

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Appendix is circulated to holders of units in Ascendas Real Estate Investment Trust (“**Ascendas Reit**”, the units, “**Units**”, and the holders of Units, “**Unitholders**”). Its purpose is to provide the Unitholders with information on the proposed Trust Deed Supplement (as defined herein) and the proposed adoption of the Unit Buy-Back Mandate (as defined herein) to be tabled at the annual general meeting of Unitholders to be held on Thursday, 29 June 2017 at 3.00 p.m. at Orchard Hotel Singapore, 442 Orchard Road, Ballroom 3, Singapore 238879 (“**AGM**”).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Appendix. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in Ascendas Reit, you should immediately forward this Appendix 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)

**APPENDIX TO UNITHOLDERS
IN RELATION TO:**

- (I) THE PROPOSED TRUST DEED SUPPLEMENT; AND**
- (II) THE PROPOSED UNIT BUY-BACK MANDATE**

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1. INTRODUCTION

The Manager refers to (a) the notice of AGM convening the AGM (“**Notice of AGM**”) and (b) Extraordinary Resolution No. 4 (“**Resolution 4**”) and Ordinary Resolution No. 5 (“**Resolution 5**”) under the heading “As Special Business” set out in the Notice of AGM.

The purpose of this Appendix is to provide Unitholders with information relating to:

- (a) the proposed Trust Deed Supplement (as defined herein); and
- (b) the proposed adoption of the Unit Buy-Back Mandate (as defined herein).

As the Trust Deed Supplement is required for the adoption of the Unit Buy-Back Mandate, the proposed adoption of the Unit Buy-Back Mandate is conditional upon the Trust Deed Supplement being approved by Unitholders. The approval of the Trust Deed Supplement however, is not conditional upon the Unit Buy-Back Mandate being approved by the Unitholders, so the Manager can proceed with the Trust Deed Supplement if approved by Unitholders, even if Unitholders do not approve the Unit Buy-Back Mandate.

2. THE PROPOSED TRUST DEED SUPPLEMENT

2.1 The Proposed Amendment to the Trust Deed in connection with the Unit Buy-Back

In respect of the repurchase of Units, the trust deed dated 9 October 2002 constituting Ascendas Reit (as amended) (the “**Trust Deed**”) currently provides, *inter alia*, that for so long as Ascendas Reit is listed:

- (a) in the event the Manager decides to make any offer to repurchase Units, the repurchase price for a Unit shall be the Current Unit Value¹ per Unit, less the Repurchase Charge²; and
- (b) any offer of repurchase shall be offered on a *pro rata* basis to all Unitholders.

In connection with the proposed adoption of the Unit Buy-Back Mandate, the Manager is seeking Unitholders’ approval under Clause 28 of the Trust Deed to supplement the Trust Deed with the trust deed supplement (the “**Trust Deed Supplement**”) for the purposes of, *inter alia*:

- (i) allowing the Manager to repurchase Units under a unit buy-back mandate, subject to approval from the Unitholders;
- (ii) providing the Manager with the discretion to determine the repurchase price for a repurchase of Units under a unit buy-back mandate; and

1 “**Current Unit Value**” as defined in the Trust Deed means at any time the Net Asset Value of the Deposited Property at that time divided by the number of Units in issue and deemed to be in issue at that time.

2 “**Repurchase Charge**” as defined in the Trust Deed means a charge upon the repurchase or redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific or class of transaction Provided That it shall not exceed five per cent. (or such other percentage as the Manager and the Trustee may agree) of the repurchase price (being an amount equal to the Current Unit Value of the relevant Unit, on the day of acceptance of the Manager’s offer, less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent) at the time the request for repurchase or redemption of the Unit is accepted by the Manager; such expressions in the context of a given date shall refer to the charge or charges fixed by the Manager pursuant to this Deed and applicable on that date, Provided Further That this charge shall not apply while the Units are listed.

- (iii) setting out other general terms and conditions for the repurchase of Units by the Manager under a unit buy-back mandate.

The full text of the Trust Deed Supplement is set out in the Annex to this Appendix, showing insertions in underline and deletions in strikethrough.

2.2 Rationale for the Trust Deed Supplement

The Trust Deed Supplement is necessary for the adoption of the Unit Buy-Back Mandate as it would allow the Manager the ability and the flexibility to undertake repurchases of Units, under a unit buy-back mandate, during the period such mandate is in force and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the Listing Manual.

2.3 Unitholders' Approval

For the reasons stated above, the Manager is seeking Unitholders' approval under Resolution 4 relating to the proposed Trust Deed Supplement to supplement the Trust Deed in the manner set out in the Annex to this Appendix.

3. THE PROPOSED UNIT BUY-BACK MANDATE

3.1 The Proposed Unit Buy-Back Mandate

Subject to Unitholders' approval by way of an Extraordinary Resolution and adoption of Resolution 4, the Manager intends to seek the approval of Unitholders for the proposed Unit Buy-Back Mandate at the AGM under Resolution 5.

Important:

Unitholders should note that by voting in favour of Resolution 5 relating to the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchase of Units on the terms and conditions set out in this paragraph 3 and in accordance with the provisions of the Trust Deed (as proposed to be supplemented by the Trust Deed Supplement) and all applicable laws and regulations, including but not limited to the Listing Manual.

3.2 Rationale for the Unit Buy-Back Mandate

The approval of the Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of Ascendas Reit would give the Manager the flexibility to undertake repurchases of Units ("**Unit Buy-Back**") of up to the 5% limit described in paragraph 3.3.1 of this Appendix at any time, during the period when the Unit Buy-Back Mandate is in force:

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (a) The Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value ("**NAV**") per Unit; and
- (b) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 5.0% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the entire 5.0% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of Ascendas Reit and the Unitholders.

Rule 723 of the Listing Manual requires Ascendas Reit to ensure that at least 10.0% of its Units are at all times held by the public (the “**Public Float**”). As at 12 May 2017, being the latest practicable date prior to the printing of this Appendix (the “**Latest Practicable Date**”), the Public Float is approximately 65.53%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ approval of the Unit Buy-Back Mandate and repurchases of Units thereunder.

3.3 Authority and Limits on the Unit Buy-Back Mandate

The authority conferred on the Manager and the limits placed on repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

3.3.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 5.0% of the total number of issued Units as at the date of the AGM.

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 2,924,767,194 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 146,238,359 Units (representing 5.0% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

3.3.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (a) the date on which the next annual general meeting of Ascendas Reit is held;
- (b) the date by which the next annual general meeting of Ascendas Reit is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or
- (c) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated.

(the “**Mandate Duration**”)

Under the Trust Deed and the prevailing laws and regulations of Singapore, Ascendas Reit is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within 4 months from the financial year end of Ascendas Reit.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

3.3.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) ("**Market Repurchases**"); and/or
- (ii) off-market repurchase(s) ("**Off-Market Repurchases**").

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed, as proposed to be supplemented by the Trust Deed Supplement. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (A) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (B) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (C) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (2) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed Unit repurchases;
- (dd) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (the “**Code**”) or other applicable takeover rules;
- (ee) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (ff) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (gg) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

3.3.4 Repurchase Price

The Manager has the discretion to determine the repurchase price for a repurchase of Units under a unit buy-back mandate, subject to such repurchase price not exceeding:

- (i) in the case of a Market Repurchase, 105.0% of the Average Closing Price (as defined herein) of the Units in accordance with Rule 884 of the Listing Manual; and
- (ii) in the case of an Off-Market Repurchase, 110.0% of the Average Closing Price of the Units,

(the “**Maximum Price**”) in either case, excluding Related Expenses (as defined herein) of such repurchase.

For the purposes of this paragraph 3.3.4:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

“date of the making of the offer” means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

3.4 Status of Repurchased Units

Under the Trust Deed (as proposed to be supplemented by the Trust Deed Supplement), a Unit repurchased by way of a Unit buy-back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

3.5 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

3.6 Sources of Funds

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed (as proposed to be supplemented by the Trust Deed Supplement) and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise Ascendas Reit’s internal sources of funds, external borrowings or a combination of both to finance the Manager’s repurchase of Units on behalf of Ascendas Reit pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

3.7 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per unit (“**DPU**”) as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

Ascendas Reit’s total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of Ascendas Reit and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of Ascendas Reit and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-Back Mandate with a view to enhancing the DPU and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of Ascendas Reit.

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit buy-back on Ascendas Reit are based on the assumptions set out below:

- (a) 146,238,359 Units (representing approximately 5.0% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 April 2016;
- (b) 2,924,767,194 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (c) Units are repurchased:
 - (i) in the case of Market Repurchases by the Manager at the Maximum Price of S\$2.7048 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required for the repurchase of the 146,238,359 Units, representing 5.0% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$395,545,513; and
 - (ii) in the case of Off-Market Repurchases by the Manager at the Maximum Price of S\$2.8336 per Unit (being 110.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the amount of funds required for the repurchase of the 146,238,359 Units, representing 5.0% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$414,381,014;
- (d) the Unit Buy-Back Mandate has been effective since 1 April 2016;
- (e) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (f) the repurchases of Units are funded solely by external borrowings; and
- (g) there are no changes to the distribution policy to Unitholders.

Based on the assumptions set out above, the financial effects of the repurchase of 146,238,359 Units (representing approximately 5.0% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate by way of (A) Market Repurchases and (B) Off-Market Repurchases, are set out below based on the audited consolidated financial statements of Ascendas Reit and its subsidiaries (the “**Ascendas Reit Group**”) for FY16/17 (the “**FY16/17 Audited Financial Statements**”):

FY16/17 Audited Financial Statements		Pro forma financial effects of Unit repurchases on the FY16/17 Audited Financial Statements	
		Market Repurchases	Off-Market Repurchases
Net assets (S\$ million)	6,030.7	5,623.3	5,603.9
Current Assets (S\$ million)	99.8	99.8	99.8
Current Liabilities (S\$ million)	1,122.0	1,122.0	1,122.0
Number of issued Units (as at the Latest Practicable Date) (million)	2,924.8	2,778.5	2,778.5
<u>Financial Ratios</u>			
Adjusted NAV per Unit (excluding outstanding distributable income) (S\$)	2.04	2.00	2.00
Distribution per Unit (cents)	15.743	16.595	16.595
Aggregate Leverage (%)	33.8	37.8	38.0

Unitholders should note that the financial effects set out above in the table above are based on the FY16/17 Audited Financial Statements and are presented strictly for illustrative purposes only. The results of Ascendas Reit for FY16/17 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 5.0% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 5.0% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

3.8 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

3.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of Ascendas Reit at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of Ascendas Reit during the period commencing two weeks before the announcement of the Ascendas Reit Group’s financial statements for each of the first three quarters of its financial year and one month before the announcement of the Ascendas Reit Group’s full year financial statements.

3.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

3.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of Ascendas Reit and become obliged to make an mandatory take-over offer under Rule 14 of the Code.

3.10.2 Persons Acting in Concert

Applying the Code to Ascendas Reit, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of Ascendas Reit.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company (“**A**”);
 - (b) the parent company of (A) (“**B**”);
 - (c) the subsidiaries of (A) (each, “**C**”);
 - (d) the fellow subsidiaries of (A) (each, “**D**”);
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, “**E**”);
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

3.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted³, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in Ascendas Reit, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in Ascendas Reit, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of Resolution 5 relating to the Unit Buy-Back Mandate.

Based on the interests of the Substantial Unitholders (as defined herein) in Units recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, none of the Substantial Unitholders would become obliged to make a take-over offer for Ascendas Reit under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 5.0% of its issued Units as at the Latest Practicable Date.

Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

3.11 Unitholders' Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders for Resolution 5 relating to the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of Resolution 5 relating to the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchase of Units on the terms and conditions set out in paragraph 3 of this Appendix and in accordance with the provisions of the Trust Deed (as proposed to be supplemented by the Trust Deed Supplement) and all applicable laws and regulations, including but not limited to the Listing Manual.

³ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a take-over offer under Rule 14 upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Based on the Register of Directors' Unitholdings and the Register of Substantial Unitholders, as at the Latest Practicable Date, and as at the date of the AGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the AGM), the direct and deemed interests and voting rights of the Directors who have interests in the Units and the Substantial Unitholders will be as follows:

Name of Directors	Direct Interest (No. of Units)	% ⁽¹⁾	Deemed Interest (No. of Units)	% ⁽¹⁾	Total no. of Units held	% ⁽¹⁾
Mr Koh Soo Keong	–	–	–	–	–	–
Mr Miguel Ko	–	–	–	–	–	–
Mr Manohar Khiatani	–	–	–	–	–	–
Mr Chia Nam Toon	112,100	0.004	–	–	112,100	0.004
Mr Chan Pengee, Adrian	–	–	–	–	–	–
Ms Chong Chiet Ping	–	–	–	–	–	–
Mr Lim Hock San	–	–	–	–	–	–
Ms Lim Sau Hoong	–	–	–	–	–	–
Mr Teo Choon Chye, Marc	26,000	0.001	–	–	26,000	0.001
Mr Wong Yew Meng	–	–	–	–	–	–

Note:

(1) The percentage is based on 2,924,767,194 Units in issue as at the Latest Practicable Date.

Name of Substantial Unitholders	Direct Interest (No. of Units)	% ⁽¹⁾	Deemed Interest (No. of Units)	% ⁽¹⁾	Total no. of Units held	% ⁽¹⁾
Ascendas Land (Singapore) Pte Ltd	517,001,996	17.68	–	–	517,001,996	17.68
Ascendas Pte Ltd ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Ascendas-Singbridge Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
TJ Holdings (III) Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Glenville Investments Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Mawson Peak Holdings Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Bartley Investments Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Tembusu Capital Pte. Ltd. ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Temasek Holdings (Private) Limited ⁽²⁾	–	–	591,414,511	20.22	591,414,511	20.22
Jurong Town Corporation ⁽²⁾	–	–	581,393,431	19.88	581,393,431	19.88
Mondrian Investment Partners Limited ⁽³⁾	–	–	241,076,868	8.24	241,076,868	8.24

Name of Substantial Unitholders	Direct Interest (No. of Units)	% ⁽¹⁾	Deemed Interest (No. of Units)	% ⁽¹⁾	Total no. of Units held	% ⁽¹⁾
BlackRock, Inc. ⁽⁴⁾	–	–	175,491,594	6.00	175,491,594	6.00
The PNC Financial Services Group, Inc. ⁽⁵⁾	–	–	175,491,594	6.00	175,491,594	6.00

Notes:

- (1) The percentage is based on 2,924,767,194 Units in issue as at the Latest Practicable Date.
- (2) Temasek Holdings (Private) Limited (“**Temasek**”), Tembusu Capital Pte. Ltd., Bartley Investments Pte. Ltd., Mawson Peak Holdings Pte. Ltd., Glenville Investments Pte. Ltd., TJ Holdings (III) Pte. Ltd., Ascendas-Singbridge Pte. Ltd., Jurong Town Corporation and Ascendas Pte Ltd are deemed interested in the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager. Temasek is also deemed to have an interest in the Units in which other subsidiaries and associated companies of Temasek hold or have deemed interests.
- (3) Mondrian Investment Partners Limited is deemed interested in the Units held by its subsidiaries.
- (4) BlackRock, Inc. is deemed interested in the Units held by its subsidiaries.
- (5) The PNC Financial Services Group is deemed interested in the Units held by the subsidiaries of BlackRock, Inc.

5. DIRECTORS’ RECOMMENDATIONS

5.1 The Trust Deed Supplement

Having considered the relevant factors, including the rationale for the proposed Trust Deed Supplement as set out in paragraph 2 of this Appendix, the Directors recommend that Unitholders vote at the AGM in favour of Resolution 4 relating to the proposed Trust Deed Supplement.

5.2 The Unit Buy-Back Mandate

Having considered the relevant factors, including the rationale for the proposed Unit Buy-Back Mandate as set out in paragraph 3 of this Appendix, the Directors recommend that Unitholders vote at the AGM in favour of Resolution 5 relating to the proposed Unit Buy-Back Mandate.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Trust Deed Supplement and the proposed Unit Buy-Back Mandate, Ascendas Reit and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

GLOSSARY

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

“%”	:	Per centum or Percentage
“AGM”	:	The annual general meeting of Unitholders to be held on Thursday, 29 June 2017 at 3.00 p.m. at Orchard Hotel Singapore, 442 Orchard Road, Ballroom 3, Singapore 238879, to approve the matters set out in the Notice of AGM
“Appendix”	:	This Appendix to Unitholders dated 7 June 2017
“Ascendas Reit”	:	Ascendas Real Estate Investment Trust
“Ascendas Reit Group”	:	Ascendas Reit and its subsidiaries
“Average Closing Price”	:	The average of the closing market prices of a Unit over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“date of the making of the offer”	:	The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase
“Directors”	:	Directors of the Manager
“DPU”	:	Distribution per Unit
“Extraordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 75.0% 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
“FY16/17”	:	The financial year ended 31 March 2017
“FY16/17 Audited Financial Statements”	:	The audited consolidated financial statements of the Ascendas Reit Group for FY16/17
“Latest Practicable Date”	:	12 May 2017, being the latest practicable date prior to the printing of this Appendix

“Listing Manual”	:	The Listing Manual of the SGX-ST
“Manager”	:	Ascendas Funds Management (S) Limited Management Limited, in its capacity as manager of Ascendas Reit
“Mandate Duration”	:	<p>Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:</p> <p>(a) the date on which the next annual general meeting of Ascendas Reit is held;</p> <p>(b) the date by which the next annual general meeting of Ascendas Reit is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or</p> <p>(c) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated</p>
“Market Day”	:	A day on which the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities
“Market Repurchase”	:	Repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose
“Maximum Price”	:	<p>(a) in the case of a Market Repurchase, 105.0% of the Average Closing Price in accordance with Rule 884 of the Listing Manual; and</p> <p>(b) in the case of an Off-Market Repurchase, 110.0% of the Average Closing Price</p>
“NAV”	:	Net asset value of the Ascendas Reit Group
“Notice of AGM”	:	The notice of AGM convening the AGM
“Off-Market Repurchases”	:	Repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed
“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

“Public Float”	:	Refers to the percentage of Units held by the public
“Related Expenses”	:	Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
“Repurchase Charge”	:	As defined in the Trust Deed means a charge upon the repurchase or redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific or class of transaction Provided That it shall not exceed five per cent. (or such other percentage as the Manager and the Trustee may agree) of the repurchase price (being an amount equal to the Current Unit Value of the relevant Unit, on the day of acceptance of the Manager’s offer, less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent) at the time the request for repurchase or redemption of the Unit is accepted by the Manager; such expressions in the context of a given date shall refer to the charge or charges fixed by the Manager pursuant to this Deed and applicable on that date, Provided Further That this charge shall not apply while the Units are listed
“Resolution 4”	:	Extraordinary Resolution No. 4, under the heading “As Special Business” as set out in the Notice of AGM
“Resolution 5”	:	Ordinary Resolution No. 5, under the heading “As Special Business” as set out in the Notice of AGM
“S\$” and “cents”	:	Singapore dollars and cents
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Substantial Unitholder”	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
“Trust Deed”	:	The trust deed dated 9 October 2002 constituting Ascendas Reit, as amended, varied and/or supplemented by the First Supplemental Deed dated 16 January 2004, the Second Supplemental Deed dated 23 February 2004, the Third Supplemental Deed dated 30 September 2004, the Fourth Supplemental Deed dated 17 November 2004, the Fifth Supplemental Deed dated 20 April 2006, the First Amending and Restating Deed dated 11 June 2008, the Seventh Supplemental Deed dated 22 January 2009, the Eighth Supplemental Deed dated 17 September 2009, the Ninth Supplemental Deed dated 31 May 2010, the Tenth Supplemental Deed dated 22 July 2010, the Eleventh Supplemental Deed dated 14 October 2011, the Twelfth Supplemental Deed dated 19 October 2015 and the Thirteenth Supplemental Deed dated 26 January 2016, all entered into between the Manager and the Trustee, and as further amended, varied or supplemented from time to time

- “Trust Deed Supplement”** : The proposed amendments to the Trust Deed as set out in the Annex to this Appendix
- “Trustee”** : HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit
- “Unit”** : A unit representing an undivided interest in Ascendas 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
- “Unit Buy-Back”** : The buy-back of Units pursuant to the Unit Buy-Back Mandate
- “Unit Buy-Back Mandate”** : The proposed unit buy-back mandate to be given to the Manager by way of an Ordinary Resolution in a general meeting, to exercise its powers to procure the repurchase of Units for and on behalf of Ascendas Reit without the prior specific approval of Unitholders at a general meeting

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 Appendix 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 Appendix 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.

ANNEX

The proposed amendments to the Trust Deed upon Unitholders' approval of the Trust Deed Supplement, showing insertions in underline and deletions in strikethrough, are as follows:

- that Clause 7 be deleted in its entirety and the following insertions indicated by the underlined text below be inserted as the new Clause 7 of the Trust Deed:

7. Repurchase and Redemption of Units by Manager

7.1 Repurchase and Redemption Restrictions when Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix). The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.6.

7.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the "**Unit Buy-back Mandate**"), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

7.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

7.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. “Relevant Period” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Unit Buy-back Mandate is revoked or varied,

whichever is earliest.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next Annual General Meeting.

7.3 Repurchase Price

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be (whether or not the Trust is Listed or has been Unlisted at the time the Manager’s offer to repurchase or redeem Units is made), such price as determined in accordance with the Relevant Laws, Regulations and Guidelines.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The Repurchase Charge, if payable, shall be notified to the Holders at the time the Manager’s offer to repurchase or redeem Units is made. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given by Holders pursuant to an offer by the Manager pursuant to Clause 7.1, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.6. For the avoidance of doubt, the Repurchase Charge shall not be payable while the Units are Listed.

7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

- 7.4.1 to procure some other person (such as brokers) to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or

7.4.2 PROVIDED THAT there is sufficient Cash in the Trust, and subject to compliance with the Relevant Laws, Regulations and Guidelines, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other Liabilities, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other Liabilities if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.2.

7.5 **Amendments to Register**

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.6 **Redeemed Units are Cancelled**

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.

7.7 **Manner of Repurchase**

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager may:

7.7.1 purchase or acquire Units on a securities exchange (“**Market Purchase**”); or

7.7.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an “off-market” acquisition of the Units on an “equal access scheme” (as defined below) (“**Off-Market Purchase**”),

(each a form of “**Unit Buy-back**”), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an equal access scheme is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

7.8 Procedure for Repurchase of Units via a Market Purchase

For so long as the Trust is Listed on the SGX-ST, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

- 7.8.1** specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- 7.8.2** determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- 7.8.3** specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- 7.8.4** specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1 to 7.8.4.

- 7.8.5** The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:
 - (i) specifying a particular sum; or
 - (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9 Procedure for Repurchase of Units via an Off-Market Purchase

7.9.1 For so long as the Trust is Listed on the SGX-ST, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;

- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iv).

The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (a) specifying a particular sum; or
- (b) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9.2 For so long as the Trust is Listed on the SGX-ST, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

7.10 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager shall:

7.10.1 notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

7.10.2 make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due.

7.1 Repurchase and Redemption Restrictions when Trust is Listed

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. In the event the Manager decides to make any offer to repurchase or redeem Units, the Repurchase Price for a Unit shall be the Current Unit Value per Unit. In the event the Manager decides to permit the redemption of Units, such redemption must comply with the Property Funds Guidelines and the Listing Rules. The Manager may, subject to the Listing Rules, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.6.

7.2 Repurchase and Redemption when Trust is Unlisted

For so long as the Trust is Unlisted, at the request in writing of a Holder (or, in the case of Joint-All Holders, all the Joint-All Holders and in the case of Joint-Alternate Holders, any one of the Joint-Alternate Holders), the Manager will repurchase or cause to be repurchased or redeemed, in accordance with this Clause 7 and the Property Funds Guidelines, such of the Units in relation to which the Holder is registered in the Register as are required by the Holder to be repurchased. At all times during which the Trust is Listed the remaining provisions of this Clause 7 shall not apply.

7.3 Minimum Holding

A Holder shall not be entitled hereunder to the repurchase or redemption of part only of his holding of Units if thereby his holding would be reduced to less than the Minimum Holding and in any such event, the Manager shall be entitled to repurchase all of his holding of Units (or cause all of his holding of Units to be redeemed) if by such Holder's request his holding would be so reduced, and the following provisions of this Clause 7 are to be read and construed subject thereto.

7.4 Repurchase Price

Following receipt of the request for repurchase or redemption, the Repurchase Price for the Units that are the subject of the request shall be paid by the Manager or caused by the Manager to be paid as soon as practicable after the date of the receipt of the request to the Holder. For the purposes of Clauses 7.2 and 7.4, the Repurchase Price shall be the Current Unit Value of the relevant Unit on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units, Holders who have opted for a distribution reinvestment arrangement and an incentive to Holders to hold the Units for longer periods of time. A request for repurchase or redemption once given cannot be revoked without the consent of the Manager. The Manager may suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.6.

7.5 Repurchase Procedure

In relation to any repurchase or redemption request and within the time limit specified in Clause 7.4 or the Property Funds Guidelines (as the case may be) as set out in Clause 7.6 in the case of an offer to redeem Units pursuant to the event(s) specified in Clause 7.2, the Manager shall have the following options:

- 7.5.1 to effect the repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);
- 7.5.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or
- 7.5.3 PROVIDED THAT there are sufficient funds in the Trust, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price of the Units.

7.6 Requirements under the Property Funds Guidelines

Where the Trust is Unlisted, the Manager must offer to redeem Units at least once a year in accordance with the Property Funds Guidelines.

7.7 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or such number of Units, as the case may be.

7.8 Redemption of Manager's Units

The Manager may at any time give notice (the "redemption notice") to the Trustee requesting the Trustee to redeem Units of which the Manager is or is deemed to be the Holder and, subject to the provisions of Clause 7.10, the Trustee shall on the day of its receipt of the redemption notice comply with the redemption notice by redeeming the subject Units and paying to the Manager out of the available money of the Deposited Property their Current Unit Value less a sum as the Manager may consider represents the appropriate allowance for Fiscal and sale charges on the day the request is satisfied.

7.9 Redemption of Units

If the Manager decides in its absolute discretion to take the course of action referred to in Clause 7.5.3 then it shall give a redemption notice within 30 Business Days of receipt of the request for repurchase, to the Trustee, requesting the Trustee to redeem the relevant Units and shall specify therein the Repurchase Price to be paid for such Units. Subject to the provisions of Clause 7.10, the Trustee shall as soon as practicable and as may be prescribed by the Property Funds Guidelines after its receipt of the redemption notice comply with the redemption notice by releasing to the

~~Manager out of the available money of the Deposited Property the Repurchase Price of the Units and the Repurchase Charge and shall thereupon redeem the relevant Units.~~

7.10 Funds Available for Redemption

~~The Trustee shall only comply with any redemption notice if, in the opinion of the Trustee, sufficient cash would be retained in the Deposited Property after the release of funds necessary to comply with the redemption notice to meet other liabilities of the Trust, including but without limiting the generality thereof remuneration due to the Trustee and the Manager under this Deed.~~

7.11 Procedure if Insufficient Funds

~~Should the Trustee advise the Manager that in the opinion of the Trustee sufficient cash would not be retained in the Deposited Property to meet other liabilities of the Trust if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may at its absolute discretion request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient cash to redeem the Units pursuant to Clause 7.5.3 or 7.8.~~

7.12 Restriction on Repurchase and Redemption

~~The Manager may, with the approval of the Trustee, limit the total number of Units which Holders may request the Manager to repurchase and which the Manager is entitled to have redeemed pursuant to Clause 7.8 on any Dealing Day to 10 per cent. of the total number of Units then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied pro-rata to all Holders who have validly requested repurchase on such Dealing Day so that the proportion repurchased of each holding so requested to be repurchased or redeemed pursuant to Clause 7.8 is the same for all Holders and the Manager. Any Units which, by virtue of the powers conferred on the Manager by this Clause 7.12, are not repurchased or redeemed (as the case may be) shall be repurchased or redeemed (subject to any further application of the provisions of this Clause 7.12 and Clause 7.13) on the next succeeding Dealing Day PROVIDED THAT if on such next succeeding Dealing Day, the total number of Units to be repurchased or redeemed (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Manager may further carry forward the requests for repurchase or redemption (as the case may be) until such time as the total number of Units to be repurchased or redeemed (as the case may be) on a Dealing Day falls within such limit and PROVIDED FURTHER THAT any Units which have been carried over as aforesaid shall on any such succeeding Dealing Day be repurchased or redeemed in priority to any new Units due to be repurchased or redeemed on that Dealing Day. If requests for repurchase of Units are carried forward as aforesaid, the Manager shall, within seven days, give notice to the Holders affected thereby that such Units have not been repurchased and that (subject as aforesaid) they shall be repurchased on the next succeeding Dealing Day. The Manager may suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.6.~~

7.13 Redeemed Units are Cancelled

~~Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.13 shall not limit or restrict the right of the Manager to cause the creation of and/or issue of further or other Units.~~

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