice, the Trustee and the Manager may appoint another entity as the property manager for such new Property for which the Property Manager is unable to obtain the relevant licences and approvals or the Property Manager may decline such appointment, and the Property Manager shall have no further rights thereafter in relation to such new Property.

The formula for the computation of fees payable to ACPL are similar to the fees payable to ASPL pursuant to the New Singapore Property Management Agreement, save for the following fees:

- (i) In relation to project management services the Trustee shall pay to the Property Manager the following fees:
 - (a) for development, re-development, refurbishment, retrofitting and renovation works to a Property where submission to the relevant authorities for the approval of such works is required; or
 - (b) for routine maintenance where the expenses for the routine maintenance of a Property results in such expenses being classified as capital expenditure under the International Financial Reporting Standards.

	Amount of Construction Costs⁽¹⁾	Fee
a	RMB2.0 million (or S\$394,000) or less	3.0% of the construction costs
b	Exceed RMB2.0 million (or S\$394,000) but do not exceed RMB12.0 million (or S\$2,364,000)	2.15% of the construction costs
c	Exceed RMB12.0 million (or S\$2,364,000) but do not exceed RMB40.0 million (or S\$7,880,000)	1.45% of the construction costs
d	Exceed RMB40.0 million (or S\$7,880,000) but do not exceed RMB70.0 million (or S\$13,790,000)	1.4% of the construction costs
e	Exceed RMB70.0 million (or S\$13,790,000) but do not exceed RMB100.0 million (or S\$19,700,000)	1.35% of the construction costs
f	Exceed RMB100.0 million (or S\$19,700,000)	To be mutually agreed by the parties, but in any event, no higher than 1.35% of the construction costs

Note:

- (1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.
- (ii) In relation to energy audit services, if the Property Manager is engaged to conduct energy audit services on the Properties located in China, the Trustee shall pay the Property Manager an energy audit fee of RMB10,000 (or S\$1,970)⁴ for each chiller in a Property. For the avoidance of doubt, the Manager is not required to appoint the Property Manager to provide the energy audit services. The Manager has sought quotations from a few service providers in China and has taken the lowest of the quotations as a benchmark.

⁴ The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

For the purpose of calculating the fees payable to the Property Manager, “construction costs” means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, but excluding development charges, differential premiums, statutory payments, consultants’ professional fees and GST.

If in compliance with applicable regulatory requirements relating to interested person transactions and interested party transactions relating to REITs, the approval of Unitholders is required for payment of any of the abovementioned fees for project management services, such payment will be subject to the obtaining of such Unitholders’ approval in accordance with the provisions of the Trust Deed, and if such approval is not obtained, the Property Manager shall not be obliged to undertake the relevant project management services and the Trustee shall be entitled to engage other consultants to undertake the relevant project management services.

Under the New China Property Management Agreement, ACPL is not required to provide any car park management services. Accordingly, no car park management fees are charged under the New China Property Management Agreement.

4. THE PROPOSED LEASE MANAGEMENT AGREEMENT

In accordance with the terms of the proposed Lease Management Agreement, the Manager would perform lease management services for the Properties located in Singapore and China which are held by the Trustee on behalf of A-REIT. The Lease Management Agreement shall commence from 1 July 2012 and expire on 30 September 2022. It should be noted that only the lease management services for Properties located in China shall commence on 1 July 2012 and the lease management services for Properties located in Singapore shall commence on 1 October 2012.

While the Property Manager provides such lease management services under the Existing Singapore Property Management Agreement and the Existing China Property Management Agreement, these services will be performed by the Manager under the proposed Lease Management Agreement.

Under the Lease Management Agreement, the Manager will be entitled to certain fees to be borne out of the Deposited Property on the Properties as set out below.

(See **Appendix A** for a comparison of the Agreements with the Existing Property Management Agreements, which includes a comparison of the fees payable under the Agreements and the Existing Property Management Agreements.)

4.1 Lease Management Services

For lease management services, the Trustee or as the case may be the special purpose vehicle will pay the Manager or (as the Manager may direct) its nominees (regardless of whether such nominees are, or are not, related to the Manager) (the “**Nominees**”), for each Fiscal Year, a fee of 1.0% per annum of the Adjusted Gross Revenue of each Property.

In addition to the above fee, the Manager is also entitled to receive the following fees subject to a refund of 50.0% of the commission paid to the Manager or the Nominees if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Manager or the Nominees need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Manager or the Nominees would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid:

4.1.1 In relation to a tenancy which is renewed the fees payable are as set out in the table below:

	Length of Tenancy Renewed	Commission Payable
a	One year or more but less than three years	Equivalent to half month's gross rent inclusive of service charge
b	Six months or more but less than one year	Equivalent to amount pro-rated based on a tenancy for one year or more but less than three years as per (a) above
c	Five years	Equivalent to one month's gross rent inclusive of service charge
d	Three years or more but less than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above
e	More than five years ⁽¹⁾	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge
f	Less than six months	Nil

Note:

- (1) The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of its income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.

4.1.2 In relation to any new take-up of space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant the fees payable are as set out in the table below:

	Length of Tenancy Secured	Commission Payable
a	Three years	Equivalent to one month's gross rent inclusive of service charge
b	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (a) above
c	Five years	Equivalent to two months' gross rent inclusive of service charge
d	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above
e	More than five years ⁽¹⁾	Equivalent to amount pro-rated based on a tenancy for five years as per (c) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge
f	Less than six months	Nil

Note:

- (1) The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of its income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.

It should be noted that other REITs treat new take up, whether by existing tenants or referred by existing tenants, the same as a new take up of space under the scope of Marketing and Sales services in their property management agreement.

The effort in securing expansion space commences with viewings by the prospective tenant and includes negotiation of tenancy terms and final documentation of the agreement for which the Manager will be paid the normal commission. Where an existing tenant introduces a new tenant, there will not be a 20.0% administrative charge which is payable under the Marketing and Sales fee (under the New Singapore Property Management Agreement and/or the New China Property Management Agreement) for tenancies secured through third party agents.

Under the proposed structure pursuant to the Agreements, third party agents are not engaged to perform lease renewal functions. In the event that any third party agent is engaged to perform lease renewal functions, A-REIT will not be required to pay such third party agent for their services.

4.2 Property Tax Services

In relation to the Property Tax Services (as defined herein) provided by the Manager, the Manager or the Nominees are entitled to the following fees if as a result of the Manager or the Nominees' objections to the tax authorities, the proposed annual value or taxable value (in the case of the Properties located in China) is reduced resulting in property tax savings for the Property, where such tax savings is defined as the annual value reduced from the proposed annual value or taxable value by the tax authorities:

- (i) in relation to a Property located in Singapore the fees payable are as set out in the table below.

Proposed Reduction in Annual Value by the Tax Authorities	Fee
S\$1.0 million or less	7.5% of the property tax savings
More than S\$1.0 million but does not exceed S\$5.0 million	5.5% of the property tax savings
More than S\$5.0 million	5.0% of the property tax savings

- (ii) in relation to a Property located in China the fees payable are as set out in the table below.

Proposed Reduction in Taxable Value by the Tax Authorities ⁽¹⁾	Fee
RMB1.0 million (S\$197,000) or less	7.5% of the property tax savings
More than RMB1.0 million (S\$197,000) but does not exceed RMB5.0 million (S\$985,000)	5.5% of the property tax savings
More than RMB5.0 million (S\$985,000)	5.0% of the property tax savings

Note:

- (1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period less the expenses incurred to obtain the property tax savings and is not payable to the Manager if the Manager's objections are not successful or if the reduction in annual value results from an appeal to the valuation review board.

If in compliance with applicable regulatory requirements relating to interested person transactions and interested party transactions relating to REITs, the approval of Unitholders is required for payment of such fees, such payment will be subject to the obtaining of such Unitholders' approval in accordance with the provisions of the Trust Deed. The Trustee shall not be obliged to pay such fees to the Manager or the Nominees if the aforesaid conditions are not fulfilled or cannot be fulfilled within the requisite time period for lodgement of such objections, in which case, the Manager shall not be obliged to undertake the relevant property tax objections and the Trustee shall be entitled to engage other consultants to undertake the relevant property tax objections.

5. THE RATIONALE FOR THE ENTRY INTO THE AGREEMENTS

The Manager believes that the entry into the Agreements will be beneficial to A-REIT and Unitholders.

5.1 Refined and Improved Scope of Services

The Manager believes that the Agreements taken together would be beneficial as they will, among others:

- provide a clear scope of work and process to ensure that the service providers will deliver consistent high quality service;
- introduce clear and objective performance standards and deliverables;
- enhance accountability and transparency and minimise potential conflict of interest;
- maximise satisfaction of tenants; and
- align the interests of the Manager, the Property Manager, and A-REIT;

The Agreements are an improvement over the Existing Property Management Agreements due to, among others, the following:

- (i) the introduction of key performance indicators to ensure that the services are delivered consistently and are of high quality;
- (ii) the introduction of a system of warnings, compensation and termination of service contract for persistent non-performance; and
- (iii) the introduction of additional services to be provided in relation to the management of the Properties.

5.2 Refined and Streamlined Fees Formulae

The Agreements will also put in place a refined and streamlined fees formulae to further align the interest of the service providers and A-REIT which may result in potential cost savings for A-REIT. Assuming that the Agreements are in place for the whole financial year ended 31 March 2012, A-REIT would have enjoyed a saving in fees as indicated in the table below.

	FY2011/2012 Actual	New Fees	Savings
Property management fee	6,605,471	5,846,597	758,874
Lease management fee	4,981,940	4,586,068	395,872
Total marketing fee	5,011,023	4,672,851	338,172
Project management fee	No change in the fee structure		—
Energy audit fee	No change in the fee structure		—
Third party facilities fees	No change in the fee structure		—
Property tax service fee	No change in the fee structure		—
Car park management fee	Different basis, hence not comparable ⁽¹⁾		—
Total			1,492,918

Note:

- (1) Car park income: There is a potential increase in income by S\$0.6 million based on the new fee formula.

5.3 The Proven Track Record of the Property Manager / Service Providers

5.3.1 A Healthy and Stable Occupancy Rate

The Property Manager has, under the direction of the Manager, helped to ensure that the occupancy rate of A-REIT's portfolio has remained healthy and stable over the years as illustrated by the table below.

	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07
Occupancy Rate	82.5%	88.8%	94.1%	95.0%	96.6%
	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12
	98.4%	97.8%	95.7%	96.0%	96.4%

5.3.2 Positive rental renewal rates

The Property Manager has, under the direction of the Manager, helped to secure increases in rental rates for multi-tenanted Properties when leases are renewed or replaced as illustrated by the table below.

	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07
Average increase in rental rates	NA ⁽¹⁾	NA ⁽¹⁾	NA ⁽¹⁾	NA ⁽¹⁾	6.4%
	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12
	28.4%	49.2%	7.9%	4.4%	8.5%

Note:

(1) NA — Not Available

5.4 The Experienced Operations Team of the Property Manager / Service Providers

The Property Manager has an experienced team of management and staff who have been involved in the various day-to-day property management functions as well as capital upgrading works for A-REIT since the initial public offering of A-REIT in 2002.

At the instruction of the Manager, this team has also successfully executed all the asset enhancement initiatives implemented at the various Properties since then, resulting in incremental net property income and ultimately enhancing the capital value of A-REIT's portfolio.

As such, the Manager believes the re-appointment of ASPL pursuant to the proposed New Singapore Property Management Agreement will help ensure continuity in the management of A-REIT's present and future portfolio.

5.5 Economies of Scale

ASPL is currently managing 63 Properties and as a result, it should be able to enjoy economies of scale in the procurement of goods and services required for the maintenance of the Properties. Any cost savings achieved through such economies of scale are expected to translate into potential lower operating costs for these Properties and A-REIT.

5.6 Pro-Active Solutions

The Property Manager has over the years provided pro-active solutions such as introducing green initiatives which reduce operating expenses and improves cost efficiency and has also provided extensive customer care services. The Manager believes that the Property Manager, if re-appointed, will continue to provide pro-active solutions beneficial to A-REIT and Unitholders.

6. INTERESTED PERSON TRANSACTION

Under Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), where A-REIT proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of such transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of A-REIT’s latest audited net tangible assets, Unitholders’ approval is required in respect of such transaction. Based on the audited financial statements of A-REIT for the financial year ended 31 March 2012, the net tangible assets of A-REIT was S\$3,915.4 million as at 31 March 2012. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by A-REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$195.8 million, such a transaction would be subject to Unitholders’ approval.

As at 6 June 2012, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), Ascendas Pte Ltd held an aggregate indirect interest in 404,630,407 Units, which is equivalent to approximately 18.10% of the total number of Units in issue as at the Latest Practicable Date, and is therefore regarded as a “controlling unitholder” of A-REIT under the Listing Manual. In addition, as the Manager is a wholly-owned subsidiary of Ascendas Pte Ltd, Ascendas Pte Ltd is regarded as a “controlling shareholder” of the Manager under the Listing Manual.

As the Property Manager is a wholly-owned subsidiary of Ascendas Pte Ltd, for the purposes of Chapter 9 of the Listing Manual, the Property Manager (being a subsidiary of a “controlling unitholder” and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of A-REIT. The Manager is also (for the purposes of the Listing Manual) considered as an “interested person” of A-REIT.

Therefore, the entry into the Agreements will constitute “interested person transactions” under Chapter 9 of the Listing Manual.

Should such approval be obtained, the fees payable pursuant to the Agreements shall not be subject to aggregation or further Unitholders’ approval requirements under Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the property management fees and related expenses thereunder which are adverse to A-REIT.

Prior to the Latest Practicable Date, A-REIT had not entered into any interested person transactions with Ascendas Pte Ltd and its subsidiaries during the course of the current financial year, which are the subject of aggregation with the Agreements pursuant to Rule 906 of the Listing Manual.

7. ADVICE OF THE IFA

The Manager has appointed DMG & Partners Securities Pte Ltd as the IFA to advise the independent directors of the Manager (the “**Independent Directors**”) in relation to the Agreements. A copy of the letter from the IFA to the Independent Directors (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix C** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Based on the analysis undertaken by the IFA and subject to the qualifications and assumptions made in the IFA Letter, the IFA is of the opinion that the terms of the Agreements are on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders. The IFA therefore advise the Independent Directors to recommend that minority Unitholders vote in favour of the resolutions in relation to the entry into the Agreements.

It should be noted that the Audit Committee has not taken a different view to the IFA in relation to the opinion that the terms of the Agreements are on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, Ms Chong Siak Ching is the Vice-Chairman and Non-Executive Director of the Manager as well as the President and Chief Executive Officer of Ascendas Pte Ltd. Further details of the interests in Units of the directors of the Manager (“**Directors**”) and Substantial Unitholders⁵ are set below.

Based on the Register of Directors’ Unitholdings maintained by the Manager and save as disclosed below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date.

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%
	No. of Units	%	No. of Units	%		
Mr Koh Soo Keong	—	—	—	—	—	—
Ms Chong Siak Ching	186,000	0.008	171,000	0.008	357,000	0.016
Mr Joseph Chen Seow Chan	100,000	0.004	—	—	100,000	0.004
Mr Chia Kim Huat	—	—	—	—	—	—
Mr Henry Tan Song Kok	—	—	—	—	—	—
Ms Monica Villegas Tomlin	—	—	—	—	—	—
Mr Teo Eng Cheong	—	—	—	—	—	—
Mr Tan Ser Ping	—	—	—	—	—	—

Based on the Register of Substantial Unitholders’ Unitholdings maintained by the Manager, the Substantial Unitholders of A-REIT and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%
	No. of Units	%	No. of Units	%		
Ascendas Land (Singapore) Pte Ltd	367,904,000	16.45	—	—	367,904,000	16.45
Ascendas Pte Ltd ⁽¹⁾	—	—	404,630,407	18.10	404,630,407	18.10
Jurong Town Corporation ⁽¹⁾	—	—	404,630,407	18.10	404,630,407	18.10

Note:

(1) Ascendas Pte Ltd and Jurong Town Corporation are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Agreements.

9. RECOMMENDATION

9.1 The Proposed Entry into the New Singapore Property Management Agreement

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix C** to this Circular) and the rationale for and the terms of the proposed Agreements, the Independent Directors believe that the terms of the proposed New Singapore Property Management Agreement are based on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the Ordinary Resolution 1 to approve the entry into the proposed New Singapore Property Management Agreement.

⁵ “**Substantial Unitholders**” refers to persons with an interest in Units constituting not less than 5.0% of all Units in issue.

9.2 The Proposed Entry into the New China Property Management Agreement

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix C** to this Circular) and the rationale for and the terms of the proposed Agreements, the Independent Directors believe that the terms of the proposed New China Property Management Agreement are based on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the Ordinary Resolution 2 to approve the entry into the proposed New China Property Management Agreement.

9.3 The Proposed Entry into the Lease Management Agreement

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix C** to this Circular) and the rationale for and the terms of the proposed Agreements, the Independent Directors believe that the terms of the proposed Lease Management Agreement are based on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the Ordinary Resolution 3 to approve the entry into the proposed Lease Management Agreement.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned) at Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594, Level 1, Taurus Room, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages D-1 to D-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the Resolutions of which approval by way of an Ordinary Resolution is required.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“CDP”) as at 48 hours before the EGM.

11. PROHIBITION ON VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

Ascendas Pte Ltd and its associates (including the Manager) are prohibited from voting, and will therefore not be voting, on the proposed resolutions in relation to the entry into the Agreements.

12. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular, the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not later than Tuesday, 26 June 2012 at 3.30 p.m., being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages D-1 to D-2 of this Circular, must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the resolutions.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Agreements, A-REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

14. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter and all references thereto, in the form and context in which they are included in this Circular.

15. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager⁶ at 61 Science Park Road, #02-18 The GALEN, Singapore Science Park II, Singapore 117525 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the draft New Singapore Property Management Agreement;
- (ii) the draft New China Property Management Agreement;
- (iii) the draft Lease Management Agreement;
- (iv) the IFA Letter; and
- (v) the written consent of the IFA as referred to in paragraph 14 of this Circular.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as A-REIT is in existence.

Yours faithfully

ASCENDAS FUNDS MANAGEMENT (S) LIMITED
(as manager of Ascendas Real Estate Investment Trust)
Company Registration No. 200201987K

Mr Koh Soo Keong
Chairman and Independent Director

⁶ Prior appointment will be appreciated.

IMPORTANT NOTICE

The value of 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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

A-REIT	:	Ascendas Real Estate Investment Trust, a unit trust constituted on 9 October 2002 under the laws of the Republic of Singapore
ACPL	:	Ascendas (China) Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd
Adjusted Gross Revenue	:	In respect of a Property and in relation to any Fiscal Year or part thereof, means gross rental income (after deducting rent rebates and other tenant incentives amortised or otherwise) from the Property, all penalties and liquidated damages from tenants (such as past-due interests, compensation for pre-termination of lease) and amounts from any profit sharing agreements for sub-letting of the Property, but shall exclude all other income earned by A-REIT such as (i) all other income earned from the Property including, but not limited to, utilities income, car park income, sale of equipment, liquidated damages from contractors, rentals for fitting-out works for tenants and rental support and (ii) all GST collected from the tenants and licensees and rental deposits and other refundable security deposits to the extent that they are not set off against the sums due to the landlord
Agreements	:	The New Singapore Property Management Agreement, the New China Property Management Agreement and the Lease Management Agreement
ASPL	:	Ascendas Services Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd
associate	:	Has the meaning ascribed to it in the Listing Manual
Base Car Park Fee	:	In relation to the Managed Car Parks, the base management fee of S\$2.16 million payable by the Trustee to the Property Manager
Car Park Management Services	:	The car park management services provided by the Property Manager in relation to which the Property Manager is entitled to receive fees by the Trustee as described in paragraph 2.10 of the Letter to Unitholders
CDP	:	The Central Depository (Pte) Limited
China Property	:	Ascendas Z-Link, located at Building 17 Zhongguancun Software Park, No.8 West Dongbeiwang Road, Haidan District
Circular	:	This circular to Unitholders dated 13 June 2012
construction costs	:	Means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and GST
controlling shareholder	:	Has the meaning ascribed to it in the Listing Manual
controlling unitholder	:	Has the meaning ascribed to it in the Listing Manual and Property Funds Appendix
Deposited Property	:	Means all the assets of A-REIT, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed
Directors	:	The directors of the Manager

EGM	:	The meeting of Unitholders to be held on Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned) at Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594, Level 1, Taurus Room, to approve the matters set out in the Notice of Extraordinary General Meeting on pages D-1 to D-2 of this Circular
Energy Audit Services	:	The energy audit services provided by the Property Manager which involves the review and analysis of the energy efficiency of the Property (including the chillers) and the implementation of the proposed improvement plan for which the Property Manager is entitled to receive a fee by the Trustee as described in paragraph 2.5 of the Letter to Unitholders
Existing China Property Management Agreement	:	The existing property management agreement entered into on 3 January 2012 between Ascendas Hi-Tech Development (Beijing) Co., Ltd and Ascendas Shanghai Co., Ltd. Beijing Branch, pursuant to which Ascendas Shanghai Co., Ltd Beijing Branch would manage, maintain and market the China Property, subject to the overall management of the Manager
Existing Property Management Agreements	:	The Existing China Property Management Agreement and the Existing Singapore Property Management Agreement
Existing Singapore Property Management Agreement	:	The property management agreement entered into between the Trustee, the Manager and ASPL on 10 October 2002, pursuant to which ASPL was appointed as the property manager for the properties located in Singapore held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager
Fiscal Year	:	Means in respect of a Property, any period of 12 months commencing on the 1st day of April and ending on the 31st day of March except that the first Fiscal Year shall commence on the acquisition date of such Property and shall end on the 31st day of March of the year immediately following the acquisition date, and the last Fiscal Year shall end on the date of expiry of the term of the relevant agreement
Gross Revenue	:	Consists of gross rental income and other income earned from any of A-REIT's properties including licence fees, car park income, utilities and miscellaneous income
GST	:	Goods and services tax charged under the Goods and Services Tax Act, Chapter 117A of Singapore
IFA	:	The independent financial adviser to the Independent Directors, being DMG & Partners Securities Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors containing its advice as set out in Appendix C of this Circular
Independent Directors	:	Means the independent directors of the Manager
interested Party Transaction	:	Has the meaning ascribed to it in the Property Funds Appendix
interested Person	:	Has the meaning ascribed to it in the Listing Manual
interested Person Transaction	:	Has the meaning ascribed to it in the Listing Manual
kwh	:	Kilowatt per hour
Latest Practicable Date	:	6 June 2012, being the latest practicable date prior to the printing of this Circular

- Lease Management Agreement** : The lease management agreement proposed to be entered into between the Trustee and the Manager, pursuant to which the Manager would perform lease management services for properties located in Singapore and China which are held by the Trustee on behalf of A-REIT
- Lease Management Services** : The lease management services as described in paragraph 4.1 of the Letter to Unitholders and Appendix B (in relation to the Existing Property Management Agreements)
- Listing Manual** : The Listing Manual of the SGX-ST
- Managed Car Parks** : Means the car parks as set out in the New Singapore Property Management Agreement, which are located in the following buildings — Science Hub & Rutherford, PSB Science Park Building, The Alpha, The Aries, The Capricorn, The Gemini, Neuros & Immunos, 17 Changi Business Park Central 1 (Honeywell Building), Hansapoint@CBP, 3 Changi Business Park Vista, 1,3 and 5 Changi Business Park Crescent, TechQuest, iQuest@IBP, 13 International Business Park, Acer Building, Nordic European Centre, TechPlace I, Techplace II, 3 Tai Seng Drive, 5 Tai Seng Drive, Tampines Biz Hub, 84 Genting Lane, Techpoint, Techlink, Techview, KA Centre, KA Place, Pacific Tech Center, 1 Jalan Kilang, 50 Kallang Avenue, Corporation Place, 10 Toh Guan Road and Changi Logistics Centre
- Manager** : Ascendas Funds Management (S) Limited, as manager of A-REIT
- Marketing and Sales Services** : The marketing and sales services provided by the Property Manager in relation to which the Property Manager is entitled to receive a fee by the Trustee as described in paragraph 2.2 of the Letter to Unitholders and Appendix B (in relation to the Existing Property Management Agreements)
- MAS** : Monetary Authority of Singapore
- New China Property Management Agreement** : The property management agreement proposed to be entered into between the Trustee, the Manager and ACPL (a wholly-owned subsidiary of Ascendas Pte Ltd), pursuant to which ACPL would be appointed as the property manager for the properties located in China which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager
- New Singapore Property Management Agreement** : The property management agreement proposed to be entered into between the Trustee, the Manager and ASPL (a wholly-owned subsidiary of Ascendas Pte Ltd), pursuant to which ASPL would be appointed as the property manager for the properties located in Singapore which are held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager
- Nominees** : The nominees of the Manager (regardless of whether such nominees are, or are, not related to the Manager)
- Ordinary Resolution** : A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
- Owner** : Ascendas Hi-Tech Development (Beijing) Co., Ltd, the special purpose vehicle holding the China Property

- Project Management Expenses** : The out-of-pocket expenses for the management of a project incurred by the Property Manager shall be reimbursed to the Property Manager by the Trustee, as described in paragraph 2.9 of the Letter to Unitholders and Appendix B (in relation to the Existing Property Management Agreements)
- Project Management Services** : The project management services provided by the Property Manager in relation to which the Property Manager is entitled to receive a fee from the Trustee as described in paragraph 2.3 of the Letter to Unitholders and Appendix B (in relation to the Existing Property Management Agreements)
- Properties** : Means all the properties located in Singapore and/or China (as the case may be) from time to time acquired or developed by the Trustee, whether such properties are directly or indirectly acquired or developed or wholly or partly owned by the Trustee, and managed by the Property Manager, and **“Property”** means anyone of the Properties
- Property Funds Appendix** : Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
- Property Management Services** : The property management services provided by the Property Manager in relation to which the Property Manager is entitled to receive a fee from the Trustee as described in paragraph 2.1 of the Letter to Unitholders and Appendix B (in relation to the Existing Singapore Property Management Agreements)
- Property Manager** : Ascendas Services Pte Ltd, as property manager under the Existing Singapore Property Management Agreement and the New Singapore Property Management Agreement, ACPL, as property manager under the New China Property Management Agreement, and Ascendas Shanghai Co., Ltd. Beijing Branch, as property manager of the China Property under the Existing China Property Management Agreement
- Property Tax Services** : Services provided by the Property Manager or the Manager (where applicable) in respect of property tax management such as objections submitted to the tax authorities
- Reimbursable Advertising Costs** : The cost of advertising incurred by the Property Manager in relation to the promotion of leasing for a Property, that shall be reimbursed to the Property Manager by the Trustee, provided that prior approval of the Manager for such cost incurred has been obtained
- Reimbursable Customer Care Costs** : The cost of customer care incurred by the Property Manager in relation to customer care, which shall be reimbursed to the Property Manager by the Trustee, provided that prior approval of the Manager for such cost incurred has been obtained
- Reimbursable Employment Costs** : The employment costs incurred by the Property Manager for engaging personnel on site that shall be reimbursed to the Property Manager by the Trustee, as described in paragraph 2.4 of the Letter to Unitholders and paragraph 6 of Appendix B (in relation to the Existing Singapore Property Management Agreement)
- REIT** : Real estate investment trust
- Revised Method** : A revised method of determining the reimbursable amounts payable to the Property Manager that was agreed upon by the Manager, the Trustee and the Property Manager which is identical to the method of determining the reimbursable

employment costs for site-staff payable to the Property Manager under the New Singapore Property Management Agreement

S\$ and cents	:	Singapore dollars and cents
Securities Account	:	Unitholders' securities accounts with the CDP
SGX-ST	:	Singapore Exchange Securities Trading Limited
Substantial Unitholders	:	refers to persons with an interest in Units constituting not less than 5.0% of all Units in issue, and " Substantial Unitholder " means any one of them
Third Party Facility Management Arrangement	:	The arrangement whereby the Trustee will pay a fee to the Property Manager in the situation where a tenant insists on contracting with A-REIT (through the Trustee and/or the Manager) for facility management services even though such services will be performed by the Property Manager, as described in paragraph 2.6 of the Letter to Unitholders
Trust Deed	:	The deed of trust dated 9 October 2002 entered into between the Trustee and the Manager constituting A-REIT, as amended by a first supplemental deed dated 16 January 2004, a second supplemental deed dated 23 February 2004, a third supplemental deed dated 30 September 2004, a fourth supplemental deed dated 17 November 2004, a fifth supplemental deed dated 20 April 2006, a first amending and restating deed dated 11 June 2008, a seventh supplemental deed dated 22 January 2009, an eighth supplemental deed dated 17 September 2009, a ninth supplemental deed dated 31 May 2010, a tenth supplemental deed dated 22 July 2010 and an eleventh supplemental deed dated 14 October 2011
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT
Unit	:	A unit representing an undivided interest in A-REIT
Unit Registrar	:	The Unit Registrar and Unit Transfer Office, being Boardroom Corporate & Advisory Services Pte. Ltd.
United States or U.S.	:	United States of America
Unitholder	:	The registered holder for the time being of a Unit, including person so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
% or per cent.	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

COMPARISON OF THE AGREEMENTS WITH THE EXISTING PROPERTY MANAGEMENT AGREEMENTS

1. Property Management Services

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference
A fee of 2.0% per annum of the Adjusted Gross Revenue of each Property, and in the event that the Property Manager only manages such Property for less than one calendar year, such amount to be pro-rated based on the number of days which the Property Manager manages such Property divided by the number of days in such year.	<p>Under the Existing Singapore Property Management Agreement: a fee of 2.0% per annum of the Gross Revenue of each Property.</p> <p>Under the Existing China Property Management Agreement: a fee of 2.0% per month of the monthly gross revenue of the China Property.</p>	<p>Examples of items excluded from definition of Adjusted Gross Revenue:</p> <ul style="list-style-type: none"> (i) utilities income; (ii) car park income; (iii) sale of equipment; (iv) liquidated damages from contractors; and (v) rentals for fitting-out works for tenants and rental support.

2. Marketing & Sales Services

The New Singapore Property Management Agreement and the New China Property Management Agreement		The Existing Singapore Property Management Agreement		The Existing China Property Management Agreement		Difference
Length of Tenancy Secured (By the Property Manager or third party agent) ⁽¹⁾	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent)	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent) ⁽²⁾	Commission Payable	
(a) Less than 6 months	Nil	Three years or less	<p>Secured by the Property Manager: One month's gross rent inclusive of service charge</p> <p>Secured by a third party: 1.2 month's gross rent inclusive of service charge</p>	Less than 6 months	Nil	<p>The fee structure has been changed to introduce additional tiers.</p> <p>The commission payable to the Property Manager and third party agents are now the same. It should be noted that 20.0% of the commission previously payable to the Property Manager under the Existing Singapore Property Management Agreement when the lease involves a third party agent is now classified as an administrative charge (see below).</p>

	The New Singapore Property Management Agreement and the New China Property Management Agreement		The Existing Singapore Property Management Agreement		The Existing China Property Management Agreement		Difference
	Length of Tenancy Secured (By the Property Manager or third party agent) ⁽¹⁾	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent)	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent) ⁽²⁾	Commission Payable	
(b)	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (c) below			Six months or more but less than two years	Equivalent to amount pro-rated based on a tenancy for two years or more but less than or equal to three years as per (c) below	
(c)	Three years	Equivalent to one month's gross rent inclusive of service charge			Two years or more but less than or equal to three years	Equivalent to one month's gross revenue	
(d)	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below	More than three years	Secured by the Property Manager: Two months' gross rent inclusive of service charge	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below	
(e)	Five years	Equivalent to two months' gross rent inclusive of service charge		Secured by a third party agent: 2.4 months' gross rent inclusive of service charge	Five years	Equivalent to two months' gross revenue	
(f)	More than five years, with the terms of the lease subject to the prior approval of the Manager	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge			More than five years, with the terms of the lease subject to the prior approval of the owner of the Property, being the special purpose vehicle holding the China Property ("Owner")	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross revenue	The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of A-REIT's income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.

	The New Singapore Property Management Agreement and the New China Property Management Agreement		The Existing Singapore Property Management Agreement		The Existing China Property Management Agreement		Difference
	Length of Tenancy Secured (By the Property Manager or third party agent) ⁽¹⁾	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent)	Commission Payable	Length of Tenancy Secured (By the Property Manager or third party agent) ⁽²⁾	Commission Payable	
(g)	An administrative charge of 20.0 per cent. of the commission is payable to the Manager or the Property Manager in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Manager. If the Manager does not provide the relevant marketing administrative support and such marketing administrative support is provided by the Property Manager to a third party agent, then the Property Manager shall be entitled to be paid an marketing administrative charge of 20.0% of the commission payable to the third party agent in the case of a new lease take-up which involves a third party agent.				An administrative charge of 20% of base commission is levied for new lease transactions involving a third party agent.		The administrative charge was previously reflected together with the fees paid under the Existing Singapore Property Management Agreement. The New Singapore Property Management Agreement and the New China Property Management Agreement separates out the administrative charge.

Notes:

(1) Should a tenancy be prematurely terminated within six months of its commencement:

- (i) (in the instance where such tenant is secured by the Property Manager) the Property Manager shall refund the Trustee 50.0% of the commission which it received from the Trustee; and
- (ii) (in the instance where such tenant is secured by a third party agent) the Trustee, for and on behalf of A-REIT, is entitled to a refund of 50.0% of the commission paid to the third party agent, subject to the Property Manager procuring (on a best efforts basis) the third party agent to refund 50.0% of the commission received.

If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Property Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Property Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

(2) The commission fee as stipulated in relation to the Existing China Property Management Agreement is based on the market rate under normal circumstances. It shall not include any special referral fees on ad-hoc basis.

3. Project Management Services

The following fees payable to the Property Manager for project management services under the New Singapore Property Management Agreement and the Existing Singapore Property Management Agreement are identical. In addition, the fees payable to the Property Manager for project management services under the New China Property Management Agreement and the Existing China Property Management Agreement are identical.

	Amount of Construction Costs (Singapore)	Amount of Construction Costs (China) ⁽¹⁾	Fee
a	S\$2.0 million or less	RMB2.0 million (or S\$394,000) or less	3.0% of the construction costs
b	Exceed S\$2.0 million but do not exceed S\$12.0 million	Exceed RMB2.0 million (or S\$394,000) but do not exceed RMB12.0 million (or S\$2,364,000)	2.15% of the construction costs
c	Exceed S\$12.0 million but do not exceed S\$40.0 million	Exceed RMB12.0 million (or S\$2,364,000) but do not exceed RMB40.0 million (or S\$7,880,000)	1.45% of the construction costs
d	Exceed S\$40.0 million but do not exceed S\$70.0 million	Exceed RMB40.0 million (or S\$7,880,000) but do not exceed RMB70.0 million (or S\$13,790,000)	1.40% of the construction costs
e	Exceed S\$70.0 million but do not exceed S\$100.0 million	Exceed RMB70.0 million (or S\$13,790,000) but do not exceed RMB100.0 million (or S\$19,700,000)	1.35% of the construction costs
f	Exceed S\$100.0 million	Exceed RMB100.0 million (or S\$19,700,000)	To be mutually agreed by the parties, but in any event, no higher than 1.35% of the construction costs

Note:

(1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

4. Reimbursable Employment Costs for site-staff

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference
<p>The Trustee shall (i) reimburse the base salary of the employees of the Property Manager (approved by the Manager) engaged solely for site supervision of the Properties (such costs are part of the annual business plan and budget approved by the Trustee on the recommendation of the Manager or otherwise agreed between the Trustee and the Manager) and (ii) pay a fee of 10.0% of such base salary. This payment of 10.0% of the base salary is to cover the cost of providing employment benefits such as medical, insurance, staff welfare and other related fringe benefits which are not covered by the base salary.</p>	<p>The Property Manager will be fully reimbursed for</p> <p>(i) the employment costs and remuneration relating to the employees of the Property Manager engaged solely for site supervision of the Properties; and</p> <p>(ii) an apportioned share of the employment costs and remuneration relating to the employees of the Property Manager who provide site supervision work for the Properties as well as other properties,</p> <p>as approved in each annual budget by the Trustee upon the recommendation of the Manager.</p> <p>Please see the "Difference Column" regarding the current practice.</p> <p>The Existing China Property Management Agreement does not have any clause on reimbursements.</p>	<p>It should be noted that the Manager, the Trustee and the Property Manager had previously agreed to revise the method of determining the reimbursable employment costs for site-staff (the "Revised Method") and that the method of determining the reimbursable amounts under the New Singapore Property Management Agreement is identical to the Revised Method. Such payment was treated as an interested person transaction.</p>

5. Energy Audit Service

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference					
<p>Under the New Singapore Property Management Agreement:</p> <p>If the Property Manager is engaged to conduct energy audit services on the Properties located in Singapore, the Trustee shall pay the Property Manager the following fees:</p> <table border="1" data-bbox="256 533 651 1211"> <tr> <td data-bbox="256 533 379 651">First two chillers in a Property</td> <td data-bbox="384 533 475 651">S\$4,000 each</td> <td data-bbox="480 533 651 1211" rowspan="2">Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum fee of S\$40,000 per Property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).</td> </tr> <tr> <td data-bbox="256 658 379 799">Each subsequent chiller in the same Property</td> <td data-bbox="384 658 475 799">S\$2,000 each</td> </tr> </table> <p>Under the New China Property Management Agreement:</p> <p>In relation to energy audit services, if the Property Manager is engaged to conduct energy audit services on the Properties located in China, the Trustee shall pay the Property Manager an energy audit fee of RMB10,000 (or S\$1,970)⁽¹⁾ for each chiller in a Property.</p>	First two chillers in a Property	S\$4,000 each	Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum fee of S\$40,000 per Property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).	Each subsequent chiller in the same Property	S\$2,000 each	<p>The Existing Singapore Property Management Agreement does not have any clause on energy audit fees.</p> <p>Please see the "Difference Column" regarding the current practice.</p> <p>Under the Existing China Property Management Agreement, in relation to any energy audit service rendered by the Property Manager to the Owner, a fee is payable by the Owner to the Property Manager, with such amount subject to mutual agreement.</p>	<p>In relation to the Properties located in Singapore, the fees paid for the energy audit services were previously subject to a separate agreement. Quotes for the services were previously sought from the public and the fees paid were then cleared by the audit committee of the Manager. Such payment was treated as an interested person transaction.</p>
First two chillers in a Property	S\$4,000 each	Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum fee of S\$40,000 per Property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).					
Each subsequent chiller in the same Property	S\$2,000 each						

Note:

- (1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

6. Reimbursable Advertising Costs for the Promotion of Leasing

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference
<p>The Trustee shall reimburse the Property Manager for the cost of advertising incurred by the Property Manager in relation to the promotion of leasing for a Property provided that prior approval of the Manager for such cost incurred has been obtained.</p>	<p>Under the Existing Singapore Property Management Agreement, there is a provision that requires the parties to agree to the annual business plan and budget (which contains, among others, the proposed budget for reimbursement to the Property Manager, operational expenses and marketing and promotion of the Properties).</p> <p>The Existing China Property Management Agreement does not have a similar clause for such reimbursements.</p>	<p>It should be noted that the proposed reimbursable advertising costs reflect the market and current practice. Such payment was treated as an interested person transaction.</p>

7. Reimbursable Customer Care Costs

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference
<p>The Trustee shall reimburse the Property Manager for the cost of customer care incurred by the Property Manager in relation to tenants of a Property provided that prior approval of the Manager for such cost incurred has been obtained.</p>	<p>Under the Existing Singapore Property Management Agreement, there is a provision that requires the parties to agree to the annual business plan and budget (which contains, among others, the proposed budget for reimbursement to the Property Manager, operational expenses and marketing and promotion of the Properties).</p> <p>The Existing China Property Management Agreement does not have a similar clause for such reimbursements.</p>	<p>It should be noted that the proposed reimbursable customer care costs reflect the market and current practice. Such payment was treated as an interested person transaction.</p>

8. Third Party Facility Management Arrangement

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement and the Existing China Property Management Agreement	Difference
<p>In the situation where a tenant insists on contracting with A-REIT (through the Trustee and/or the Manager) for facility management services even though such services will be performed by the Property Manager, the Trustee shall pay the Property Manager any fees which it receives from a tenant of A-REIT which is payable by such tenant as a result of the Trustee or the Manager (on behalf of A-REIT) engaging the Property Manager on a back-to-back basis to serve as a facility manager for such tenant.</p>	<p>The Existing Property Management Agreements do not have any clause on this arrangement.</p> <p>Please see the "Difference Column" regarding the current practice.</p>	<p>It should be noted that the proposed third party facility management arrangement reflects the current practice. Such payment was treated as an interested person transaction.</p>

9. Project Management Expenses

The project management expenses under (a) the New Singapore Property Management Agreement and the New China Property Management Agreement and (b) the Existing Singapore Property Management Agreement are identical (except that the New Singapore Property Management Agreement and the New China Property Management Agreement do not specifically allow business class travel — See point (iii)) such that the Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for:

- (i) costs for printing drawings, documents and other lithography expenses incurred for calling of tenders;
- (ii) costs for preparing and printing perspectives, plans, models and any materials required for marketing purposes and costs of all submissions to authorities;
- (iii) overseas travelling and accommodation expenses and other similar disbursements in respect of the Property Manager acting on the instructions of the Trustee for any purpose in connection with and/or arising out of a project; and
- (iv) costs of tele-conferencing, video conferencing and/or project management portal in connection with and/or arising out of a project,

provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

The following personnel must be engaged by the Trustee at the costs and expense of A-REIT:

- (i) contractors and surveyors for determining site boundaries, topography information and obtaining other necessary information for project planning and design;
- (ii) consultants required for each project;
- (iii) contractors required for the construction of the works;
- (iv) site supervisory personnel; and
- (v) accredited checkers and registered inspectors.

The Existing China Property Management Agreement does not have any clause on project management expenses.

10. Car Park Management Services

The New Singapore Property Management Agreement and the New China Property Management Agreement	The Existing Singapore Property Management Agreement	Difference
<p>The Trustee shall pay the Property Manager the following car park management fees in relation to Properties located in Singapore:</p> <ul style="list-style-type: none"> (i) in relation to the Managed Car Parks, the Base Car Park Fee of S\$2.16 million per annum and 40.0% of hourly parking collections for such car parks (excluding GST); and (ii) in the event that additional car parks are subsequently added to or removed from the list of Managed Car Parks, the base car park management fee shall be adjusted as follows: <ul style="list-style-type: none"> (a) in relation to a Property which has up to 100 car park lots — the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the Managed Car Parks) by S\$35 per car park lot per month multiplied by the number of car park lots in such Property; and (b) in relation to a Property which has more than 100 car park lots — the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the Managed Car Parks) by management fees of S\$25 per car park lot per month multiplied by the number of car park lots in such Property. <p>Under the New China Property Management Agreement, ACPL is not required to provide any car park management services. Accordingly, no car park management fees are charged under the New China Property Management Agreement.</p>	<p>This is not covered in the Existing Singapore Property Management Agreement. However, there is an existing agreement (which for the avoidance of doubt is a separate agreement from the Existing Singapore Property Management Agreement) in relation to the operation of car parks whereby the Property Manager pays A-REIT a license fee of S\$484 per lot per annum (or S\$40.33 per lot per month).</p>	<p>The method of computing the fees has been changed compared to the existing agreement in relation to the operation of car parks. Under the New Singapore Property Management Agreement, any potential upside on car park revenue will accrue to A-REIT.</p>

11. Lease Management Services

	The Lease Management Agreement		The Existing Singapore Property Management Agreement		The Existing China Property Management Agreement		Difference
	A fee of 1.0% per annum of the Adjusted Gross Revenue of each Property		A fee of 1.0% per annum of the Gross Revenue of each Property		A fee of 1.0% per month of the monthly gross revenue of the China Property		Examples of items excluded from definition of Adjusted Gross Revenue: (i) utilities income; (ii) car park income; (iii) sale of equipment; (iv) liquidated damages from contractors; and (v) rentals for fitting-out works for tenants and rental support.
	Tenancy Renewal Fee ⁽¹⁾		Tenancy Renewal Fee		Additional Fee in Relation to a Tenancy Renewal		
	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	
a	Less than six months	Nil		In practice the Manager and the Property Manager has agreed not to charge this fee for lease renewal of less than six months	Less than six months	Nil	
b	Six months or more but less than one year	Equivalent to amount pro-rated based on a tenancy for between one year and three years as per (c) below	Three years or less	Equivalent to half month's gross rent inclusive of service charge	Six months or more but less than or equal to one year	Equivalent to amount pro-rated based on a tenancy for more than one year but less than or equal to three years as per (c) below	
c	One year or more but less than three years	Equivalent to half month's gross rent inclusive of service charge			More than one year but less than or equal to three years	Equivalent to half month's gross revenue	

	Tenancy Renewal Fee ⁽¹⁾		Tenancy Renewal Fee		Additional Fee in Relation to a Tenancy Renewal		
	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	
d	Three years or more but less than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below	More than three years	Equivalent to one month's gross rent inclusive of service charge	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below	
e	Five years	Equivalent to one month's gross rent inclusive of service charge			Five years	Equivalent to one month's gross revenue	
f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge			More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross revenue and that the commission payable shall be subject to the prior approval of the Owner	The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of A-REIT's income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.
Leasing Commission for New Take-Up of Space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant		Leasing Commission for New Take-Up of Space by an existing tenant		Additional fee in Relation to any New Take-Up of Space by an existing tenant			
	Length of Tenancy Secured	Commission Payable	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	
a	Less than six months	Nil		(See below at paragraph (b) where one month's gross rent inclusive of service charge is payable. However, in practice the Manager and the Property Manager has agreed not to charge this fee for renewals of less than six months)	Less than six months	Nil	

	Leasing Commission for New Take-Up of Space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant		Leasing Commission for New Take-Up of Space by an existing tenant		Additional fee in Relation to any New Take-Up of Space by an existing tenant		
	Length of Tenancy Secured	Commission Payable	Length of Tenancy Renewed	Commission Payable	Length of Tenancy Renewed	Commission Payable	
b	Three years	Equivalent to one month's gross rent inclusive of service charge	Three years or less	Equivalent to one month's gross rent inclusive of service charge	Three years	Equivalent to one month's gross revenue	
c	More than six months but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (b) above			Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (b) above	
d	Five years	Equivalent to two months' gross rent inclusive of service charge	More than three years	Equivalent to two months' gross rent inclusive of service charge	Five years	Equivalent to two months' gross revenue	
e	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above			Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above	
f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge			More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross revenue	The Manager believes that having a longer weighted average lease to expiry for A-REIT's portfolio of properties is beneficial to Unitholders as this will provide Unitholders with greater certainty and predictability of A-REIT's income stream. Therefore, a tier for leases of more than five years has been included (compared to the Existing Singapore Property Management Agreement) to promote such objective.

Note:

- (1) The Manager commission received as set out in the table is subject to a refund of 50.0% of the commission paid to the Manager if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

12. Property Tax Services¹

The following fees payable to the Manager for Property Tax Services under the Lease Management Agreement (for properties located in Singapore) and the Existing Singapore Property Management Agreement, respectively, are identical. However, it should be noted that the scope of property tax services has been increased in the Lease Management Agreement compared to the Existing Singapore Property Management Agreement. Under the Existing China Property Management Agreement, in relation to any tax savings achieved by the Property Manager for the Owner and/or the China Property, a fee is payable by the Owner to the Property Manager based on the sum of such tax savings, with such amount subject to mutual agreement. Under the Lease Management Agreement, the structure for the fees for properties located in Singapore and properties located in China are different and this is set out in the table below.

Proposed Reduction in Annual Value (Singapore) by the Tax Authorities	Proposed Reduction in Taxable Value (China) by the Tax Authorities ⁽¹⁾	Fee
S\$1.0 million or less	RMB1.0 million (S\$197,000) or less	7.5% of the property tax savings
More than S\$1.0 million but does not exceed S\$5.0 million	More than RMB1.0 million (S\$197,000) but does not exceed RMB5.0 million (S\$985,000)	5.5% of the property tax savings
More than S\$5.0 million	More than RMB5.0 million (S\$985,000)	5.0% of the property tax savings

Note:

(1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

13. Duration

	New Singapore Property Management Agreement	New China Property Management Agreement	Lease Management Agreement	Existing Singapore Property Management Agreement	Existing China Property Management Agreement
Duration of the Agreements	10 years	10 years and 3 months	10 years and 3 months	Five years with an option to renew for an additional five years. The slight difference in the lease tenures of the Agreements is to ensure that they all expire on the same day.	The Existing China Property Management Agreement commenced on 3 January 2012 and is valid for a term of one month from its commencement date. However, unless otherwise notified by the Owner to the Property Manager, the Existing China Property Management Agreement is automatically renewed and extended on a monthly basis up to 30 June 2012. Hence, its effective expiry date is 30 June 2012.

¹ Property Tax Services are provided by the Property Manager under the Existing Singapore Property Management Agreement. However, under the New Singapore Property Management Agreement, the Property Manager will not provide such services as the Manager will do so under the Lease Management Agreement.

SUMMARIES OF THE EXISTING PROPERTY MANAGEMENT AGREEMENTS

EXISTING SINGAPORE PROPERTY MANAGEMENT AGREEMENT

On 10 October 2002, The Trustee, the Manager and the Property Manager entered into the Existing Singapore Property Management Agreement, pursuant to which ASPL was appointed as the property manager for the properties located in Singapore held by the Trustee on behalf of A-REIT, subject to the overall management of the Manager.

The initial term of the Existing Singapore Property Management Agreement was 5 years and commenced on 19 November 2002. The appointment of the Property Manager was extended for another 5 years from 19 November 2007 and would expire on 18 November 2012. However, the parties to the Existing Singapore Property Management Agreement have agreed that the Existing Singapore Property Management Agreement shall terminate prior to its expiry so as to allow the New Singapore Property Management Agreement to commence from 1 October 2012.

Under the Existing Singapore Property Management Agreement, the Property Manager will be entitled to certain fees to be borne out of the Deposited Property and to certain reimbursements set out below.

1. Property Management Services

For property management services, the Trustee will pay the Property Manager, for each Fiscal Year, a fee of 2.0% per annum of the Gross Revenue of each Property.

2. Lease Management Services

For lease management services the Trustee will pay the Property Manager, for each fiscal year, a fee of 1.0% per annum of the Gross Revenue of each Property.

3. Property Tax Services

In addition, in relation to Property Tax Services, the Property Manager is entitled to the following fees if as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the Property:

Proposed Annual Value	Fee
S\$1.0 million or less	7.5% of the property tax savings
More than S\$1.0 million but does not exceed S\$5.0 million	5.5% of the property tax savings
More than S\$5.0 million	5.0% of the property tax savings

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period.

If in compliance with applicable regulatory requirements relating to interested person transactions and interested party transactions relating to REITs, the approval of Unitholders is required for payment of such fees, such payment will be subject to the obtaining of such Unitholders' approval, and if such approval cannot be obtained within the requisite time period for lodgement of such objections, the Property Manager shall not be obliged to undertake the relevant property tax objections and the Trustee shall be entitled to engage other consultants to undertake the relevant property tax objections.

4. Marketing Services

In respect of marketing services, the following tables set out (1) the commission payable by the Trustee to the Property Manager and (2) if a third party agent secures a tenancy, the commission payable by the Property Manager to the third party agent, respectively. If a third party agent secures the tenancy, the Property Manager will be responsible for all commissions payable to such third party agent.

Commission payable by the Trustee to the Property Manager

	Length of Tenancy Secured	Commission Payable
a	Three years or less	One month's gross rent inclusive of service charge
b	More than three years	Two months' gross rent inclusive of service charge
	Length of Renewal of tenancy Secured	Commission Payable
c	Three years or less	One-half month's gross rent inclusive of service charge
d	More than three years	One month's gross rent inclusive of service charge

Commission payable by the Property Manager to a third party agent securing a tenancy

	Length of Tenancy Secured	Commission Payable
a	Three years or less	1.2 month's gross rent inclusive of service charge
b	More than three years	2.4 months' gross rent inclusive of service charge

5. Project Management Services

For project management services, the Trustee will pay the Property Manager the following fees for the development or redevelopment (if not prohibited by the Property Funds Appendix) or if otherwise permitted by the MAS) the refurbishment, retrofitting and renovation works on a Property:

	Amount of Constructions Costs	Fee
a	S\$2.0 million or less	3.0% of the construction costs
b	Exceed S\$2.0 million but do not exceed S\$12.0 million	2.15% of the construction costs
c	Exceed S\$12.0 million but do not exceed S\$40.0 million	1.45% of the construction costs
d	Exceed S\$40.0 million but do not exceed S\$70.0 million	1.4% of the construction costs
e	Exceed S\$70.0 million but do not exceed S\$100.0 million	1.35% of the construction costs
f	Exceed S\$100.0 million	To be mutually agreed by the parties

For the purpose of calculating the fees payable to the Property Manager, "construction costs" means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, but excluding development charges, differential premiums, statutory payments, consultants' professional fees and goods and services tax.

If in compliance with applicable regulatory requirements relating to interested person transactions and interested party transactions relating to REITs, the approval of Unitholders is required for payment of any of the abovementioned fees for project management services, such payment will be subject to the obtaining of such Unitholders' approval, and if such approval is not obtained, the Property Manager shall not be obliged to undertake the relevant project management services and the Trustee shall be entitled to engage other consultants to undertake the relevant project management services.

6. Reimbursable Employment Costs and Remuneration

The Property Manager will be fully reimbursed for (i) the employment costs and remuneration relating to the employees of the Property Manager engaged solely for site supervision of the Property and (ii) an apportioned share of the employment costs and remuneration relating to the employees of the Property Manager who provide site supervision work for the Properties as well as other properties, as approved in each annual budget by the Trustee upon the recommendation of the Manager.

7. Project Management Expenses

The Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for:

- (i) costs for printing drawings, documents and other lithography expenses incurred for calling of tenders;
- (ii) costs for preparing and printing perspectives, plans, models and any materials required for marketing purposes and costs of all submissions to authorities;
- (iii) overseas travelling (based on business class fare) and accommodation expenses and other similar disbursements in respect of the Property Manager acting on the instructions of the Trustee for any purpose in connection with and/or arising out of a project; and
- (iv) costs of tele-conferencing, video conferencing and/or project management portal in connection with and/or arising out of a project,

provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

The following personnel must be engaged by the Trustee at the costs and expense of A-REIT:

- (i) contractors and surveyors for determining site boundaries, topography information and obtaining other necessary information for project planning and design;
- (ii) consultants required for each project;
- (iii) contractors required for the construction of the works;
- (iv) site supervisory personnel; and
- (v) accredited checkers and registered inspectors.

EXISTING CHINA PROPERTY MANAGEMENT AGREEMENT

On 3 January 2012, the Owner and Ascendas Shanghai Co., Ltd. Beijing Branch (as Property Manager) entered into the Existing China Property Management Agreement, pursuant to which the Property Manager would manage, maintain and market Ascendas Z-Link, located at Building 17 Zhongguancun Software Park, No.8 West Dongbeiwang Road, Haidan District (the “China Property”), subject to the overall management of the Manager. The Existing China Property Management Agreement commenced on 3 January 2012 and is valid for a term of one month from its commencement date. However, unless otherwise notified by the Owner to the Property Manager, the Existing China Property Management Agreement is automatically renewed and extended on a monthly basis upon its expiry for an additional one month up to 30 June 2012. Hence, its effective expiry date is 30 June 2012.

Under the Existing China Property Management Agreement, the Property Manager will be entitled to certain fees to be borne out of the Deposited Property.

1. Property Management Services

For property management services, the Owner will pay the Property Manager a fee of 2.0% per month of the monthly gross revenue of the China Property.

2. Lease Management Services

For lease management services the Owner will pay the Property Manager a fee of 1.0% per month of the monthly gross revenue of the China Property.

3. Marketing Services

In respect of the marketing services provided by the Property Manager for the Property, the Owner shall pay to the Property Manager the following commission fees:

- (i) For each new lease entered into in respect of the China Property, the commission fees should be calculated as below:

	Length of Tenancy Secured	Commission Payable
a	Less than 6 months	Nil
b	Six months or more but less than two years	Equivalent to amount pro-rated based on a tenancy for two years or more but less than or equal to three years as per (c) below
c	Two years or more but less than or equal to three years	Equivalent to one month's gross revenue
d	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below
e	Five years	Equivalent to two months' gross revenue
f	More than five years, with the terms of the lease subject to the prior approval of the Owner	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross revenue

An administrative charge of 20% of base commission is levied for new lease transactions involving a third party agent.

The commission fee as stipulated in relation to the Existing China Property Management Agreement is based on the market rate under normal circumstances, it shall not include any special referral fees on ad-hoc basis, including but not limited to additional referral fees to be paid to external agents (a) if there is urgent need to ramp up the occupancy rates for the China Property, (b) as an incentive for agents who are able to successfully refer tenants to fill up the space within a specific time frame or (c) under special marketing programmes of the Owner. In case of escalation of market rate during the term of the Existing China Property Management Agreement, both the Owner and the Property Manager shall review and adjust the fees accordingly and the revised commission fees shall take effect immediately once it is confirmed by the Owner and the Property Manager in writing. Under such circumstances, the Owner shall not withhold its consent or confirmation on the fee adjustment unreasonably.

- (ii) For each renewal of lease in respect of the Property, the commission fees should be calculated as below:

	Length of Tenancy Renewed	Commission Payable
a	Less than six months	Nil
b	Six months or more but less than or equal to one year	Equivalent to amount pro-rated based on a tenancy for more than one year but less than or equal to three years per (c) below
c	More than one year but less than or equal to three years	Equivalent to half month's gross revenue
d	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below
e	Five years	Equivalent to one month's gross revenue
f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross revenue and that the commission payable shall be subject to the prior approval of the Owner

- (iii) For each expansion of lease in respect of the Property, the commission fees should be calculated as below:

	Length of Tenancy Secured	Commission Payable
a	Less than six months	Nil
b	Three years	Equivalent to one months' gross revenue
c	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (b) above
d	Five years	Equivalent to two months' gross revenue
e	Between three years and less than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above
f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross revenue

4. Project Management Services

In respect of the project management services such as development, re-development, refurbishment, retrofitting, addition, alteration and renovation works provided by the Property Manager for the Property, the Owner shall pay to the Property Manager the following Project Management Services Fees:

	Amount of Constructions Costs⁽¹⁾	Fee
a	RMB2.0 million (or S\$394,000) or less	3.0% of the construction costs
b	Exceed RMB2.0 million (or S\$394,000) but do not exceed RMB12.0 million (or S\$2,364,000)	2.15% of the construction costs
c	Exceed RMB12.0 million (or S\$2,364,000) but do not exceed RMB40.0 million (or S\$7,880,000)	1.45% of the construction costs
d	Exceed RMB40.0 million (or S\$7,880,000) but do not exceed RMB70.0 million (or S\$13,790,000)	1.40% of the construction costs
e	Exceed RMB70.0 million (or S\$13,790,000) but do not exceed RMB100.0 million (or S\$19,700,000)	1.35% of the construction costs
f	Exceed RMB100.0 million (or S\$19,700,000)	To be mutually agreed by the parties

Note:

(1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.

5. Energy Audit Services

In relation to any energy audit service rendered by the Property Manager to the Owner, a fee is payable by the Owner to the Property Manager, with such amount subject to mutual agreement.

6. Property Tax Savings

In relation to any tax savings achieved by the Property Manager for the Owner and/or the China Property, a fee is payable by the Owner to the Property Manager based on the sum of such tax savings, with such amount subject to mutual agreement.

**LETTER FROM DMG & PARTNERS SECURITIES PTE LTD TO
THE INDEPENDENT DIRECTORS**

13 June 2012

The Independent Directors of
Ascendas Funds Management (S) Limited
(the Manager of Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The GALEN
Singapore Science Park II
Singapore 117525

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Ascendas Real Estate Investment Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

Dear Sirs,

- (1) **THE PROPOSED ENTRY INTO THE NEW SINGAPORE PROPERTY MANAGEMENT AGREEMENT;**
- (2) **THE PROPOSED ENTRY INTO THE NEW CHINA PROPERTY MANAGEMENT AGREEMENT; AND**
- (3) **THE PROPOSED ENTRY INTO THE LEASE MANAGEMENT AGREEMENT.**

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings when used herein.

1 INTRODUCTION

The Manager is convening the EGM to seek approval from the Unitholders in relation to the following resolutions:

- (i) Resolution 1: The Proposed Entry into the New Singapore Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 2 and 3).
- (ii) Resolution 2: The Proposed Entry into the New China Property Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 3).
- (iii) Resolution 3: The Proposed Entry into the Lease Management Agreement (Ordinary Resolution) (Conditional upon Resolutions 1 and 2).

(collectively, the “**Transactions**”)

As the Property Manager is a wholly-owned subsidiary of Ascendas Pte Ltd, for the purposes of Chapter 9 of the Listing Manual, the Property Manager (being a subsidiary of a “controlling unitholder” and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of A-REIT. The

Manager is also (for the purposes of the Listing Manual) considered as an “interested person” of A-REIT.

Therefore, the entry into the Agreements will constitute “interested person transactions” under Chapter 9 of the Listing Manual.

DMG & Partners Securities Pte Ltd (“DMG”) has been appointed as the Independent Financial Adviser to the Independent Directors to advise them on whether the terms of the Agreements are on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

This letter forms part of the Circular dated 13 June 2012 which provides, *inter alia*, details of the Agreements and the recommendation of the Independent Directors thereon.

2 TERMS OF REFERENCE

We were neither a party to the negotiations in relation to the Agreements, nor were we involved in the deliberations leading up to the decision by the Manager to enter into the Agreements.

We make no representations or warranties in relation to the merits of the Transactions other than to express an opinion on whether the terms of the Agreements are on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders. Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits or risks of the Transactions or on the prospects of A-REIT or any of its related companies (as defined in the Companies Act of Singapore). Such evaluations or comments remain the responsibility of the Directors and management of the Manager although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this letter.

We were also not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to the Transactions. In this regard, we are not addressing the relative merits of the Transactions as compared to any alternative transaction previously considered by the Manager or which otherwise may have been available to A-REIT currently or in the future, and such comparison and consideration remain the responsibility of the Directors.

In the course of our evaluation and for the purpose of our opinion in relation to the terms of the Agreements, we have held discussions with the management of the Manager. We have examined the information contained in the Agreements, the Circular as well as publicly available information collated by us and information provided to us by Directors and management of the Manager, including the information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Whilst care has been exercised in reviewing the information, which we have relied on, we have not independently verified the information. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the reliability of such information.

We have relied upon the assurances of the Directors made pursuant to the Directors’ Responsibility Statement set out under section 13 of the Circular that the Directors

collectively and individually accept responsibility for the accuracy of the information given in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in the Circular are fair and accurate in all material respects and there are no omission of material facts which would make any statement in the Circular misleading in any material respect.

Our recommendations are based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent development after the Latest Practicable Date that may affect our recommendations contained therein. Unitholders should further take note of any announcements relevant to their consideration of the Agreements, which may be released after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any individual minority Unitholder. As different minority Unitholders would have different investment objectives and profiles, we would advise the Directors to advise that any individual minority Unitholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

A-REIT has been advised by its own professional adviser(s) in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use of the Independent Directors in connection with their consideration of the Transactions and their advice and recommendations to the minority Unitholders in respect thereof. The recommendations made to the minority Unitholders in relation to the Transactions remain the responsibility of the Independent Directors. This IFA Letter is further given for the benefit of HSBC Institutional Trust Services (Singapore) Limited, as Trustee of A-REIT.

A copy of this IFA Letter may be reproduced in the Circular and for that purpose may be discussed or quoted at the EGM of Unitholders convened to consider the Transactions and in relation to any resolution tabled thereof. Other than for this intended purpose, this IFA Letter should not be used for any other purposes and/or by other persons without the prior consent of DMG.

Our recommendations in relation to the Transactions should be considered in the context of the entirety of our advice as set out in this IFA Letter.

3 THE PROPOSED NEW SINGAPORE PROPERTY MANAGEMENT AGREEMENT

Details relating to the proposed New Singapore Property Management Agreement are set out in section 2 of the Circular. **Unitholders are advised to read this section of the Circular carefully.**

4 THE PROPOSED NEW CHINA PROPERTY MANAGEMENT AGREEMENT

Details relating to the proposed New China Property Management Agreement are set out in section 3 of the Circular. **Unitholders are advised to read this section of the Circular carefully.**

5 THE PROPOSED LEASE MANAGEMENT AGREEMENT

Details relating to the proposed Lease Management Agreement are set out in section 4 of the Circular. **Unitholders are advised to read this section of the Circular carefully.**

6 EVALUATION OF THE AGREEMENTS

In the course of our evaluation of the Agreements, we have given due consideration to, *inter alia*, the following factors:

- (a) the rationale for the entry into the Agreements;
- (b) comparison of the Agreements with the Existing Property Management Agreements; and
- (c) comparison of the terms of the fees payable to the Property Manager and the Manager (as the case may be) under the Agreements and to the respective property managers under the relevant agreements of selected REITs listed on the SGX-ST and HKSE (where applicable).

6.1 The Rationale for the Entry into the Agreements

The rationale for the rationale for the entry into the Agreements has been extracted from section 5 of the Circular and set out in italics below. All terms and expressions used in this extract below shall have the same meaning as those defined in the Circular, unless otherwise stated.

“The Manager believes that the entry into the Agreements will be beneficial to A-REIT and Unitholders.

5.1 Refined and Improved Scope of Services

The Manager believes that the Agreements taken together would be beneficial as they will, among others:

- *provide a clear scope of work and process to ensure that the service providers will deliver consistent high quality service;*
- *introduce clear and objective performance standards and deliverables;*
- *enhance accountability and transparency and minimise potential conflict of interest;*
- *maximise satisfaction of tenants; and*
- *align the interests of the Manager, the Property Manager, and A-REIT;*

The Agreements are an improvement over the Existing Property Management Agreements due to, among others, the following:

- (i) the introduction of key performance indicators to ensure that the services are delivered consistently and are of high quality; and
- (ii) the introduction of a system of warnings, compensation and termination of service contract for persistent non-performance;
- (iii) the introduction of additional services to be provided in relation to the management of the Properties.

5.2 Refined and Streamlined Fees Formulae

The Agreements will also put in place a refined and streamlined fees formulae to further align the interest of the service providers and A-REIT which may result in potential cost savings for A-REIT. Assuming that the Agreements are in place for the whole financial year ended 31 March 2012, A-REIT would have enjoyed a saving in fees as indicated in the table below.

	FY2011/2012 Actual	New Fees	Savings
Property management fee	6,605,471	5,846,597	758,874
Lease management fee	4,981,940	4,586,068	395,872
Total marketing fee	5,011,023	4,672,851	338,172
Project management fee	No change in the fee structure		-
Energy audit fee	No change in the fee structure		-
Third party facilities fees	No change in the fee structure		-
Property tax service fee	No change in the fee structure		-
Car park management fee	Different basis, hence not comparable ⁽¹⁾		-
Total			1,492,918

Note:

- (1) Car park income: There is a potential increase in income by S\$0.6 million based on the new fee formula.

5.3 The Proven Track Record of the Property Manager/ Service Providers

5.3.1 A Healthy and Stable Occupancy Rate

The Property Manager has, under the direction of the Manager, helped to ensure that the occupancy rate of A-REIT's portfolio has remained healthy and stable over the years as illustrated by the table below.

	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07
Occupancy Rate	82.5%	88.8%	94.1%	95.0%	96.6%
	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12
	98.4%	97.8%	95.7%	96.0%	96.4%

5.3.2 Positive rental renewal rates

The Property Manager has, under the direction of the Manager, helped to secure increases in rental rates for multi-tenanted Properties when leases are renewed or replaced as illustrated by the table below.

	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07
Average increase in rental rates	NA ⁽¹⁾	NA ⁽¹⁾	NA ⁽¹⁾	NA ⁽¹⁾	6.4%
	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12
	28.4%	49.2%	7.9%	4.4%	8.5%

Note:

(1) NA – Not Available

5.4 The Experienced Operations Team of the Property Manager / Service Providers

The Property Manager has an experienced team of management and staff who have been involved in the various day-to-day property management functions as well as capital upgrading works for A-REIT since the initial public offering of A-REIT in 2002.

At the instruction of the Manager, this team has also successfully executed all the asset enhancement initiatives implemented at the various Properties since then, resulting in incremental net property income and ultimately enhancing the capital value of A-REIT's portfolio.

As such, the Manager believes the re-appointment of ASPL pursuant to the proposed New Singapore Property Management Agreement will help ensure continuity in the management of A-REIT's present and future portfolio.

5.5 Economies of Scale

ASPL is currently managing 63 Properties and as a result, it should be able to enjoy economies of scale in the procurement of goods and services required for the maintenance of the Properties. Any cost savings achieved through such economies of scale are expected to translate into potential lower operating costs for these Properties and A-REIT.

5.6 Pro-Active Solutions

The Property Manager has over the years provided pro-active solutions such as introducing green initiatives which reduce operating expenses and improves cost efficiency and has also provided extensive customer care services. The Manager believes that the Property Manager, if re-appointed, will continue to provide pro-active solutions beneficial to A-REIT and Unitholders."

6.2 Comparison of the Agreements with the Existing Property Management Agreements

Details relating to the differences between the Agreements and the Existing Property Management Agreements, which includes a comparison of the fees payable under the Agreements and the Existing Property Management Agreements are set out in Appendix A to the Circular. **Unitholders are advised to read this section of the Circular carefully.**

6.3 Comparison of the terms of the fees payable to the Property Manager and the Manager (as the case may be) under the Agreements and to the respective property managers under the relevant property management and/or lease agreements of selected REITs listed on the SGX-ST and HKSE (where applicable)

We note that there are no REITs listed on the SGX-ST and the Hong Kong Stock Exchange (the "HKSE") that are directly comparable to A-REIT in terms of, *inter alia*, the composition of business activities, scale of operations, market capitalisation, asset-base, risk profile, geographical spread of activities, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

For the purpose of undertaking comparisons with the relevant property management and/or lease agreements of REITs listed on the SGX-ST and/or the HKSE considered broadly comparable to A-REIT, we have compiled the relevant property management and/or lease agreements of selected REITs listed on the SGX-ST that own primarily industrial or logistics assets and selected REITs listed on the HKSE.

It should be noted that the property management and/or lease agreements of these selected REITs cover broadly similar services to be performed by the respective property managers, and hence in our opinion the fee structures of these property management and/or lease agreements can be used for purposes of comparison. These services typically include property management services such as establishing operating budgets and annual plans for the operation, maintenance management of the relevant property; lease management services such as recommending leasing strategies and lease administration; project management services such as refurbishment, retrofitting and renovation works to a property; property tax services; and marketing services such as planning promotional events.

It should also be noted that the fee structures related to the property management and/or lease agreements of these selected REITs vary but are generally pegged to gross revenue and net rental income of the selected REITs. In addition, some property managers charge leasing / marketing commissions for the securing and/or renewal of tenancies while other property managers charge a fee equivalent to a percentage of the net property income in lieu of such leasing / marketing commissions. As such, the comparison of the fee structures of these selected REITs is strictly for reference purposes only.

A comparison of the term of the Agreements and the property management agreements entered into by the selected REITs are set out below.

REIT	Terms of the relevant agreements
A-REIT	(a) New Singapore Property Management Agreement - 10 years (b) New China Property Management Agreement – 10 years and 3 months (c) Lease Management Agreement – 10 years and 3 months
AIMS AMP Capital Industrial REIT	The initial term of the property management agreement is 8 years from the listing date. Six months prior to expiry of the initial term of the property management agreement, the property manager may request to extend its appointment for a further 8 years on the same terms and conditions, except for revision of all fees payable to the property manager to market rates prevailing at the time of such extension.
Cache Logistics Trust	The initial term of the property management agreement is 5 years from the listing date. Six months prior to expiry of the initial term of the property management agreement, the property manager may request to extend its appointment for a further 5 years on the same terms and conditions, except for revision of all fees payable to the property manager to market rates prevailing at the time of such extension.
Cambridge Industrial Trust	The initial term of the property management agreement is 8 years from the listing date. Six months prior to expiry of the initial term of the property management agreement, the property manager may request to extend its appointment for a further 8 years on the same terms and conditions, except for revision of all fees payable to the property manager to market rates prevailing at the time of such extension.
Mapletree Industrial Trust	The initial term of the property management agreement is 5 years from the listing date. Six months prior to expiry of the initial term of the property management agreement, the property manager may request to extend its appointment for a further 5 years on the same terms and conditions, except for revision of all fees payable to the property manager to revised rates determined by the trustee having regard to prevailing market rates.
Mapletree Logistics Trust	The initial term of the property management agreement is 5 years from the listing date. Six months prior to expiry of the initial term of the property management agreement, the property manager may request to extend its appointment for a further 5 years on the same terms and conditions, except for revision of all fees payable to the property manager to market rates prevailing at the time of such extension.

A comparison of the salient terms of the fees payable to the Property Manager under the proposed Agreements and to the respective property managers under the property management and/or lease agreements of the selected REITs are set out below.

1. Property Management Services

Comparison of the salient terms for property management services for properties in Singapore owned by selected REITs listed on the SGX-ST.

REIT	Terms of the relevant agreements
A-REIT (under the New Singapore Property Management Agreement)	A fee of 2.0% per annum of the Adjusted Gross Revenue of each Property, and in the event that the Property Manager only manages such Property for less than one calendar year, such amount will be pro-rated based on the number of days which the Manager manages such Property divided by the number of days in such year.
AIMS AMP Capital Industrial REIT	A fee of 2.0% per annum of the net rental income (after rent rebates and provisions for rent-free periods) for each property.
Cache Logistics Trust	A fee of 2.0% per annum of the gross revenue of each property.
Cambridge Industrial Trust	A fee of 2.0% per annum of the gross revenue of each property.
Mapletree Industrial Trust	A fee of 2.0% per annum of the gross revenue of each property.
Mapletree Logistics Trust	A fee of 2.0% per annum of the gross revenue of each property.

Comparison of the salient terms for the property management services for properties owned by selected REITs listed on the SGX-ST (with properties in China) and HKSE.

REIT	Terms of the relevant agreements
A-REIT (under the New China Property Management Agreement)	A fee of 2.0% per annum of the Adjusted Gross Revenue of each Property, and in the event that the Property Manager only manages such Property for less than one calendar year, such amount will be pro-rated based on the number of days which the Manager manages such Property divided by the number of days in such year.
Cache Logistics Trust ⁽¹⁾	A fee of 2.0% per annum of the gross revenue of each property.
Mapletree Logistics Trust ⁽¹⁾	A fee of 2.0% per annum of the gross revenue of each property.
Champion Real Estate Investment Trust ⁽²⁾	A fee of 3.0% per annum of the gross revenue of each property.
Fortune Real Estate Investment Trust ⁽²⁾	A fee of 3.0% per annum of the gross revenue of each property.

Hui Xian Real Estate Investment Trust ⁽²⁾	A fee of 1.0% per annum of the net property income (being the gross revenue less property operating expenses) of each property.
The Link Real Estate Investment Trust ⁽²⁾	Payments are made to manager to cover costs and expenses – no other fees are payable.
Prosperity Real Estate Investment Trust ⁽²⁾	A fee of 3.0% per annum of the gross revenue of each property.
RREEF China Commercial Trust ⁽²⁾	A fee of 6.0% of operating expenses, subject to a minimum of RMB40,000 (HK\$40,000) per month.

Notes:

- (1) REITs listed on SGX-ST with properties located outside of Singapore.
- (2) REITs listed on the HKSE. Fees include provision of lease management services by the property manager.

2. Marketing & Sales Services

Comparison of the salient terms for marketing & sales services for properties in Singapore owned by selected REITs listed on the SGX-ST.

REIT	Terms of the relevant agreements																						
A-REIT (under the New Singapore Property Management Agreement)		<table border="1"> <thead> <tr> <th></th> <th>Length of Tenancy Secured (By the Property Manager or third party agent)⁽¹⁾</th> <th>Commission Payable</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>Less than 6 months</td> <td>Nil</td> </tr> <tr> <td>b</td> <td>Six months or more but less than three years</td> <td>Equivalent to amount pro-rated based on a tenancy for three years as per (c) below</td> </tr> <tr> <td>c</td> <td>Three years</td> <td>Equivalent to one month's gross rent inclusive of service charge</td> </tr> <tr> <td>d</td> <td>Between three years and five years</td> <td>Equivalent to amount pro-rated based on a tenancy for five years as per (e) below</td> </tr> <tr> <td>e</td> <td>Five years</td> <td>Equivalent to two months' gross rent inclusive of service charge</td> </tr> <tr> <td>f</td> <td>More than five years, with the terms of the lease subject to the prior approval of the Manager</td> <td>Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge</td> </tr> </tbody> </table>		Length of Tenancy Secured (By the Property Manager or third party agent) ⁽¹⁾	Commission Payable	a	Less than 6 months	Nil	b	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (c) below	c	Three years	Equivalent to one month's gross rent inclusive of service charge	d	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below	e	Five years	Equivalent to two months' gross rent inclusive of service charge	f	More than five years, with the terms of the lease subject to the prior approval of the Manager	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge
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	<p data-bbox="678 481 702 504">g</p> <p data-bbox="742 291 1316 660">An administrative charge of 20.0 per cent. of the commission is payable to the Manager or the Property Manager in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Manager. If the Manager does not provide the relevant marketing administrative support and such marketing administrative support is provided by the Property Manager to a third party agent, then the Property Manager shall be entitled to be paid an marketing administrative charge of 20.0% of the commission payable to the third party agent in the case of a new lease take-up which involves a third party agent.</p> <p data-bbox="662 716 726 739">Note:</p> <p data-bbox="662 761 1324 817">(1) Should a tenancy be prematurely terminated within six months of its commencement:</p> <ul style="list-style-type: none"> <li data-bbox="718 828 1324 929">(i) (in the instance where such tenant is secured by the Property Manager) the Property Manager shall refund the Trustee 50.0% of the commission which it received from the Trustee; and <li data-bbox="718 952 1324 1097">(ii) (in the instance where such tenant is secured by a third party agent) the Trustee, for and on behalf of A-REIT, is entitled to a refund of 50.0% of the commission paid to the third party agent, subject to the Property Manager procuring (on a best efforts basis) the third party agent to refund 50.0% of the commission received. <p data-bbox="718 1120 1324 1332">If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Property Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Property Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.</p>
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<p>AIMS AMP Capital Industrial REIT</p>	<table border="1"> <thead> <tr> <th data-bbox="671 315 727 398"></th> <th data-bbox="727 315 1002 398">Length of Tenancy Secured (By the property manager)</th> <th data-bbox="1002 315 1305 398">Commission Payable</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 398 727 470">a</td> <td data-bbox="727 398 1002 470">Three years or less</td> <td data-bbox="1002 398 1305 470">Equivalent to one month's gross rental revenue</td> </tr> <tr> <td data-bbox="671 470 727 542">b</td> <td data-bbox="727 470 1002 542">More than three years</td> <td data-bbox="1002 470 1305 542">Equivalent to two months' gross rental revenue</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th data-bbox="671 571 727 654"></th> <th data-bbox="727 571 1002 654">Length of Tenancy Secured (By third party agent)</th> <th data-bbox="1002 571 1305 654">Commission Payable</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 654 727 725">a</td> <td data-bbox="727 654 1002 725">Three years or less</td> <td data-bbox="1002 654 1305 725">Equivalent to 1.2 months' gross rental revenue</td> </tr> <tr> <td data-bbox="671 725 727 797">b</td> <td data-bbox="727 725 1002 797">More than three years</td> <td data-bbox="1002 725 1305 797">Equivalent to 2.4 months' gross rental revenue</td> </tr> </tbody> </table>		Length of Tenancy Secured (By the property manager)	Commission Payable	a	Three years or less	Equivalent to one month's gross rental revenue	b	More than three years	Equivalent to two months' gross rental revenue		Length of Tenancy Secured (By third party agent)	Commission Payable	a	Three years or less	Equivalent to 1.2 months' gross rental revenue	b	More than three years	Equivalent to 2.4 months' gross rental revenue
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Mapletree Industrial Trust		Length of Tenancy Secured (By the property manager)	Commission Payable
	a	Three years or less	Equivalent to one month's gross rental revenue
	b	More than three years	Equivalent to two months' gross rental revenue
		Length of Tenancy Secured (By third party agent)	Commission Payable
	a	Three years or less	Equivalent to 1.2 months' gross rental revenue
	b	More than three years	Equivalent to 2.4 months' gross rental revenue
Mapletree Logistics Trust		Length of Tenancy Secured (By the property manager)	Commission Payable
	a	Three years or less	Equivalent to one month's gross rental revenue
	b	More than three years	Equivalent to two months' gross rental revenue
		Length of Tenancy Secured (By third party agent)	Commission Payable
	a	Three years or less	Equivalent to 1.2 months' gross rental revenue
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Comparison of the salient terms for the marketing & sales services for properties owned by selected REITs listed on the SGX-ST (with properties in China) and HKSE.

REIT	Terms of the relevant agreements	
A-REIT (under the New China Property Management Agreement)		Commission Payable
	a	Nil
	b	Equivalent to amount pro-rated based on a tenancy for three years as per (c) below
	c	Equivalent to one month's gross rent inclusive of service charge
	d	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below
	e	Equivalent to two months' gross rent inclusive of service charge
	f	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge
	g	An administrative charge of 20.0 per cent. of the commission is payable to the Manager or the Property Manager in the case of a new lease take-up which involves a third party agent for the marketing support and administrative services to be rendered either by the Manager or the Property Manager. If the Manager does not provide the relevant marketing administrative support and such marketing administrative support is provided by the Property Manager to a third party agent, then the Property Manager shall be entitled to be paid an marketing administrative charge of 20.0% of the commission payable to the third party agent in the case of a new lease take-up which involves a third party agent.
<p>Note:</p> <p>(1) Should a tenancy be prematurely terminated within six months of its commencement:</p>		

	<p>(i) (in the instance where such tenant is secured by the Property Manager) the Property Manager shall refund the Trustee 50.0% of the commission which it received from the Trustee; and</p> <p>(ii) (in the instance where such tenant is secured by a third party agent) the Trustee, for and on behalf of A-REIT, is entitled to a refund of 50.0% of the commission paid to the third party agent, subject to the Property Manager procuring (on a best efforts basis) the third party agent to refund 50.0% of the commission received.</p> <p>If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Property Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT, by the Property Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.</p>																		
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The Link Real Estate Investment Trust ⁽²⁾	Payments are made to manager to cover costs and expenses – no other fees are payable.																		
Prosperity Real Estate Investment Trust ⁽²⁾	<table border="1" data-bbox="671 860 1305 1084"> <thead> <tr> <th></th> <th>Length of Tenancy Secured (By the property manager)</th> <th>Commission Payable</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>Less than three years</td> <td>Equivalent to one half month's rent</td> </tr> <tr> <td>b</td> <td>Three years or more</td> <td>Equivalent to one month's rent</td> </tr> </tbody> </table> <p data-bbox="662 1106 1321 1189">If the tenancy is secured by a third party agent, the property manager will not be entitled to receive any of the above commissions.</p>		Length of Tenancy Secured (By the property manager)	Commission Payable	a	Less than three years	Equivalent to one half month's rent	b	Three years or more	Equivalent to one month's rent									
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RREEF China Commercial Trust ⁽²⁾	<table border="1" data-bbox="667 1240 1305 1480"> <thead> <tr> <th></th> <th>Length of Tenancy Secured (By the property manager)</th> <th>Commission Payable</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>Less than one year</td> <td>Equivalent to one-half month's rent</td> </tr> <tr> <td>b</td> <td>One year or more</td> <td>Equivalent to one month's base rent</td> </tr> </tbody> </table> <table border="1" data-bbox="667 1509 1305 1704"> <thead> <tr> <th></th> <th>Length of Tenancy Secured (By third party agent)</th> <th>Commission Payable</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>Less than one year</td> <td>Nil</td> </tr> <tr> <td>b</td> <td>One year or more</td> <td>One-quarter month's rent</td> </tr> </tbody> </table>		Length of Tenancy Secured (By the property manager)	Commission Payable	a	Less than one year	Equivalent to one-half month's rent	b	One year or more	Equivalent to one month's base rent		Length of Tenancy Secured (By third party agent)	Commission Payable	a	Less than one year	Nil	b	One year or more	One-quarter month's rent
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b	One year or more	One-quarter month's rent																	

Notes:

- (1) REITs listed on SGX-ST with properties located outside of Singapore.
- (2) REITs listed on the HKSE. Fees include provision of lease management services by the property manager.

3. Project Management Services

REIT	Terms of the relevant agreements			
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)		Amount of Construction Costs (Singapore)	Amount of Construction Costs (China) ⁽¹⁾	Fee
	a	S\$2.0 million or less	RMB2.0 million (or S\$394,000) or less	3.0% of the construction costs
	b	Exceed S\$2.0 million but do not exceed S\$12.0 million	Exceed RMB2.0 million (or S\$394,000) but do not exceed RMB12.0 million (or S\$2,364,000)	2.15% of the construction costs
	c	Exceed S\$12.0 million but do not exceed S\$40.0 million	Exceed RMB12.0 million (or S\$2,364,000) but do not exceed RMB40.0 million (or S\$7,880,000)	1.45% of the construction costs
	d	Exceed S\$40.0 million but do not exceed S\$70.0 million	Exceed RMB40.0 million (or S\$7,880,000) but do not exceed RMB70.0 million (or S\$13,790,000)	1.4% of the construction costs
	e	Exceed S\$70.0 million but do not exceed S\$100.0 million	Exceed RMB70.0 million (or S\$13,790,000) but do not exceed RMB100.0 million (or S\$19,700,000)	1.35% of the construction costs
	f	Exceed S\$100.0 million	Exceed RMB100.0 million (or S\$19,700,000)	To be mutually agreed by the parties, but in any event, no higher than 1.35% of the construction costs
Note: (1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.				

AIMS AMP Capital Industrial REIT	<table border="1"> <thead> <tr> <th></th> <th>Amount of Construction Costs</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>S\$2.0 million or less</td> <td>3.0% of the construction costs</td> </tr> <tr> <td>b</td> <td>Exceed S\$2.0 million but do not exceed S\$20.0 million</td> <td>2.0% of the construction costs</td> </tr> <tr> <td>c</td> <td>Exceed S\$20.0 million but do not exceed S\$50.0 million</td> <td>1.5% of the construction costs</td> </tr> <tr> <td>d</td> <td>Exceed S\$50.0 million</td> <td>To be mutually agreed by the parties</td> </tr> </tbody> </table>		Amount of Construction Costs	Fee	a	S\$2.0 million or less	3.0% of the construction costs	b	Exceed S\$2.0 million but do not exceed S\$20.0 million	2.0% of the construction costs	c	Exceed S\$20.0 million but do not exceed S\$50.0 million	1.5% of the construction costs	d	Exceed S\$50.0 million	To be mutually agreed by the parties
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d	Exceed S\$50.0 million	To be mutually agreed by the parties														

Mapletree Industrial Trust		Amount of Construction Costs	Fee
	a	S\$2.0 million or less	3.0% of the construction costs
	b	Exceed S\$2.0 million but do not exceed S\$20.0 million	2.0% of the construction costs, or S\$60,000 whichever is the higher
	c	Exceed S\$20.0 million but do not exceed S\$50.0 million	1.5% of the construction costs, or S\$400,000, whichever is higher
	d	Exceed S\$50.0 million	To be mutually agreed by the parties
Mapletree Logistics Trust		Amount of Construction Costs	Fee
	a	S\$2.0 million or less	3.0% of the construction costs
	b	Exceed S\$2.0 million but do not exceed S\$20.0 million	2.0% of the construction costs
	c	Exceed S\$20.0 million but do not exceed S\$50.0 million	1.5% of the construction costs
	d	Exceed S\$50.0 million	To be mutually agreed by the parties

4. Reimbursable Employment Costs for site-staff

REIT	Terms of the relevant agreements
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)	The Trustee shall (i) reimburse the base salary of the employees of the Property Manager (approved by the Manager) engaged solely for site supervision of the Properties (such costs are part of the annual business plan and budget approved by the Trustee on the recommendation of the Manager or otherwise agreed between the Trustee and the Manager) and (ii) pay a fee of 10.0% of such base salary. This payment of 10.0% of the base salary is to cover the cost of providing employment benefits such as medical, insurance, staff welfare and other related fringe benefits which are not covered by the base salary.
AIMS AMP Capital Industrial REIT	In addition to its fees, the property manager will be fully reimbursed by the trustee, following the recommendation of the manager, for the employment costs and remuneration relating to the employees of the property manager engaged solely and exclusively for management of its property, as approved in each annual business plan budget of the relevant property.

Cache Logistics Trust	<p>In addition to its fees, the property manager will be fully reimbursed for each property under its management:</p> <p>(a) the employment and remuneration costs of the team of personnel employed by the property manager for the provision of services to that property; and</p> <p>(b) the employment and remuneration costs relating to the centralised team of employees of the property manager who provide group services for all properties of under its management, which costs are apportioned by the property manager to that property,</p> <p>as approved in each annual budget by the trustee following the recommendation of the manager.</p>
Cambridge Industrial Trust	Not applicable.
Mapletree Industrial Trust	In addition to its fees, the property manager will be fully reimbursed for each property under its management for the agreed employee expenditure incurred for each month.
Mapletree Logistics Trust	<p>In addition to its fees, the property manager will be fully reimbursed for each property under its management:</p> <p>(a) the employment and remuneration costs of the team of personnel employed by the property manager for the provision of services to that property; and</p> <p>(b) the employment and remuneration costs relating to the centralised team of employees of the property manager who provide group services for all properties of Mapletree Logistics Trust under its management, which costs are apportioned by the property manager to that property,</p> <p>as approved in each annual budget by the trustee following the recommendation of the manager.</p>

5. **Energy Audit Service**

REIT	Terms of the relevant agreements							
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)	<p>Under the New Singapore Property Management Agreement:</p> <p>If the Property Manager is engaged to conduct energy audit services on the Properties located in Singapore, the Trustee shall pay the Property Manager the following fees:</p> <table border="1" data-bbox="667 1626 1324 1919"> <tr> <td>First two chillers in a Property</td> <td>S\$4,000 each</td> <td rowspan="2">Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum</td> </tr> <tr> <td>Each subsequent chiller in the same Property ⁽¹⁾</td> <td>S\$2,000 each</td> </tr> </table>			First two chillers in a Property	S\$4,000 each	Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum	Each subsequent chiller in the same Property ⁽¹⁾	S\$2,000 each
First two chillers in a Property	S\$4,000 each	Plus 40.0% of the savings achieved (based on comparison between the actual energy costs and the historical energy costs) during the first three years after the completion of the said works in such Property subject to a maximum						
Each subsequent chiller in the same Property ⁽¹⁾	S\$2,000 each							

			fee of S\$40,000 per Property (such amount shall be inclusive of the base energy audit fee and the fees based on the savings achieved).
	<p>Under the New China Property Management Agreement:</p> <p>In relation to energy audit services, if the Property Manager is engaged to conduct energy audit services on the Properties located in China, the Trustee shall pay the Property Manager an energy audit fee of RMB10,000(or S\$1,970)⁽¹⁾ for each chiller in a Property.</p> <p>Note:</p> <p>(1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.</p>		
AIMS AMP Capital Industrial REIT	Not available.		
Cache Logistics Trust	Not available.		
Cambridge Industrial Trust	Not available.		
Mapletree Industrial Trust	Not available.		
Mapletree Logistics Trust	Not available.		

We note from sections 2 and 3 of the Circular that in determining the fees payable for the Energy Audit Services under the New Singapore Property Management Agreement and the New China Property Management Agreement, the Manager has obtained quotations from other service providers for similar services to be rendered by the Property Manager under the New Singapore Property Management Agreement and the New China Property Management Agreement. We note that the Manager has made fee comparisons based on information obtained through a competitive tender exercise. We have reviewed the quotations received and noted that the above-proposed fee payable to the Property Manager is the lowest.

Having reviewed the quotations from other service providers and compared with the fees payable to the Property Manager, the Board is of the view that the price and terms offered by the Property Manager for the Energy Audit Services are not less favourable than the price and terms quoted by unrelated third parties for similar services provided.

6. **Reimbursable Advertising Cost for the promotion of leasing and Customer Care Costs**

REIT	Terms of the relevant agreements
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)	<p><u>Advertising Cost for the Promotion of Leasing</u> The Trustee shall reimburse the Property Manager for the cost of advertising incurred by the Property Manager in relation to the promotion of leasing for a Property provided that prior approval of the Manager for such cost incurred has been obtained.</p> <p><u>Customer Care Costs</u> The Trustee shall reimburse the Property Manager for the cost of customer care incurred by the Property Manager in relation to tenants of a Property provided that prior approval of the Manager for such cost incurred has been obtained.</p>
AIMS AMP Capital Industrial REIT	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee, and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of such property, within the budget approved in the annual budget for such property.
Cache Logistics Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment for all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.
Cambridge Industrial Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of Cambridge Industrial Trust and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of each property within the annual budget approved by the trustee on the recommendation of the manager.
Mapletree Industrial Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment for all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.
Mapletree Logistics Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.

7. Third Party Facility Management Arrangement

REIT	Terms of the relevant agreements
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)	In the situation where a tenant insists on contracting with A-REIT (through the Trustee and/or the Manager) for facility management services even though such services will be performed by the Property Manager, the Trustee shall pay the Property Manager any fees which it receives from a tenant of A-REIT which is payable by such tenant as a result of the Trustee or the Manager (on behalf of A-REIT) engaging the Property Manager on a back-to-back basis to serve as a facility manager for such tenant.
AIMS AMP Capital Industrial REIT	Not available.
Cache Logistics Trust	Not available.
Cambridge Industrial Trust	Not available.
Mapletree Industrial Trust	Not available.
Mapletree Logistics Trust	Not available.

8. Project Management Expenses

REIT	Terms of the relevant agreements
A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)	<p>The project management expenses under (a) the New Singapore Property Management Agreement and the New China Property Management Agreement and (b) the Existing Singapore Property Management Agreement are identical (except that the New Singapore Property Management Agreement and the New China Property Management Agreement do not specifically allow business class travel – See point (iii)) such that the Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for:</p> <ul style="list-style-type: none"> (i) costs for printing drawings, documents and other lithography expenses incurred for calling of tenders; (ii) costs for preparing and printing perspectives, plans, models and any materials required for marketing purposes and costs of all submissions to authorities; (iii) overseas travelling and accommodation expenses and other similar disbursements in respect of the Property Manager acting on the instructions of the Trustee for any purpose in connection with and/or arising out of a project; (iv) costs of tele-conferencing, video conferencing and/or project management portal in connection with and/or arising out of a project, <p>provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other</p>

	<p>documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.</p> <p>The following personnel must be engaged by the Trustee at the costs and expense of A-REIT:</p> <ul style="list-style-type: none"> (i) contractors and surveyors for determining site boundaries, topography information and obtaining other necessary information for project planning and design; (ii) consultants required for each project; (iii) contractors required for the construction of the works; (iv) site supervisory personnel; and (v) accredited checkers and registered inspectors. <p>The Existing China Property Management Agreement does not have any clause on project management expenses.</p>
AIMS AMP Capital Industrial REIT	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee, and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of such property, within the budget approved in the annual budget for such property.
Cache Logistics Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment for all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.
Cambridge Industrial Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of Cambridge Industrial Trust and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of each property within the annual budget approved by the trustee on the recommendation of the manager.
Mapletree Industrial Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment for all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.
Mapletree Logistics Trust	The property manager is authorised to utilise funds deposited in operating accounts maintained in the name of the trustee and to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of each property within each annual budget approved by the trustee on the recommendation of the manager.

9. Car Park Management Services

REIT	Terms of the relevant agreements
<p>A-REIT (under the New Singapore Property Management Agreement and the New China Property Management Agreement)</p>	<p>The Trustee shall pay the Property Manager the following car park management fee in relation to Properties located in Singapore:</p> <ul style="list-style-type: none"> (i) in relation to the Managed Car Parks, the Base Car Park Fee of S\$2.16 million per annum and 40.0% of hourly parking collections for such car parks (excluding goods and services tax); and (ii) in the event that additional car parks are subsequently added to or removed from the list of Managed Car Parks, the car park management fee shall be adjusted as follows: <ul style="list-style-type: none"> (a) in relation to a Property which has up to 100 car park lots - the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the Managed Car Parks) by S\$35 per car park lot per month multiplied by the number of car park lots in such Property; and (b) in relation to a Property which has more than 100 car park lots - the Base Car Park Fee shall be increased (in the case of additional car parks being added to the Managed Car Parks) or decreased (in the case of car parks being removed from the Managed Car Parks) by management fees of S\$25 per car park lot per month multiplied by the number of car park lots in such Property. <p>Under the New China Property Management Agreement, ACPL is not required to provide any car park management services. Accordingly, no car park management fees are charged under the New China Property Management Agreement.</p>
<p>AIMS AMP Capital Industrial REIT</p>	<p>Not available.</p>
<p>Cache Logistics Trust</p>	<p>Not available.</p>
<p>Cambridge Industrial Trust</p>	<p>Not available.</p>
<p>Mapletree Industrial Trust</p>	<p>Not available.</p>
<p>Mapletree Logistics Trust</p>	<p>Not available.</p>

We note from section 2 of the Circular that in determining the fees payable for the Car Park Management Services under the New Singapore Property Management Agreement, the Manager have obtained quotations from other service providers for similar services to be rendered by the Property Manager under the New Singapore Property Management Agreement. We note that the Manager has made fee comparisons with public information from a recent tender exercise conducted by HDB for the provision of management service for its car parks. We have reviewed the information on the tendered fee quotes received in

the said exercise and noted that the majority of the tendered fee quotes are higher than the above-proposed fees payable to the Property Manager.

Having reviewed the quotations from other service providers and compared with the fees payable to the Property Manager, the Board is of the view that the price and terms offered by the Property Manager for the Car Park Management Services are generally not less favourable than the price and terms quoted by unrelated third parties for similar services provided.

10. Lease Management Services

Comparison of the salient terms for lease management services for properties in Singapore owned by selected REITs listed on the SGX-ST.

REIT	Terms of the relevant agreements	
A-REIT (under the Lease Management Agreement)	The Lease Management Agreement	
	A fee of 1.0% per annum of the Adjusted Gross Revenue of each Property	
	Tenancy Renewal Fee ⁽¹⁾	
	Length of Tenancy Renewed	Commission Payable
	a Less than six months	Nil
	b Six months or more but less than one year	Equivalent to amount pro-rated based on a tenancy for one year or more but less than three years as per (c) below
	c One year or more but less than three years	Equivalent to half month's gross rent inclusive of service charge
	d Three years or more but less than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below
	e Five years	Equivalent to one month's gross rent inclusive of service charge
	f More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge
Leasing Commission for New Take-Up of Space by an existing tenant or where the space is taken up by a new tenant introduced by an existing		

		tenant	
		Length of Tenancy Secured	Commission Payable
a	Less than six months		Nil
b	Three years		Equivalent to one month's gross rent inclusive of service charge
c	Six months or more but less than three years		Equivalent to amount pro-rated based on a tenancy for three years as per (b) above
d	Five years		Equivalent to two months' gross rent inclusive of service charge
e	Between three years and five years		Equivalent to amount pro-rated based on a tenancy for five years as per (d) above
f	More than five years		Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge

Note:
 (1) The Manager commission received as set out in the table is subject to a refund of 50.0% of the commission paid to the Manager if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates the Trustee, for and on behalf of A-REIT, for the pre-termination (taking into account the loss of income and related expenses) the Manager need not refund 50.0% of the commission. If the tenant only compensates the Trustee, for and on behalf of A-REIT, for a proportion of the loss, the amount refunded to the Trustee, for and on behalf of A-REIT by the Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.

AIMS AMP Capital Industrial REIT ⁽¹⁾		The lease management agreement	
		A fee of 1.0% per annum of the net rental income (after rent rebates and provisions of rent-free periods) of each property.	
		Additional Fee in Relation to a Tenancy Renewal	
		Length of Tenancy Renewed	Commission Payable
a	Three years or less		Equivalent to half month's gross rental revenue
b	More than three years		Equivalent to one month's gross rental revenue

Cache Logistics Trust	A fee of 1.0% per annum of the gross revenue of each property.													
Cambridge Industrial Trust ⁽¹⁾	<table border="1"> <tr> <td colspan="2" style="text-align: center;">The lease management agreement</td> </tr> <tr> <td colspan="2">A fee of 1.0% per annum of the gross rental income of each property.</td> </tr> <tr> <td colspan="2" style="text-align: center;">Additional Fee in Relation to a Tenancy Renewal</td> </tr> <tr> <td style="text-align: center;">Length of Tenancy Renewed</td> <td style="text-align: center;">Commission Payable</td> </tr> <tr> <td>a Three years or less</td> <td>Equivalent to half month's gross rental revenue</td> </tr> <tr> <td>b More than three years</td> <td>Equivalent to one month's gross rental revenue</td> </tr> </table>		The lease management agreement		A fee of 1.0% per annum of the gross rental income of each property.		Additional Fee in Relation to a Tenancy Renewal		Length of Tenancy Renewed	Commission Payable	a Three years or less	Equivalent to half month's gross rental revenue	b More than three years	Equivalent to one month's gross rental revenue
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Note:

- (1) Each of AIMS AMP Capital Industrial REIT, Cambridge Industrial Trust, Mapletree Industrial Trust and Mapletree Logistics Trust have categorized the commission payable for the renewal secured by the property managers under "Marketing and Sales Services".

Comparison of the salient terms for the lease management services for properties owned by selected REITs listed on the SGX-ST (with properties in China) and HKSE.

REIT	Terms of the relevant agreements	
A-REIT (under the Lease Management Agreement)	The Lease Management Agreement	
	A fee of 1.0% per annum of the Adjusted Gross Revenue of each Property	
	Tenancy Renewal Fee ⁽¹⁾	
	Length of Tenancy Renewed	Commission Payable
	a Less than six months	Nil
	b Six months or more but less than one year	Equivalent to amount pro-rated based on a tenancy for one year or more but less than three years as per (c) below
	c One year or more but less than three years	Equivalent to half month's gross rent inclusive of service charge
	d Three years or more but less than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) below
	e Five years	Equivalent to one month's gross rent inclusive of service charge
	f More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (e) above, provided always that the commission payable shall not exceed a sum equivalent to one and a half months' gross rent inclusive of service charge
	Leasing Commission for New Take-Up of Space by an existing tenant or where the space is taken up by a new tenant introduced by an existing tenant	
	Length of Tenancy Secured	Commission Payable
	a Less than six months	Nil
	b Three years	Equivalent to one month's gross rent inclusive of service charge

	<table border="1"> <tr> <td>c</td> <td>Six months or more but less than three years</td> <td>Equivalent to amount pro-rated based on a tenancy for three years as per (b) above</td> </tr> <tr> <td>d</td> <td>Five years</td> <td>Equivalent to two months' gross rent inclusive of service charge</td> </tr> <tr> <td>e</td> <td>Between three years and five years</td> <td>Equivalent to amount pro-rated based on a tenancy for five years as per (d) above</td> </tr> <tr> <td>f</td> <td>More than five years</td> <td>Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge</td> </tr> </table> <p>Note:</p> <p>(1) The Manager commission received as set out in the table is subject to a refund of 50.0% of the commission paid to the Manager if the tenancy is prematurely terminated within six months of the commencement of the tenancy. If the tenant fully compensates A-REIT for the pre-termination (taking into account the loss of income and related expenses) the Manager need not refund 50.0% of the commission. If the tenant only compensates A-REIT for a proportion of the loss, the amount refunded to A-REIT by the Manager would be pro-rated based on the unrecovered loss divided by the aggregate total loss multiplied by 50.0% of the commission paid.</p>	c	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (b) above	d	Five years	Equivalent to two months' gross rent inclusive of service charge	e	Between three years and five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above	f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge
c	Six months or more but less than three years	Equivalent to amount pro-rated based on a tenancy for three years as per (b) above											
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f	More than five years	Equivalent to amount pro-rated based on a tenancy for five years as per (d) above, provided always that the commission payable shall not exceed a sum equivalent to three months' gross rent inclusive of service charge											
Cache Logistics Trust ⁽¹⁾	A fee of 1.0% per annum of the gross revenue of each property.												
Mapletree Logistics Trust ⁽¹⁾	<table border="1"> <tr> <th colspan="2">The lease management agreement</th> </tr> <tr> <td colspan="2">A fee of 1.0% per annum of the gross rental income of each property.</td> </tr> <tr> <th colspan="2">Additional Fee in Relation to a Tenancy Renewal</th> </tr> <tr> <th>Length of Tenancy Renewed</th> <th>Commission Payable</th> </tr> <tr> <td>a Three years or less</td> <td>Equivalent to half month's gross rental revenue</td> </tr> <tr> <td>b More than three years</td> <td>Equivalent to one month's gross rental revenue</td> </tr> </table>	The lease management agreement		A fee of 1.0% per annum of the gross rental income of each property.		Additional Fee in Relation to a Tenancy Renewal		Length of Tenancy Renewed	Commission Payable	a Three years or less	Equivalent to half month's gross rental revenue	b More than three years	Equivalent to one month's gross rental revenue
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b More than three years	Equivalent to one month's gross rental revenue												
Champion Real Estate Investment Trust ⁽²⁾	A commission equivalent to one-half month's base rent, for securing a renewal of tenancy irrespective of the duration of the renewal term and a commission equivalent to 10.0% of the total licence fee for securing a licence for duration of less than 12 months.												

	If the renewal of tenancy or licence is secured by a third party agent, the property manager will not be entitled to receive any of the above commissions.											
Fortune Real Estate Investment Trust ⁽²⁾	<p>A commission equivalent to one-half month's base rent, for securing a renewal of tenancy irrespective of the duration of the renewal term and a commission equivalent to 10.0% of the total licence fee for securing a licence for duration of less than 12 months.</p> <p>If the renewal of tenancy or licence is secured by a third party agent, the property manager will not be entitled to receive any of the above commissions.</p>											
Hui Xian Real Estate Investment Trust ⁽²⁾	Not available.											
The Link Real Estate Investment Trust ⁽²⁾	Payments are made to manager to cover costs and expenses – no other fees are payable.											
Prosperity Real Estate Investment Trust ⁽²⁾	<p>A commission equivalent to one-half month's base rent, for securing a renewal of tenancy irrespective of the duration of the renewal term and a commission equivalent to 10.0% of the total licence fee for securing a licence for duration of less than 12 months.</p> <p>If the renewal of tenancy or licence is secured by a third party agent, the property manager will not be entitled to receive any of the above commissions.</p>											
RREEF China Commercial Trust ⁽²⁾	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">Tenancy Renewal Fee</th> </tr> <tr> <th style="width: 10%;"></th> <th style="text-align: center;">Length of Tenancy Renewed</th> <th style="text-align: center;">Commission Payable</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">a</td> <td>Less than one year</td> <td>Pro-rated based on tenancy as per (b) below</td> </tr> <tr> <td style="text-align: center;">b</td> <td>At least one year</td> <td>One-half month's rent</td> </tr> </tbody> </table> <p>If the renewal of tenancy is secured by a third party agent, the property manager will not be entitled to receive any of the above commissions.</p>	Tenancy Renewal Fee			Length of Tenancy Renewed	Commission Payable	a	Less than one year	Pro-rated based on tenancy as per (b) below	b	At least one year	One-half month's rent
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	Length of Tenancy Renewed	Commission Payable										
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Note:

- (1) REITs listed on SGX-ST with properties located outside of Singapore.
(2) REITs listed on the HKSE. Fees for lease management services included in paragraph 1 above - Property Management Services.

11. Property Tax Services

REIT	Terms of the relevant agreements														
<p>A-REIT (under the New Singapore Property Management Agreement, the New China Property Management Agreement and the Lease Management Agreement)</p>	<table border="1" data-bbox="679 461 1310 1048"> <thead> <tr> <th data-bbox="679 461 916 633">Proposed Reduction in Annual Value (Singapore) by Tax Authorities</th> <th data-bbox="916 461 1126 633">Proposed Reduction in Taxable Value (PRC) by Tax Authorities ⁽¹⁾</th> <th data-bbox="1126 461 1310 633">Fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="679 633 916 748">S\$1.0 million or less</td> <td data-bbox="916 633 1126 748">RMB1.0million (S\$197,000) or less</td> <td data-bbox="1126 633 1310 748">7.5% of the property tax savings</td> </tr> <tr> <td data-bbox="679 748 916 936">More than S\$1.0 million but does not exceed S\$5.0 million</td> <td data-bbox="916 748 1126 936">More than RMB1.0 million (S\$197,000) but does not exceed RMB5.0 million (S\$985,000)</td> <td data-bbox="1126 748 1310 936">5.5% of the property tax savings</td> </tr> <tr> <td data-bbox="679 936 916 1048">More than S\$5.0 million</td> <td data-bbox="916 936 1126 1048">More than RMB5.0 million (S\$985,000)</td> <td data-bbox="1126 936 1310 1048">5.0% of the property tax savings</td> </tr> </tbody> </table> <p data-bbox="679 1077 724 1099">Note:</p> <p data-bbox="679 1122 1326 1196">(1) The Singapore dollar equivalent is only for illustrative purposes and is based on the exchange rate of 0.1970 as at 22 May 2012. The actual exchange rate may be different.</p>			Proposed Reduction in Annual Value (Singapore) by Tax Authorities	Proposed Reduction in Taxable Value (PRC) by Tax Authorities ⁽¹⁾	Fee	S\$1.0 million or less	RMB1.0million (S\$197,000) or less	7.5% of the property tax savings	More than S\$1.0 million but does not exceed S\$5.0 million	More than RMB1.0 million (S\$197,000) but does not exceed RMB5.0 million (S\$985,000)	5.5% of the property tax savings	More than S\$5.0 million	More than RMB5.0 million (S\$985,000)	5.0% of the property tax savings
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<p>AIMS AMP Capital Industrial REIT</p>	<table border="1" data-bbox="679 1247 1310 1559"> <thead> <tr> <th data-bbox="679 1247 1007 1330">Proposed Reduction in Annual Value by Tax Authorities</th> <th data-bbox="1007 1247 1310 1330">Fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="679 1330 1007 1413">S\$1.0 million or less</td> <td data-bbox="1007 1330 1310 1413">7.5% of the property tax savings</td> </tr> <tr> <td data-bbox="679 1413 1007 1496">More than S\$1.0 million but does not exceed S\$5.0 million</td> <td data-bbox="1007 1413 1310 1496">5.5% of the property tax savings</td> </tr> <tr> <td data-bbox="679 1496 1007 1559">More than S\$5.0 million</td> <td data-bbox="1007 1496 1310 1559">5.0% of the property tax savings</td> </tr> </tbody> </table>			Proposed Reduction in Annual Value by Tax Authorities	Fee	S\$1.0 million or less	7.5% of the property tax savings	More than S\$1.0 million but does not exceed S\$5.0 million	5.5% of the property tax savings	More than S\$5.0 million	5.0% of the property tax savings				
Proposed Reduction in Annual Value by Tax Authorities	Fee														
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<p>Cache Logistics Trust</p>	<p>Included in the lease management services. A fee of 1.0% per annum of the gross revenue of each property is charged for the lease management services.</p>														

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	Proposed Reduction in Annual Value by Tax Authorities	Fee							
	S\$1.0 million or less	7.5% of the property tax savings							
	More than S\$1.0 million but does not exceed S\$5.0 million	5.5% of the property tax savings							
More than S\$5.0 million	5.0% of the property tax savings								

Source: Prospectuses of the respective REITs

Based on the above, we note that the fees payable to the Property Manager and the Manager (as the case may be) under the Agreements are in line with the selected REITs listed on the SGX-ST and the HKSE.

7 RECOMMENDATION

In arriving at our recommendation in respect of the Agreements, we have considered, *inter alia*, the following factors summarized below which we consider to be pertinent in our assessment of the Agreements.

- (a) the rationale for the entry into the Agreements;
- (b) comparison of the Agreements with the Existing Property Management Agreements; and
- (c) comparison of the terms of the fees payable to the Property Manager and the Manager (as the case may be) under the Agreements and to the respective property managers under the relevant agreements of selected REITs listed on the SGX-ST and the HKSE (where applicable).

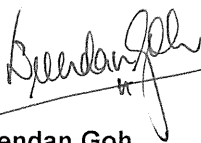
BASED ON THE ANALYSIS UNDERTAKEN BY US AND SUBJECT TO THE QUALIFICATIONS AND ASSUMPTIONS MADE IN THIS IFA LETTER, WE ARE OF THE OPINION THAT THE TERMS OF THE AGREEMENTS ARE ON NORMAL

COMMERCIAL TERMS AND ARE NOT PREJUDICIAL TO THE INTERESTS OF A-REIT AND ITS MINORITY UNITHOLDERS. WE THEREFORE ADVISE INDEPENDENT DIRECTORS TO RECOMMEND THAT MINORITY UNITHOLDERS VOTE IN FAVOUR OF THE RESOLUTIONS IN RELATION TO THE ENTRY INTO THE AGREEMENTS AT THE FORTHCOMING EGM.

Our recommendation is based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date.

The recommendation made by the Independent Directors remains their responsibility. While a copy of this letter may be reproduced in the Circular, and for that purpose may be discussed or quoted at the EGM of Unitholders convened to consider the Transactions and in relation to the any resolution tabled thereof. Other than for this intended purpose, this IFA Letter should not be used for any other purpose and/or by other persons without prior consent of DMG.

Yours faithfully
For and on behalf of
DMG & Partners Securities Pte Ltd



Brendan Goh
Director
Corporate Finance



Jessica Teo
Vice President
Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Ascendas Real Estate Investment Trust (“**A-REIT**”) will be held on Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned) at Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594, Level 1, Taurus Room, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

(1) THE PROPOSED ENTRY INTO THE NEW SINGAPORE PROPERTY MANAGEMENT AGREEMENT

That subject to and contingent upon the passing of Resolution 2 and Resolution 3:

- (i) approval be and is hereby given for the entry into the new Singapore property management agreement (the “**New Singapore Property Management Agreement**”) between HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of A-REIT (the “**Trustee**”), Ascendas Funds Management (S) Limited, in its capacity as manager of A-REIT (the “**Manager**”) and Ascendas Services Pte Ltd as the property manager of A-REIT, as described in the circular to the unitholders of A-REIT (“**Unitholders**”) dated 13 June 2012 (the “**Circular**”);
- (ii) approval be and is hereby given for the payment of all fees, expenses and reimbursements relating to or arising from the New Singapore Property Management Agreement; and
- (iii) the Manager, any director of the Manager (“**Director**”), and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing the New Singapore Property Management Agreement and other documents pursuant to or in connection with the entry into the New Singapore Property Management Agreement) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of A-REIT to give effect to the New Singapore Property Management Agreement.

ORDINARY RESOLUTION 2

(2) THE PROPOSED ENTRY INTO THE NEW CHINA PROPERTY MANAGEMENT AGREEMENT

That subject to and contingent upon the passing of Resolution 1 and Resolution 3:

- (i) approval be and is hereby given for the entry into the new China property management agreement (the “**New China Property Management Agreement**”) between the Trustee, the Manager and Ascendas (China) Pte Ltd as the property manager of A-REIT, as described in the Circular;
- (ii) approval be and is hereby given for the payment of all fees, expenses and reimbursements relating to or arising from the New China Property Management Agreement; and
- (iii) the Manager, any Director, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing the New China Property Management Agreement and other documents pursuant to or in connection with the entry into the New China Property Management Agreement) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of A-REIT to give effect to the New China Property Management Agreement.

ORDINARY RESOLUTION 3

(3) THE PROPOSED ENTRY INTO THE LEASE MANAGEMENT AGREEMENT

That subject to and contingent upon the passing of Resolution 1 and Resolution 2:

- (i) approval be and is hereby given for the entry into the lease management agreement (the “**Lease Management Agreement**”) between the Trustee and the Manager, as described in the Circular;

- (ii) approval be and is hereby given for the payment of all fees, expenses and reimbursements relating to or arising from the Lease Management Agreement; and
- (iii) the Manager, any Director, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing the Lease Management Agreement and other documents pursuant to or in connection with the entry into the Lease Management Agreement) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of A-REIT to give effect to the Lease Management Agreement.

BY ORDER OF THE BOARD
Ascendas Funds Management (S) Limited
(Company Registration No. 200201987K)
As manager of Ascendas Real Estate Investment Trust

Mary Judith De Souza
Company Secretary
Singapore
13 June 2012

Important Notice:

- (1) A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.
- (2) Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) The instrument appointing a proxy must be lodged at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of Ascendas Real Estate Investment Trust (“**A-REIT**”, and a unitholder of A-REIT, “**Unitholder**”) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited (“**CDP**”), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (“**Proxy Form**”) must be deposited at the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with Ascendas Funds Management (S) Limited (the “**Manager**”)) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
8. The Manager and/or the Unit Registrar shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager and/or the Unit Registrar may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

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ASCENDAS REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))

Ascendas Funds Management (S) Limited
(as manager of Ascendas Real Estate Investment Trust)
Company Registration No. 200201987K

IMPORTANT

1. For investors who have used their CPF moneys to buy units in Ascendas Real Estate Investment Trust, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.
4. PLEASE READ THE NOTES TO THE PROXY FORM.

PROXY FORM**EXTRAORDINARY GENERAL MEETING**

I/We _____ (Name)

of _____ (Address)

being a unitholder/unitholders of Ascendas Real Estate Investment Trust ("A-REIT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of A-REIT to be held on Thursday, 28 June 2012 at 3.30 p.m. (or as soon thereafter as the Annual General Meeting of A-REIT to be held at 3.00 p.m. on the same day and at the same place is concluded or adjourned) at Marina Mandarin Singapore, 6 Raffles Boulevard Marina Square, Singapore 039594, Level 1, Taurus Room, and any adjournment thereof*. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the Extraordinary General Meeting.

RESOLUTIONS	To be used on a show of hands		To be used in the event of a poll	
	For**	Against**	No. of Votes For***	No. of Votes Against***
1. To approve the proposed entry into the New Singapore Property Management Agreement (Ordinary Resolution) (Conditional on Resolutions 2 and 3)				
2. To approve the proposed entry into the New China Property Management Agreement (Ordinary Resolution) (Conditional on Resolutions 1 and 3)				
3. To approve the proposed entry into the Lease Management Agreement (Ordinary Resolution) (Conditional on Resolutions 1 and 2)				

* Delete where inapplicable

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.

*** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2012

Total number of Units held

Signature(s) of unitholder(s)/Common Seal

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Ascendas Funds Management (S) Limited
(as manager of Ascendas Real Estate Investment Trust)
c/o
Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.,
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Affix Postage
Stamp

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Singapore 117525
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