

CIRCULAR DATED 13 JUNE 2016

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If you have sold or transferred all your units in Ascendas Real Estate Investment Trust ("A-REIT", and the units in A-REIT, the "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)

**Independent Financial Adviser to the Independent Directors and Audit Committee of the
Manager and to the Trustee**

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200200144N)

**CIRCULAR TO UNITHOLDERS
IN RELATION TO:**

**THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT
AND NEW MASTER ASSET MANAGEMENT AGREEMENT**

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms	:	25 June 2016 at 3.30 p.m.
Date and time of Extraordinary General Meeting ("EGM")	:	28 June 2016 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 EGM	:	Orchard Hotel Singapore, 442 Orchard Road Orchard Ballroom 3, Singapore 238879

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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) Mr Miguel Ko (Vice-Chairman and Non-Executive Director) Mr Manohar Khiatani (Non-Executive Director) Mr Teo Eng Cheong (Non-Executive Director) Mr Chan Pengee Adrian (Independent Director) Mr Teo Choon Chye, Marc (Independent Director) Mr Wong Yew Meng (Independent Director) Ms Chong Chiet Ping (Independent Director) Ms Lim Sau Hoong (Independent Director) Mr Chia Nam Toon (Executive Director and Chief Executive Officer)
Registered Office of the Manager	: 1 Fusionopolis Place #10-10 Galaxis Singapore 138522
Trustee of A-REIT (the “Trustee”)	: HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #13-02 HSBC Building Singapore 049320
Legal Adviser to the Manager as to Singapore law	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee	: Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors and Audit Committee of the Manager and to the Trustee (the “IFA”)	: Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way OUE Downtown 2 #33-00 Singapore 068809

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after 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	: 25 June 2016 at 3.30 p.m.
Date and time of the EGM	: 28 June 2016 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)



(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)
Mr Miguel Ko (Vice-Chairman and Non-Executive Director)
Mr Manohar Khiatani (Non-Executive Director)
Mr Teo Eng Cheong (Non-Executive Director)
Mr Chan Pengee Adrian (Independent Director)
Mr Teo Choon Chye, Marc (Independent Director)
Mr Wong Yew Meng (Independent Director)
Ms Chong Chiet Ping (Independent Director)
Ms Lim Sau Hoong (Independent Director)
Mr Chia Nam Toon (Executive Director and Chief Executive Officer)

Registered Office

1 Fusionopolis Place #10-10
Galaxis
Singapore 138522

13 June 2016

To: Unitholders of A-REIT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of an Ordinary Resolution¹ in respect of the proposed entry into the New Strategic Management Agreement and New Master Asset Management Agreement (each as defined herein).

2. THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT AND NEW MASTER ASSET MANAGEMENT AGREEMENT

2.1 Introduction

Ascendas Funds Management (Australia) Pty Ltd ("**AFMA**"), a wholly-owned subsidiary of the Manager incorporated in Australia, had been appointed as the strategic manager in respect of A-REIT's portfolio of logistics properties located in Australia (the "**Australian Properties**" and each, an "**Australian Property**") to provide various strategic and high-level services.

In connection with its appointment as strategic manager, AFMA had on 18 November 2015, concurrently with the Phase 2 Completion (as defined herein), entered into:

2.1.1 a strategic management agreement (the "**Existing Strategic Management Agreement**") with the Manager and Perpetual Corporate Trust Limited, in its capacity as trustee of a wholly-owned managed investment trust in Australia established by A-REIT by the name of "Ascendas REIT Australia" (the "**MIT**", and the trustee of the MIT, the "**MIT Trustee**"); and

¹ "Ordinary Resolution" means 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.

LETTER TO UNITHOLDERS

2.1.2 (in furtherance of the Existing Strategic Management Agreement) an asset management agreement (“**Existing Asset Management Agreement**”) with The Trust Company (Australia) Limited, in its capacity as trustee of the wholly-owned trust in Australia established by the MIT by the name of “Ascendas Logistics Trust” (the “**Logistics Trust**”, and the trustee of the Logistics Trust, the “**Logistics Trust Trustee**”) and the trustees of the various wholly-owned Sub-Trusts (as defined herein) holding the Australian Properties pursuant to which AFMA has been appointed as the asset manager of the Australian Properties.

The Existing Strategic Management Agreement and the Existing Asset Management Agreement are each for a term of one (1) year and will expire on 17 November 2016.

(Please refer to the announcement released by the Manager on 18 September 2015 and 18 November 2015 for further details on the Existing Strategic Management Agreement and Existing Asset Management Agreement.)

The Manager is proposing that AFMA and itself enter into a new strategic management agreement (the “**New Strategic Management Agreement**”) with the MIT Trustee, to commence upon the expiry of the Existing Strategic Management Agreement. The New Strategic Management Agreement is on substantially the same terms as the Existing Strategic Management Agreement.

In furtherance of the New Strategic Management Agreement, AFMA will enter into a new master asset management agreement (the “**New Master Asset Management Agreement**”, and collectively with the New Strategic Management Agreement, the “**New Agreements**”), with the MIT Trustee, to commence upon the expiry of the Existing Asset Management Agreement. The New Master Asset Management Agreement is on substantially the same terms as the Existing Asset Management Agreement.

Pursuant to the New Master Asset Management Agreement, as and when additional properties are owned directly or indirectly by the MIT, an individual asset management agreement will be entered into between the relevant owner of the property, the trustee of the relevant sub-trust held by the MIT and AFMA on substantially the same terms as set out in the Annexure to the New Master Asset Management Agreement. For the avoidance of doubt, as at the Latest Practicable Date, Logistics Trust Trustee and Perpetual Trustee Company Limited, in its capacity as trustee of another wholly-owned trust in Australia established by the MIT by the name of “Ascendas Logistics Trust 2” (the “**Logistics Trust 2**”, and the trustee of the Logistics Trust 2, the “**Logistics Trust 2 Trustee**”) and the trustees of the Sub-Trusts will enter into individual asset management agreements with AFMA.

The entry into the New Agreements will constitute “*interested person transactions*” under Chapter 9 of the Listing Manual and “*interested party transactions*” under the Appendix 6 to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”). While the Manager does not expect the effective aggregate fees under the proposed New Agreements to exceed the relevant 5.0% thresholds under both Chapter 9 of the Listing Manual and the Property Funds Appendix, the Manager is seeking Unitholder’s approval for the proposed entry into the New Agreements for purposes of good corporate governance. In addition, given that A-REIT may acquire future Australian properties if there are suitable acquisition opportunities, the Adjusted Gross Revenue (as defined herein) of the Australian Properties for which Strategic Management Services and Asset Management Services are provided may increase in future. Accordingly, the Manager is also seeking Unitholder’s approval as a matter of prudence. (Please see paragraph 4 of the Letter to Unitholders below for further details.)

For the avoidance of doubt, Unitholders’ approval for the entry into the proposed New Master Asset Management Agreement shall also extend to, and be deemed to be, approval for the entry into any such individual asset management agreements (including the individual asset management agreements to be entered into with the Logistics Trust Trustee, Logistics Trust 2 Trustee and the trustees of the Sub-Trusts) entered into pursuant to the New Master Asset Management Agreement as described above.

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2.2 Background

2.2.1 The Acquisition of the Australian Properties

The Manager had on 18 September 2015, announced the acquisition by A-REIT of 26 of the Australian Properties (the "**Acquisition**") from the real estate arm of GIC and Frasers Property Australia Pty Limited through their controlled subsidiaries/affiliates.

The Acquisition was completed in two phases, with the acquisition of 10 of the Australian Properties completed on 23 October 2015 and the acquisition of the remaining 16 Australian Properties completed on 18 November 2015 (the "**Phase 2 Completion**"). Following the Acquisition, the Manager had on 24 December 2015 announced the acquisition by A-REIT an additional Australian Property, being a logistics facility in Sydney, from Deka Australia One GmbH (the "**Additional Acquisition**").

In connection with the Acquisition and the Additional Acquisition, A-REIT had established the MIT in Australia for the purposes of acquiring and holding the Australian Properties. The MIT wholly-owns Logistics Trust and Logistics Trust 2 which in turn holds the Australian Properties by way of various wholly-owned intermediate sub-trusts and property-holding sub-trusts (collectively, the "**Sub-Trusts**").

(Please refer to the announcements released by the Manager on 18 September 2015, 23 October 2015, 18 November 2015, 24 December 2015 and 22 February 2016 for further details on the Acquisition, the Additional Acquisition, the Australian Properties and the MIT holding structure.)

2.2.2 Incorporation of AFMA and appointment of AFMA as the investment manager of the MIT, Logistics Trusts and Sub-Trusts

AFMA (a wholly-owned subsidiary of the Manager in Australia) was incorporated for the purposes of providing management services in respect of the Australian Properties.

AFMA was appointed as the investment manager of the MIT, Logistics Trust and Logistics Trust 2 (the Logistics Trust and Logistics Trust 2 are collectively, the "**Logistics Trusts**") and had entered into (i) an investment management agreement with the MIT Trustee in respect of the MIT and (ii) investment management agreements with the Logistics Trust Trustee and the Logistics Trust 2 Trustee in respect of the Logistics Trusts (collectively, the "**Investment Management Agreements**"). The MIT Trustee, Logistics Trust Trustee and Logistics Trust 2 Trustee are related corporations.

Pursuant to the Investment Management Agreements, AFMA provides investment management services to the MIT and/or the Logistics Trusts (as the case may be) under the Investment Management Agreements.

The fees payable to AFMA under the Investment Management Agreements will only apply subject to there being no double-counting with the payment of fees to the Manager under the trust deed constituting A-REIT dated 9 October 2002 (as amended) (the "**Trust Deed**").

(Please refer to the announcement released by the Manager on 18 September 2015 for further details on the MIT holding structure and the Investment Management Agreements.)

2.2.3 Appointment of AFMA as the Strategic Manager of the Australian Properties

Separate from the appointment of AFMA as the investment manager, AFMA was also appointed as the strategic manager of the Australian Properties and in connection thereof, entered into the Existing Strategic Management Agreement.

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The services (the “**Strategic Management Services**”) provided by AFMA under the Existing Strategic Management Agreement include the following:

- (i) strategic management in relation to the Australian Properties such as proactive portfolio management, engagement with tenants and reviewing the tenants’ business plans to facilitate their growth and expansion needs;
- (ii) supervising and providing instructions to the third-party licensed real estate agents who will be providing the property management services in respect of the Australian Properties;
- (iii) providing contract administration functions (including the management of billing functions) in relation to the various property management agreements entered into between the relevant Sub-Trusts and the relevant third-party licensed real estate agents,

to the extent that the provision of such services do not require AFMA to hold the relevant Australian estate agents licence.

In furtherance of the Existing Strategic Management Agreement, AFMA had also entered into the Existing Asset Management Agreement to enable AFMA to perform the Strategic Management Services at the operational Logistics Trust and Sub-Trusts level.

Pursuant to the Existing Asset Management Agreement, AFMA provides asset management services, including retaining the services of one or more third-party licensed real estate agents and provides contract administration in respect of such property management agreements with the licensed real estate agents.

2.2.4 Fees payable to AFMA as the strategic manager and asset manager of the Australian Properties

Under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, AFMA is effectively entitled to an aggregate fee of one per cent per annum of the Adjusted Gross Revenue² (the “**Total Fee**”) of such Australian Properties for which it provides Strategic Management Services and Asset Management Services.

AFMA is paid fees under the Existing Strategic Management Agreement. In addition, AFMA is also paid fees under the Existing Asset Management Agreement for being the asset manager (“**Asset Management Fees**”). However, AFMA in turn also directly bears the fees charged by the third-party licensed real estate agents (the “**Licensed Real Estate Agent Fees**”) for the property management services provide by such third-party agents.

To the extent that the Asset Management Fees paid to AFMA under the Existing Asset Management Agreement exceeds the Licensed Real Estate Agent Fee borne by AFMA and results in a net positive balance to AFMA (the “**Excess**”), the fees payable to AFMA under the Existing Strategic Management Agreement will be reduced by the sum of such Excess.

Accordingly, there will be no double-counting of fees and the aggregate fee payable to AFMA under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement will not exceed the Total Fee, being an aggregate fee of one per cent per annum of the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided.

² “**Adjusted Gross Revenue**” in respect of an Australian 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 Australian 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 a Australian Property, but shall exclude all other income earned by the MIT such as (i) all other income earned from the Australian 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 or tax 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.

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For the avoidance of doubt, the fee structure under the New Agreements remains unchanged from the fee structure under the Existing Strategic Management Agreement and the Existing Asset Management Agreement. The effective aggregate fee payable to AFMA under both the New Agreements will continue to be limited the Total Fee.

In addition, the Manager notes that the computation and rates of the effective aggregate fee that AFMA receives under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, being the Total Fee, are similar to the fees charged by the Manager in respect of services provided to A-REIT by the Manager in Singapore under the lease management agreement dated 18 September 2015 pursuant to which the Manager will provide lease management services relating to all properties of A-REIT located in Singapore and the People's Republic of China ("**Lease Management Agreement**").

2.3 Certain Details of the New Agreements

Entry into the New Strategic Management Agreement and New Master Asset Management Agreement is for purposes of continuing the appointment of AFMA as strategic manager and asset manager of the Australian Properties respectively. The New Agreements ensure the provision by AFMA of the Strategic Management Services upon the expiry of the Existing Strategic Management Agreement and Existing Asset Management Agreement.

Details of the New Strategic Management Agreement and New Master Asset Management Agreement are set out below:

2.3.1 Principal Terms of the New Strategic Management Agreement

The New Strategic Management Agreement will commence from 17 November 2016 upon the expiry of the Existing Strategic Management Agreement and expire on 30 September 2022. Save for the commencement date and term and the insertion of a provision allowing for AFMA to delegate its responsibilities to other related service providers (set out in paragraph (v) below), the New Strategic Management Agreement will be on substantially the same terms, including with respect to the fees payable, as the Existing Strategic Management Agreement.

The principal terms of the New Strategic Management Agreement are set out below:

- (i) AFMA shall perform the Strategic Management Services for the duration of the term of the New Strategic Management Agreement in respect of the Australian Properties and future properties in Australia acquired by A-REIT through the MIT;
- (ii) in furtherance of the New Strategic Management Agreement and to enable AFMA to perform the Strategic Management Services, AFMA will enter into the New Master Asset Management Agreement;
- (iii) subject to paragraph (iv) below, AFMA shall be paid a fee of one per cent per annum of the Adjusted Gross Revenue of such Australian Properties for which Strategic Management Services are provided under the New Strategic Management Agreement, which shall be payable monthly in arrears (the "**Strategic Management Fee**");
- (iv) to the extent that the Asset Management Fees paid to AFMA under the New Master Asset Management Agreement exceeds the Licensed Real Estate Agent Fee and results in an Excess for any such calendar month, the Strategic Management Fee payable to AFMA shall be reduced by the amount of the Excess;
- (v) AFMA may delegate, at its own costs and expense, all or any part of the Strategic Management Services to a company within the Ascendas-Singbridge group of companies ("**AFMA Delegate**"). AFMA shall maintain overall management and supervision of the AFMA Delegate and shall remain responsible for all acts and omissions of the AFMA Delegate;

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- (vi) each of the Manager, the MIT Trustee and AFMA, as a party to the New Strategic Management Agreement, has granted a general indemnity to the other party for its breach, negligence, fraud or misconduct. In addition to the general indemnity granted, each of AFMA and the MIT Trustee has specifically indemnified the other party (and in the case of the indemnity to AFMA, such indemnity would extend to the AFMA Delegate, and/or as the case may be, the Service Provider(s)³) from and against any and all actions, proceedings, liabilities, claims, demands, losses, damages, charges, costs and expenses that:
- (a) *(in respect of the indemnity to AFMA)* AFMA, the AFMA Delegate and/or as the case may be, the Service Provider suffers or incurs, to the extent that they arise out of performance by AFMA, the AFMA Delegate and/or as the case may be, the Service Provider of the obligations and duties of AFMA under this Agreement, or as consequence of AFMA, the AFMA Delegate or the Service Provider acting in accordance with the directions of the MIT Trustee; and
 - (b) *(in respect of the indemnity to the MIT Trustee)* the MIT Trustee suffers or incurs, to the extent that they arise out of the failure by AFMA to perform the Strategic Management Services,

provided that no claim shall be made under the indemnity, and the indemnity shall not apply, to the extent that the claim in question arises as a result of the breach, negligence, fraud or misconduct of the indemnified party, its respective employees or agents, in the performance of its obligations under the terms of the Strategic Management Agreement (and in the case of the AFMA Delegate and/or the Service Provider, the terms of the agreement appointing the AFMA Delegate and/or the Service Provider, as the case may be).

2.3.2 Principal Terms of the New Master Asset Management Agreement

In furtherance of the New Strategic Management Agreement, the Manager proposes that AFMA also enter into the New Master Asset Management Agreement with the MIT Trustee.

The New Master Asset Management Agreement will commence from 17 November 2016 upon the expiry of the Existing Asset Management Agreement and expire on 30 September 2022. Save for the commencement date and term, the insertion of a provision allowing for AFMA to delegate its responsibilities to other related service providers (set out in paragraph (v) below) and the change to a master agreement structure, the New Master Asset Management Agreement will be on substantially the same terms as the Existing Asset Management Agreement.

The principal terms of the New Master Asset Management Agreement include, among others, the following:

- (i) AFMA shall perform (or where permitted, procure the performance of) the asset management services, including to retain the services of one or more licensed real estate agents to perform property and facilities management services in relation to the Australian Properties, to administer such property management contract(s) with the licensed real estate agents, and to lease and to licence the Properties;
- (ii) AFMA is entitled to be paid an Asset Management Fee for providing the asset management services, such fee being all reasonable costs of providing the asset management services as agreed between the parties acting reasonably, subject to such fees paid to AFMA being not less than the Licensed Real Estate Agent Fee for the relevant period;
- (iii) the New Master Asset Management Agreement may be terminated by either party with respect to one or more of the Australian Properties with at least three calendar months' prior written notice;

³ "Service Provider" means a third party engaged by AFMA to perform any part of the Strategic Management Services.

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- (iv) pursuant to the New Master Asset Management Agreement, as and when additional properties are owned directly or indirectly by the MIT, AFMA, the Logistics Trust Trustee, the Logistics Trust 2 Trustee (or any other trustee of such unit trusts in which the MIT Trustee owns equity interests) and the trustees of the relevant Sub-Trusts shall enter into individual asset management agreements in relation to each Property managed by AFMA. Such individual asset management agreements shall (unless otherwise agreed between AFMA, the Logistics Trust Trustee, the Logistics Trust 2 Trustee and the trustees of the relevant Sub-Trusts) be substantially in the form and on the terms as the individual asset management agreement set out in the Annexure of the New Master Asset Management Agreement; and
- (v) AFMA may delegate, at its own costs and expense, all or any part of the Asset Management Services to a AFMA Delegate and AFMA shall remain responsible for all acts and omissions of the AFMA Delegate.

2.4 Advice of the Independent Financial Adviser in relation to the Resolution

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the IFA to advise the Independent Directors and Audit Committee of the Manager and the Trustee in relation to the proposed entry into the New Agreements.

A copy of the IFA Letter, containing its advice in full, is set out in **Appendix A** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the entry into the New Agreements is based on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

3. RATIONALE FOR AND BENEFITS OF THE NEW AGREEMENTS

The Manager believes that the entry into the New Agreements will be beneficial to A-REIT and Unitholders for the following reasons:

3.1 Similar to the structure adopted by the Manager for the management of A-REIT's properties in Singapore and China

The appointment of AFMA as strategic manager and asset manager to provide the Strategic Management Services is similar to the structure adopted by the Manager for the management of A-REIT's properties in Singapore and China.

Pursuant to the Lease Management Agreement, the Manager provides lease management services in respect of A-REIT's properties in Singapore and China. Such lease management services include securing new leases and lease renewals, managing the customer relationship with tenants including handling customer requests and/or enquiries, rental collection and arrears management. This is in addition to the duties of the Manager under the Trust Deed.

Accordingly, the appointment of AFMA as strategic manager is similar to the above arrangements adopted by the Manager in respect of A-REIT's properties in Singapore and China, where in addition to the duties of AFMA under the Investment Management Agreements, AFMA is also responsible for supervision of the licensed real estate agents providing the property management services and the Manager (through AFMA) will be able to actively engage with the tenants and maintain the tenant relationships.

Under the Lease Management Agreement, the Manager charges a fee of 1.0% of the adjusted gross revenue of each property for lease management services performed. Accordingly, the computation and rates of the effective aggregate fee that AFMA receives under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, being the Total Fee, are similar to the fees charged by the Manager under the Lease Management Agreement for lease management services performed.

For the avoidance of doubt, the fee structure under the New Agreements is such that the effective aggregate fee payable to AFMA under both the New Agreements will not exceed the Total Fee, being an aggregate fee of one per cent per annum of the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided.

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3.2 Provision of Strategic Management Services by AFMA beneficial to A-REIT and its Unitholders

The Manager believes that the provision of the Strategic Management Services in relation to the Australian Properties by AFMA under the New Agreements would be beneficial as this will, among others:

- 3.2.1** ensure that there will be active engagement with tenants by the Manager (through AFMA) to facilitate their growth and expansion needs to maximise the satisfaction of tenants;
- 3.2.2** ensure that there will be supervision of the third-party licensed real estate agents which will be providing the property management services in respect of the Australian Properties; and
- 3.2.3** align the interests of the Manager, AFMA and A-REIT.

The Manager notes that having AFMA appointed as the strategic manager and asset manager and provide the Strategic Management Services and Asset Management Services would enable the Manager (through AFMA) to be the party actively engaging with and managing the tenant relationships, including reviewing the tenants' business plans to facilitate their growth and expansion needs. Accordingly, the experienced management and operations team of the Manager and AFMA would be able to efficiently work towards promoting positive lease renewal rates, securing healthy leases for vacant lettable space and delivering quality property and customer services to the tenants.

The Manager (through AFMA) would be able to effectively implement its primary strategy of proactive portfolio management to maximise the organic growth potential of the Australian Properties through active asset management. With AFMA appointed as the strategic manager, it would be able to supervise and work closely with the third-party licensed real estate agents to ensure the proactive marketing and leasing of lettable area within the Australian Properties to achieve a healthy occupancy and to enhance portfolio returns.

3.3 Services to be rendered by experienced and professional management and operations team

On 2 December 2015, the Manager had announced the appointment of Mr Matthew Meredith as General Manager of AFMA to be responsible for the overall management of AFMA. Mr Matthew Meredith brings with him 20 years of experience in Australia and Asia across agency, valuation, asset management and acquisition disciplines. He will be supported by an experienced team based in Australia to support and provide Strategic Management Services and Asset Management Services.

Where required, AFMA may also delegate and/or outsource, at its own costs and expense, all or any part of the Strategic Management Services and/or Asset Management Services to experienced professionals with proven track record in asset management or property management (as the case may be), being the AFMA Delegate and/or the Service Provider (as the case may be) in the interests of Unitholders.

As such, the Manager believes the appointment of AFMA to perform the Strategic Management Services pursuant to the New Agreements will ensure that A-REIT will be able to rely on an experienced and professional management and operations team.

3.4 Efficient Cost Management

AFMA is currently providing the Strategic Management Services in respect of the 27 Australian Properties and as a result, it should be able to enjoy efficient cost management in the procurement of goods and services required for the provision of such services. Any cost savings achieved through such efficient cost management are expected to translate into potential lower operating costs for these Australian Properties and A-REIT.

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4. INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

Under Chapter 9 of the Listing Manual, where A-REIT proposes to enter into a transaction with an “*interested person*” and the value of the 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 (“**NTA**”), Unitholders’ approval is required in respect of the transaction.

Based on A-REIT’s audited financial statements for the financial year ended 31 March 2016 (“**A-REIT Audited Financial Statements**”), the NTA of A-REIT was S\$5,785.3 million as at 31 March 2016. 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\$289.3 million, such a transaction would be subject to Unitholders’ approval.

In addition, paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an “*interested party transaction*” by A-REIT whose value exceeds 5.0% of A-REIT’s latest audited net asset value (“**NAV**”). Based on the A-REIT Audited Financial Statements, the NAV of A-REIT was S\$5,785.3 million as at 31 March 2016. 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 party*” is equal to or in excess of S\$289.3 million, such a transaction would be subject to Unitholders’ approval.

As described above, the effective aggregate fees payable to AFMA under the New Agreements will be determined based on the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided. Assuming that the 27 existing Australian Properties are the specific properties which are managed by AFMA under the New Agreements through their terms, the effective aggregate fees which AFMA would be entitled to receive under the New Agreements during the length of their terms up to 30 September 2022 is estimated, on a *pro forma basis*, to be approximately S\$4.7 million (being 0.1% of the NTA and 0.1% of the NAV of A-REIT respectively as at 31 March 2016).

While the Manager does not expect the effective aggregate fees under the proposed New Agreements to exceed the relevant 5.0% thresholds under both Chapter 9 of the Listing Manual and the Property Funds Appendix, the Manager is seeking Unitholder’s approval for the proposed entry into the New Agreements for purposes of good corporate governance. In addition, given that A-REIT may acquire future Australian properties if there are suitable acquisition opportunities, the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided may increase in future. Accordingly, the Manager is also seeking Unitholder’s approval as a matter of prudence.

As AFMA is a wholly-owned subsidiary of the Manager, AFMA is therefore regarded as an “*associate*” of the Manager under the Listing Manual and is (for the purposes of the Listing Manual) an “*interested person*” and is (for the purposes of the Property Funds Appendix) an “*interested party*” of A-REIT. Therefore, the entry into the New Agreements will constitute “*interested person transactions*” under Chapter 9 of the Listing Manual and “*interested party transactions*” under the Property Funds Appendix.

The approval of Unitholders is sought for the entry into the New Agreements and the continuing appointment of AFMA as strategic manager and asset manager. Should such approval be obtained, the fees payable pursuant to the New Agreements (and the individual asset management agreements to be entered into pursuant to the New Master Asset Management Agreement) 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 fees payable and related expenses thereunder which are adverse to A-REIT.

Details of the interested person transactions entered into between A-REIT and the Manager and its associates, including entities within Temasek Holdings (Private) Limited (“**THPL**”), JTC Corporation (“**JTC**”), Ascendas-Singbridge Pte. Ltd. (“**ASB**”) Ascendas Pte Ltd (“**APL**”) and their respective subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date (“**Existing Interested Person Transactions**”), which are the subject of aggregation pursuant to Rule 906 of the Listing Manual, may be found in **Appendix B** of this Circular.

LETTER TO UNITHOLDERS

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

5.1 Interests of Directors

As at the Latest Practicable Date, certain director(s) of the Manager collectively hold an aggregate direct and indirect interest in 138,100 Units. Further details of the interests in Units of Directors and Substantial Unitholders¹ are set below.

Mr Koh Soo Keong is the Chairman and an Independent Director of the Manager. Mr Miguel Ko is the Vice-Chairman and a Non-Executive Director of the Manager and ASB's Group CEO. Mr Manohar Khiatani, a Non-Executive Director of the Manager, is ASB's Deputy Group CEO and a Director of APL and certain other companies within the APL group of companies. Mr Teo Eng Cheong is a Non-Executive Director of the Manager. Mr Teo Eng Cheong (previously an Independent Director of the Manager) was re-designated as a Non-Executive Director of the Manager with effect from 1 January 2016, upon his appointment as CEO (International) of Surbana Jurong Private Limited (a related corporation of the Manager). Mr Chan Pengee Adrian is an Independent Director of the Manager. Mr Teo Choon Chye, Marc is an Independent Director of the Manager. Mr Wong Yew Meng is an Independent Director of the Manager. Ms Chong Chiet Ping is an Independent Director of the Manager. Ms Lim Sau Hoong is an Independent Director of the Manager. Mr Chia Nam Toon is the Chief Executive Officer and an Executive Director of the Manager.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table 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	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	Units held	% ⁽¹⁾
Mr Koh Soo Keong	–	–	–	–	–	–
Mr Miguel Ko	–	–	–	–	–	–
Mr Manohar Khiatani	–	–	–	–	–	–
Mr Teo Eng Cheong	–	–	–	–	–	–
Mr Chan Pengee Adrian	–	–	–	–	–	–
Mr Teo Choon Chye, Marc	26,000	0.001%	–	–	26,000	0.001%
Mr Wong Yew Meng	–	–	–	–	–	–
Ms Chong Chiet Ping	–	–	–	–	–	–
Ms Lim Sau Hoong	–	–	–	–	–	–
Mr Chia Nam Toon	112,100	0.004%	–	–	112,100	0.004%

Note:

⁽¹⁾ The percentage is based on 2,672,403,653 Units in issue as at the Latest Practicable Date.

LETTER TO UNITHOLDERS

5.2 Interests of Substantial Unitholders

Based on the information available to 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	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	Units held	% ⁽¹⁾
Ascendas Land (Singapore) Pte Ltd	476,167,336	17.8	–	–	476,167,336	17.8
Ascendas Pte Ltd ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Ascendas-Singbridge Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
JTC Corporation ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
TJ Holdings (III) Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Glenville Investments Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Mawson Peak Holdings Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Bartley Investments Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Tembusu Capital Pte. Ltd. ⁽²⁾	–	–	534,790,057	20.0	534,790,057	20.0
Temasek Holdings (Private) Limited ⁽²⁾	–	–	553,568,457	20.7	551,897,557	20.7
BlackRock, Inc. ⁽³⁾	–	–	145,080,313	5.4	145,080,313	5.4
The PNC Financial Services Group, Inc. ⁽⁴⁾	–	–	145,080,313	5.4	145,080,313	5.4

Notes:

⁽¹⁾ The percentage is based on 2,672,403,653 Units in issue as at the Latest Practicable Date.

⁽²⁾ THPL, Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Mawson Peak Holdings Pte. Ltd., Glenville Investments Pte. Ltd. TJ Holdings (III) Pte. Ltd., JTC, ASB and ASPL are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager. THPL is also deemed to have an interest in the Units in which other subsidiaries and associated companies of the THPL hold or have deemed interests.

⁽³⁾ BlackRock, Inc. is deemed to be interested in the Units held by its subsidiaries.

⁽⁴⁾ The PNC Financial Services Group, Inc. is deemed to be interested in the Units held by BlackRock, Inc. subsidiaries.

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 proposed entry into the New Agreements.

5.3 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the proposed entry into the New Agreements or any other transactions contemplated in relation to the foregoing.

6. RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) and the rationale for the proposed entry into the New Agreements as set out in paragraph 3 above, the Independent Directors and the Audit Committee believe that the proposed entry into the New Agreements is based on normal commercial terms and would not be 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 resolution to approve the proposed entry into the New Agreements.

LETTER TO UNITHOLDERS

7. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Tuesday, 28 June 2016 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 Orchard Hotel Singapore, 442 Orchard Road, Orchard Ballroom 3, Singapore 238879 for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM, which is set out on pages 29 to 30 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution.

Approval by way of an Ordinary Resolution is required in respect of the proposed entry into the New Agreements.

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 72 hours before the time fixed for the EGM.

8. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain Unitholders' approval, the interested person and any associate of the interested person must not vote on the resolutions, nor accept appointments as proxies unless specific instructions as to voting are given.

As at the Latest Practicable Date, APL, through ALS and the Manager has a deemed interest in 534,790,057 Units, which comprises approximately 20.0% of the total number of Units in issue.

As at the Latest Practicable Date, THPL has an aggregate deemed interest in 553,568,457 Units, which includes its deemed interest through APL, comprising approximately 20.7% of the total number of Units in issue.

Given that the New Agreements will be entered into by the Manager, AFMA, a wholly-owned subsidiary of the Manager, ALS, THPL, APL and their associates will abstain from voting on the Resolution.

9. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM 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 25 June 2016 at 3.30 p.m., being 72 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 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 such resolution.

If a Unitholder (being an independent Unitholder) wishes to appoint Mr Miguel Ko, Mr Manohar Khiatani or Mr Chia Nam Toon as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolutions.

LETTER TO UNITHOLDERS

10. 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 proposed entry into the New 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 this Circular in its proper form and context.

11. CONSENTS

The IFA (being Deloitte & Touche Corporate Finance Pte Ltd) 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager⁴ at 1 Fusionopolis Place, #10-10 Galaxis, Singapore 138522 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the New Strategic Management Agreement;
- (ii) the New Master Asset Management Agreement;
- (iii) the IFA Letter;
- (iv) the written consent of the IFA; and
- (v) the Trust Deed.

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

⁴ Prior appointment with the Manager 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 or purchase their Units for so long as the Units are listed on the SGX-ST. 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 indicative of the future performance of A-REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

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.

GLOSSARY

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

%	:	Per centum or percentage
Acquisition	:	The acquisition by A-REIT of 26 of the Australian Properties
Additional Acquisition	:	The acquisition by A-REIT of an additional Australian Property, being a logistics facility in Sydney, from Deka Australia One GmbH
AFMA	:	Ascendas Funds Management (Australia) Pty Ltd, a wholly-owned subsidiary of the Manager
ALS	:	Ascendas Land (Singapore) Pte Ltd
APL	:	Ascendas Pte Ltd
ASB	:	Ascendas-Singbridge Pte. Ltd.
ASPL	:	Ascendas Services Pte Ltd
A-REIT	:	Ascendas Real Estate Investment Trust
A-REIT Audited Financial Statement	:	A-REIT's audited financial statements for the financial year ended 31 March 2016
Asset Management Fee	:	The fees paid to AFMA as asset manager under the Existing Asset Management Agreement and New Master Asset Management Agreement, as the case may be
Audit Committee	:	The audit committee of the Manager
Australian Properties	:	The portfolio of 27 logistics properties located in Australia held by A-REIT through the MIT
Circular	:	This circular to Unitholders dated 13 June 2016
EGM	:	The extraordinary general meeting of Unitholders to be held on 28 June 2016 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 Orchard Hotel Singapore, 442 Orchard Road, Orchard Ballroom 3, Singapore 238879, to approve the matters set out in the Notice of Extraordinary General Meeting on pages 29 to 30 of this Circular
Excess	:	The extent to which the Asset Management Fees exceeds the Licensed Real Estate Agent Fee
Existing Asset Management Agreement	:	An asset management agreement entered into in furtherance of the Existing Strategic Management Agreement between the Logistics Trust Trustee, the trustees of the various wholly-owned Sub-Trusts holding the Australian Properties and AFMA dated 18 November 2015
Existing Interested Person Transactions	:	The interested person transactions entered into between A-REIT and THPL, JTC, APL and their respective subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date
Existing Strategic Management Agreement	:	The strategic management agreement entered into between the Manager, the MIT Trustee and AFMA dated 18 November 2015
IFA	:	Deloitte & Touche Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors and the Audit Committee of the Manager and to the Trustee containing its advice as set out in Appendix A of this Circular
Independent Directors	:	The independent directors of the Manager
Investment Management Agreements	:	The investment management agreements entered into by AFMA with the MIT Trustee in respect of the MIT and Logistic Trust Trustee and Logistic Trust 2 Trustee in respect of the Logistic Trusts
JTC	:	JTC Corporation
Latest Practicable Date	:	17 May 2016, being the latest practicable date prior to the printing of this Circular
Lease Management Agreement	:	The lease management agreement dated 18 September 2015 pursuant to which the Manager will provide lease management services relating to all properties of A-REIT located in Singapore and the People's Republic of China
Licensed Real Estate Agent Fees	:	The fees charged by the third-party licensed real estate agents for property management services provided which are borne directly by AFMA

GLOSSARY

Listing Manual	:	The listing manual of the SGX-ST
Logistics Trust	:	Ascendas Logistics Trust
Logistics Trust 2	:	Ascendas Logistics Trust 2
Logistics Trust Trustee	:	The Trust Company (Australia) Limited, in its capacity as trustee of the Logistics Trust
Logistics Trust 2 Trustee	:	Perpetual Trustee Company Limited, in its capacity as trustee of the Logistics Trust 2
Manager	:	Ascendas Funds Management (S) Limited, in its capacity as manager of A-REIT
MIT	:	Ascendas REIT Australia
MIT Trustee	:	Perpetual Corporate Trust Limited, in its capacity as trustee of the MIT
New Master Asset Management Agreement	:	The new master asset management agreement to be entered into between AFMA and the MIT Trustee
New Strategic Management Agreement	:	The new strategic management agreement to be entered into between the Manager, AFMA and the MIT Trustee
NAV	:	Net asset value
NTA	:	Net tangible asset value
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
Phase 2 Completion	:	The completion of the acquisition of 16 Australian Properties on 18 November 2015
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
REIT	:	Real estate investment trust
S\$ and cents	:	Singapore dollars and cents
SGX-ST	:	Singapore Exchange Securities Trading Limited
Strategic Management Services	:	The services provided by AFMA under the terms of the Existing Strategic Management Agreement and to be provided under the New Strategic Management Agreement
Sub-Trusts	:	The intermediate sub-trusts and property holding sub-trusts which are wholly-owned by the Logistics Trust and /or Logistics Trust 2, as the case may be
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
THPL	:	Temasek Holdings (Private) Limited
Trust Deed	:	The trust deed dated 9 October 2002 constituting A-REIT, as amended, varied, or supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of A-REIT
Unit	:	A unit representing an undivided interest in A-REIT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) 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

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 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.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

APPENDIX A

INDEPENDENT FINANCIAL ADVISER'S LETTER

13 June 2016

The Independent Directors and Audit Committee
Ascendas Funds Management (S) Limited
(in its capacity as the Manager of Ascendas Real Estate Investment Trust)
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as the Trustee of Ascendas Real Estate Investment Trust) (the "Trustee")
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Dear Sirs

THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT AND NEW MASTER ASSET MANAGEMENT AGREEMENT

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 13 June 2016 to the unitholders of Ascendas Real Estate Investment Trust (the "Circular")

1. INTRODUCTION

Ascendas Real Estate Investment Trust ("A-REIT") is Singapore's first and one of the largest listed business space and industrial real estate investment trust. A-REIT has a well-diversified portfolio of 103 properties in Singapore, 27 properties in Australia and 3 properties in the People's Republic of China as at 31 March 2016. These properties host a customer base of around 1,470 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room support office in service industries. A-REIT's properties in Australia are located in the key cities of Sydney, Brisbane, Melbourne and Perth. The tenants in the Australian portfolio comprises end-users and multi-national third-party logistics companies.

Ascendas Funds Management (S) Limited ("AFM"), a wholly-owned subsidiary of Ascendas group and a member of the Ascendas-Singbridge group, is the manager of A-REIT (the "Manager").

The Manager is seeking approval from the holders of units of A-REIT ("Unitholders") for the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement, details of which are set out in paragraph 3 of this letter and paragraph 2 of the Circular.

Under Chapter 9 of the Listing Manual, where A-REIT proposes to enter into a transaction with an "interested person" and the value of the 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 ("NTA"), Unitholders' approval is required in respect of the transaction.

APPENDIX A

INDEPENDENT FINANCIAL ADVISER'S LETTER

Based on A-REIT's audited financial statements for the financial year ended 31 March 2016, the NTA of A-REIT was S\$5,785.3 million as at 31 March 2016. 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\$289.3 million, such a transaction would be subject to Unitholders' approval.

As described in Paragraph 3.3 of this letter, the effective aggregate fees payable to AFMA under the New Agreements will be determined based on the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided. Assuming that the 27 existing Australian Properties are the specific properties which are managed by AFMA under the New Agreements through their terms, the effective aggregate fees which AFMA would be entitled to receive under the New Agreements during the length of their terms up to 30 September 2022 is estimated, on a pro forma basis, to be approximately S\$4.7 million (being 0.1% of the NTA and 0.1% of the NAV of A-REIT respectively as at 31 March 2016).

While the manager does not expect the effective aggregate fees (based on the 27 existing Australian Properties) under the proposed New Agreements to exceed the relevant 5.0% threshold under Chapter 9 of the Listing Manual, the Manager is seeking Unitholder's approval for the proposed entry into the New Agreements for purposes of good corporate governance. In addition, given that A-REIT may acquire future Australian properties if there are suitable acquisition opportunities, the Adjusted Gross Revenue of the Australian Properties for which Strategic Management Services and Asset Management Services are provided may increase in future. Accordingly, the Manager is seeking Unitholder's approval as a matter of prudence.

As Ascendas Funds Management (Australia) Pty Ltd ("**AFMA**") is a wholly-owned subsidiary of the Manager, AFMA is therefore regarded as an "associate" of the Manager under the Listing Manual and is (for the purposes of the Listing Manual) an "interested person" of A-REIT. Therefore, the entry into the New Strategic Management Agreement and the New Master Asset Management Agreement will constitute "interested person transactions" under Chapter 9 of the Listing Manual.

For the purpose of Chapter 9 of the Listing Manual, we, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as independent financial adviser to the Trustee and the Independent Directors and the Audit Committee of the Manager in respect of the Proposed Entry Into The New Strategic Management Agreement And New Asset Management Agreement.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement is on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

We were neither a party to the negotiations entered into in relation to the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Entry Into The New Strategic Management Agreement And New Asset Management Agreement.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement. All such evaluations, advice, judgements or comments remain the sole responsibility of the Management and their advisers. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

APPENDIX A

INDEPENDENT FINANCIAL ADVISER'S LETTER

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of A-REIT. We do not express any view as to the price at which the Units may trade nor on the future value, financial performance or condition of A-REIT.

It is also not within our terms of reference to compare the merits of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement to any alternative arrangements that were or may have been available to A-REIT. Such comparison and consideration remain the responsibility of the Directors and their advisers.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as 17 May 2016 (the "**Latest Practicable Date**"). We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Unitholders should take note of any announcements relevant to their considerations of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement which may be released by the Manager after the Latest Practicable Date.

Our opinion in relation to the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement as set out under paragraph 5 of this letter should be considered in the context of the entirety of our advice. This letter is prepared for the benefit and use by the Trustee, Independent Directors and the Audit Committee of the Manager and will be incorporated as an Appendix to the Circular. The Manager may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

3. **DETAILS OF THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT AND NEW MASTER ASSET MANAGEMENT AGREEMENT**

3.1 **The Acquisition of the Australian Properties (as defined within)**

The Manager had on 18 September 2015, announced the acquisition by A-REIT of 26 logistics properties located in Australia (the "**Australian Properties**" and each, an "**Australian Property**") (the "**Acquisition**") from the real estate arm of GIC and Frasers Property Australia Pty Limited through their controlled subsidiaries/affiliates.

The Acquisition was completed in two phases, with the acquisition of 10 of the Australian Properties completed on 23 October 2015 and the acquisition of the remaining 16 Australian Properties completed on 18 November 2015 (the "**Phase 2 Completion**"). Following the Acquisition, the Manager had on 24 December 2015 announced the acquisition by A-REIT of an additional Australian Property, being a logistics facility in Sydney, from Deka Australia One GmbH (the "**Additional Acquisition**").

In connection with the Acquisition and the Additional Acquisition, A-REIT had established a wholly-owned managed investment trust in Australia established by A-REIT by the name of "Ascendas REIT Australia" (the "**MIT**") for the purposes of acquiring and holding the Australian Properties. The MIT wholly-owns the Logistics Trust and Logistics Trust 2 which in turn holds the Australian Properties by way of various wholly-owned intermediate sub-trusts and property-holding sub-trusts (collectively, the "**Sub-Trusts**").

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INDEPENDENT FINANCIAL ADVISER'S LETTER

3.2 Appointment of AFMA as the Strategic Manager of the Australian Properties

AFMA was appointed as the strategic manager of the logistics properties located in Australia to provide various strategic and high-level services. In connection with its appointment as strategic manager, AFMA had on 18 November 2015, concurrently with the Phase 2 Completion (as defined herein), entered into:

- (i) a strategic management agreement (the "**Existing Strategic Management Agreement**") with the Manager and Perpetual Corporate Trust Limited, in its capacity as trustee of the MIT ("**MIT Trustee**"); and
- (ii) (in furtherance of the Existing Strategic Management Agreement) an asset management agreement ("**Existing Asset Management Agreement**") with The Trust Company (Australia) Limited, in its capacity as trustee of the wholly-owned trust in Australia established by the MIT by the name of "Ascendas Logistics Trust" (the "**Logistics Trust**", and the trustee of the Logistics Trust, the "**Logistics Trust Trustee**") and the trustees of the various wholly-owned Sub-Trusts holding the Australian Properties pursuant to which AFMA has been appointed as the asset manager of the Australian Properties.

The Existing Strategic Management Agreement and the Existing Asset Management Agreement are each for a term of one (1) year and will expire on 17 November 2016.

The services (the "**Strategic Management Services**") provided by AFMA under the Existing Strategic Management Agreement include the following:

- (i) strategic management in relation to the Australian Properties such as proactive portfolio management, engagement with tenants and reviewing the tenants' business plans to facilitate their growth and expansion needs;
- (ii) supervising and providing instructions to the third-party licensed real estate agents who will be providing the property management services in respect of the Australian Properties; and
- (iii) providing contract administration functions (including the management of billing functions) in relation to the various property management agreements entered into between the relevant Sub-Trusts and the relevant third-party licensed real estate agents,

to the extent that the provision of such services do not require AFMA to hold the relevant Australian estate agents licence.

In furtherance of the Existing Strategic Management Agreement, AFMA had also entered into the Existing Asset Management Agreement which is meant to enable AFMA to perform the Strategic Management Services at the operational Logistics Trust and Sub-Trusts level.

Pursuant to the Existing Asset Management Agreement, AFMA provides asset management services, including retaining the services of one or more third-party licensed real estate agents and provides contract administration in respect of such property management agreements with the licensed real estate agents.

The Manager is proposing that AFMA and itself enter into a new strategic management agreement (the "**New Strategic Management Agreement**") with the MIT Trustee, to commence upon the expiry of the Existing Strategic Management Agreement.

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In furtherance of the New Strategic Management Agreement, AFMA will enter into a new master asset management agreement ("**New Master Asset Management Agreement**", and collectively with the New Strategic Management Agreement, the "**New Agreements**"), with the Logistics Trust Trustee and the trustees of the Sub-Trusts, to commence upon the expiry of the Existing Asset Management Agreement.

Pursuant to the New Master Asset Management Agreement, as and when additional properties are owned directly or indirectly by the MIT, an individual asset management agreement will be entered into between the relevant owner of the property, the trustee of the relevant sub-trust held by the MIT and AFMA on substantially the same terms as the individual asset management agreement as set out in the New Master Asset Management Agreement. For the avoidance of doubt, as at the Latest Practicable Date, Logistics Trust Trustee and Perpetual Trustee Company Limited, in its capacity as trustee of another wholly-owned trust in Australia established by the MIT by the name of "Ascendas Logistics Trust 2" (the "Logistics Trust 2", and the trustee of the Logistics Trust 2, the "Logistics Trust 2 Trustee") and the trustees of the Sub-Trusts will enter into individual asset management agreements with AFMA.

Entry into the New Strategic Management Agreement and New Master Asset Management Agreement is for purposes of continuing the appointment of AFMA as strategic manager and asset manager of the Australian Properties respectively. The New Agreements ensure the provision by AFMA of the Strategic Management Services upon the expiry of the Existing Strategic Management Agreement and Existing Asset Management Agreement.

Further details of the New Strategic Management Agreement and the New Master Asset Management Agreement can be found in Section 2.3 of the Circular. We recommend that the Independent Directors advise the Unitholders to read this information carefully.

3.3 Fees payable to AFMA as the strategic manager and asset manager of the Australian Properties

Under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, AFMA is effectively entitled to an aggregate fee of one per cent per annum of the Adjusted Gross Revenue⁵ (the "**Total Fee**") of such Australian Properties for which it provides Strategic Management Services and Asset Management Services.

Under the lease management agreement dated 18 September 2015 relating to all properties of A-REIT located in Singapore and the People's Republic of China ("**Lease Management Agreement**"), the manager charges a fee of 1.0% of the adjusted gross revenue of each property for lease management services performed. Accordingly, the computation and rates of the effective aggregate fee that AFMA receives under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, being the Total Fee, are similar to the fees charged by the Manager in respect of services provided to A-REIT by the Manager in Singapore.

⁵ "Adjusted Gross Revenue" is in respect of an Australian 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 Australian 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 a Australian Property, but shall exclude all other income earned by the MIT such as (i) all other income earned from the Australian 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 or tax 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.

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4. EVALUATION OF THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT AND NEW MASTER ASSET MANAGEMENT AGREEMENT

In reaching our recommendation in respect of the above, we have given due consideration to the following factors:

- (1) The rationale for entry into the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement;
- (2) Comparison of the New Agreements with the Existing Strategic Management Agreement and the Existing Asset Management Agreement;
- (3) Comparison of the terms of the fees payable to AFMA under the New Agreements and to the existing lease agreements of A-REIT; and
- (4) Comparison of the terms of the fees payable to AFMA under the New Agreements and to the respective managers under the relevant lease agreements of A-REIT and selected REITs listed on the SGX-ST.

4.1 Rationale for the Entry into the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement or the future prospects of A-REIT after the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement. Nevertheless, we have reviewed the rationale for the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement. The Manager's rationale for the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement is set out in paragraph 3 of the Circular. We recommend that the Independent Directors advise the Unitholders to read this information carefully.

We wish to highlight the following aspects of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement:

- (i) The appointment of AFMA as strategic manager and asset manager to provide the Strategic Management Services is similar to the structure adopted by the Manager for the management of A-REIT's properties in Singapore and the People's Republic of China. In addition, the computation and rates of the effective aggregate fee that AFMA receives under both the Existing Strategic Management Agreement and the Existing Asset Management Agreement, being the Total Fee, are similar to the fees charged by the Manager under the Lease Management Agreement;
- (ii) The Manager believes that the provision of the Strategic Management Services in relation to the Australian Properties by AFMA under the New Agreements would be beneficial as this will, among others, enable the Manager (through AFMA) to be the party actively engaging with and managing the tenant relationships, including reviewing the tenants' business plans to facilitate their growth and expansion needs. Accordingly, the experienced management and operations team of the Manager and AFMA would be able to efficiently work towards promoting positive lease renewal rates, securing healthy leases for vacant lettable space and delivering quality property and customer services to the tenants;
- (iii) The Manager believes the appointment of AFMA to perform the Strategic Management Services pursuant to the New Agreements will ensure that A-REIT will be able to rely on an experienced and professional management and operations team; and
- (iv) AFMA is currently providing the Strategic Management Services in respect of 27 Australian Properties and as a result, it should be able to enjoy efficient cost management in the procurement of goods and services required for the provision of such services. Any cost savings achieved through such efficient cost management are expected to translate into potential lower operating costs for these Australian Properties and A-REIT.

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INDEPENDENT FINANCIAL ADVISER'S LETTER

4.2 Comparison of the New Agreements with the Existing Strategic Management Agreement and the Existing Asset Management Agreement

We note that:

- (i) Save for the commencement date and term and the insertion of a provision allowing for AFMA to delegate its responsibilities to a company within the Ascendas-Singbridge group of companies ("**AFMA Delegate**") (as set out in Section 2.3.1(v) of the Circular), the New Strategic Management Agreement will be on substantially the same terms, including with respect to the fees payable, as the Existing Strategic Management Agreement; and
- (ii) Save for the commencement date and term and the insertion of a provision allowing for AFMA to delegate its responsibilities to AFMA Delegate (as set out in Section 2.3.2(v) of the Circular), the New Master Asset Management Agreement will be on substantially the same terms as the Existing Asset Management Agreement.

4.3 Comparison of the terms of fees payable to AFMA under the New Agreements with the terms of the fees payable to the respective managers under the relevant lease agreements of A-REIT and selected REITs listed on the SGX-ST

We note from Section 3.1 of the Circular that the fee structure proposed under the New Agreements are similar to the structure adopted by the Manager for the management of A-REIT's properties in Singapore and the People's Republic of China. Notwithstanding that there is available public data, we have not taken comparison with the REITs listed on Hong Kong stock exchange and Australia stock exchange ("**ASX**") due to absence of directly meaningful comparable data.

For example, the lease management fee for Investec Australia Property Fund, a REIT listed on ASX, is not explicitly differentiated since fees are usually termed under property management cost and management fee. The management fee is agreed on a case by case basis after taking into consideration the size, location and complexity of the particular property.

Comparison of the terms of the fees payable to AFMA under the New Agreements to the respective managers under the relevant lease agreements of A-REIT and selected REITs listed on the SGX-ST are set out in the table below.

We wish to highlight that the selected REITs are not exhaustive and they differ from 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. Further, while the nature of the selected REITs is broadly similar to the New Agreements, their scope of services and fee structure may vary. As such, the comparison of the fee structures of these selected REITs is strictly for reference purposes only.

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Selected REITs

Listed REITs	Lease Management Fee as a percentage of Gross Revenue (where applicable) of each property
A-REIT	1.0% per annum

Other selected REITs listed on SGX-ST

Listed REITs	Lease Management Fee as a percentage of Gross Revenue (where applicable) of each property
AIMS AMP Capital Industrial REIT	1.0% per annum of the rental income
Cache Logistic Trust	<u>For Singapore Properties:</u> 1.0% per annum of net rental income <u>For Australian Properties:</u> A property and lease management fee of 2.0% per annum of net rental income
Cambridge Industrial Trust	1.0% per annum
Mapletree Industrial Trust	Up to 1.0% per annum
Mapletree Logistic Trust	Up to 1.0% per annum
Sabana Shari'ah Compliant REIT	1.0% per annum
Soilbuild Business Space REIT	1.0% per annum
Viva Industrial Trust	1.0% per annum, except for the Hotel Leased Premises of UE BizHub EAST ⁽¹⁾ for which no lease management fee is payable to the property manager

Note:

⁽¹⁾ The Property Manager has waived its right to the lease management fee in respect of UE BizHub EAST and Mauser Singapore for the first three years from the listing date of 4 November 2013

We note from the table above, that the proposed Total Fee is generally in line with A-REIT and other REITs listed on the SGX-ST.

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INDEPENDENT FINANCIAL ADVISER'S LETTER

5. OUR RECOMMENDATIONS

In arriving at our recommendations, we have taken into account the following factors which we consider have a significant bearing on our assessment of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement:

- (i) the rationale for entry into Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement;
- (ii) the New Agreements will be on substantially the same terms, including with respect to the fees payable, as the Existing Strategic Management Agreement and the Existing Asset Management Agreement respectively; and
- (iii) the proposed Total Fee under the New Agreements is generally in line with A-REIT and other REITs listed on the SGX-ST.

Having considered the above and subject to the assumptions and qualifications set out herein, we are of the opinion that the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement is on normal commercial terms and is not prejudicial to A-REIT and its minority Unitholders.

Our recommendations are addressed to the Trustee and the Audit Committee and Independent Directors of the Manager for their benefit, in connection with and for the purposes of their consideration of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement. Any recommendations made by the Independent Directors in respect of the Proposed Entry Into The New Strategic Management Agreement And New Master Asset Management Agreement shall remain their responsibility.

Our recommendations are governed by the laws of Singapore and are strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

APPENDIX B

EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of all Existing Interested Person Transactions entered into between (1) A-REIT and (2) THPL, JTC, Ascendas Pte Ltd and their respective subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date, which are the subject of aggregation pursuant to Rule 906 of the Listing Manual.

No.	Interested Person	Nature of Transaction	Value of Transaction (S\$ '000)
1.	Ascendas Funds Management (S) Limited	Reimbursement of amounts received/paid on behalf of A-REIT	807
2.	SingTel Mobile Singapore Pte Ltd	Licence fees received in relation to the granting of rights to use certain areas at several properties	140
Total			947

These Existing Interested Person Transactions have been subject to internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interest of A-REIT and its minority Unitholders. These procedures include the review and approval of such transactions by the Audit Committee, as appropriate.

Details of the Existing Interested Person Transactions

(1) Transactions with Ascendas Funds Management (S) Limited

Ascendas Funds Management (S) Limited is the Manager of A-REIT and is hence an interested person of A-REIT. The reimbursement of amounts received on behalf relates primarily to grants received by the Manager on behalf of A-REIT.

The transactions with the Manager were entered into in the ordinary course of business and the amounts paid by the Manager were on an arm's length basis, based on normal commercial terms.

(2) Transactions with SingTel Mobile Singapore Pte Ltd

SingTel Mobile Singapore Pte Ltd ("Singtel") is a subsidiary of THPL and is hence an interested person of A-REIT. The Licence fees received relates to the granting of rights to Singtel to use certain areas at several properties to set up their mobile base stations and antennas.

The transactions with Singtel were entered into in the ordinary course of business and the amounts paid by Singtel were on an arm's length basis, based on normal commercial terms.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the holders of units of Ascendas Real Estate Investment Trust ("**A-REIT**", and the holders of units of A-REIT, "**Unitholders**") will be held on Tuesday, 28 June 2016 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 Orchard Hotel Singapore, 442 Orchard Road, Orchard Ballroom 3, Singapore 238879, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 13 June 2016 to Unitholders (the "**Circular**")):

ORDINARY RESOLUTION

THE PROPOSED ENTRY INTO THE NEW STRATEGIC MANAGEMENT AGREEMENT AND NEW MASTER ASSET MANAGEMENT AGREEMENT

That:

- (i) approval be and is hereby given for the entry into:
 - (a) the strategic management agreement (the "**New Strategic Management Agreement**") between Ascendas Funds Management (S) Limited, as manager of A-REIT (the "**Manager**"), Ascendas Funds Management (Australia) Pty Ltd ("**AFMA**") and Perpetual Corporate Trust Limited, in its capacity as trustee of a wholly-owned managed investment trust in Australia established by A-REIT by the name of "Ascendas REIT Australia" (the "**MIT Trustee**"); and
 - (b) the master asset management agreement (the "**New Master Asset Management Agreement**", and collectively with the New Strategic Management Agreement, the "**New Agreements**") between AFMA and the MIT Trustee, as described in the circular to the unitholders of A-REIT ("**Unitholders**") dated 13 June 2016;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the New Agreements; and
- (iii) the Manager, any director of the Manager, and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of A-REIT (the "**Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing the individual asset management agreements to be entered into pursuant to the New Master Asset Management Agreements and other such documents pursuant to or in connection with the New Agreements) as the Manager, such director of the Manager 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 Agreements and all transactions in connection therewith.

BY ORDER OF THE BOARD

Ascendas Funds Management (S) Limited
(Registration Number: 200201987K)
as manager of Ascendas Real Estate Investment Trust

Mary Judith de Souza
Company Secretary
Singapore

13 June 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- ⁽¹⁾ A Unitholder who is not a relevant intermediary entitled to attend and vote at the EGM of A-REIT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. 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.
- ⁽²⁾ A Unitholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

“relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore and who holds Units in that capacity; or
- (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- ⁽³⁾ The 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 no later than Saturday, 25 June 2016 at 3.30 p.m., being 72 hours before the time fixed for the EGM of A-REIT.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of A-REIT and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM of A-REIT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of A-REIT (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder’s proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder’s breach of warranty.

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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))

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the EGM and vote (please see Note 2 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM**

Personal data privacy
 By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 13 June 2016.

PROXY FORM

Extraordinary General Meeting

I/We _____ (Name(s) _____ (NRIC /Passport /Company Registration Number)
 of _____ (Address)
 being a unitholder/unitholders of Ascendas Real Estate Investment Trust ("A-REIT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting of A-REIT ("EGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held at Orchard Hotel Singapore, 442 Orchard Road, Orchard Ballroom 3, Singapore 238879, on Tuesday, 28 June 2016 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), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM.

Resolutions	Number of Votes For *	Number of Votes Against *
To approve the entry into the New Strategic Management Agreement and New Master Asset Management Agreement		

* If you wish to exercise all your votes "For" or "Against", please mark with an "/" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total Number of Units held

 Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Affix
Postage
Stamp

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
(as Unit Registrar of Ascendas Real Estate Investment Trust)

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2nd fold here

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM:

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the EGM of A-REIT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. 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.
2. A Unitholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.
"relevant intermediary" means:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of A-REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders of A-REIT, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the "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, no later than Saturday, 25 June 2016 at 3.30 p.m., being 72 hours before the time fixed for the EGM.
5. The Proxy Form must be executed under the hand of the appointor or of his/her 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.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed, 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 may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register not less than 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.
8. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
9. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the EGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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