

ASCENDAS REAL ESTATE INVESTMENT TRUST

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

MINUTES OF THE 17TH ANNUAL GENERAL MEETING OF THE UNITHOLDERS OF ASCENDAS REAL ESTATE INVESTMENT TRUST, HELD AT MARINA MANDARIN BALLROOM, LEVEL 1, MARINA MANDARIN SINGAPORE, 6 RAFFLES BOULEVARD, MARINA SQUARE, SINGAPORE 039594 ON TUESDAY, 9 JULY 2019 AT 3:00 PM

Present : Unitholders / proxies

As per the attendance list

In Attendance : Directors of Ascendas Funds Management (S) Limited, as Manager of
Ascendas Real Estate Investment Trust (the “Manager”)

Mr Lim Hock San, Chairman
Mr Manohar Khiatani
Mr William Tay, Chief Executive Officer
Mr Chan Pengee, Adrian
Mr Daniel Cuthbert Ee Hock Huat
Ms Chong Chiet Ping
Ms Lim Sau Hoong
Mr Wong Yew Meng

Absent with: Mr Miguel Ko
Apologies

HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas
Real Estate Investment Trust

Mr Antony Wade Lewis, Chief Executive Officer

Company Secretaries of the Manager

Ms Mary Judith de Souza
Mr Hon Wei Seng

Management of the Manager

Ms Koo Lee Sze, Chief Financial Officer
Ms Serena Teo, Head, Portfolio Management
Ms Yeow Kit Peng, Head, Capital Markets & Investor Relations
Mr Lawden Tan, Head, Investment and Business Development

By Invitation: Ms Foong Yuen Ping, Allen & Gledhill
Mr Simon Yeo, Ernst & Young LLP

(These minutes should be read with Appendix A which records the questions posed and answers given during the meeting.)

1.0 WELCOME AND INTRODUCTION OF THE PANEL

- 1.1 Ms Yeow Kit Peng (Head, Capital Markets & Investor Relations), the emcee for the meeting, welcomed the unitholders and proxies present at the Annual General Meeting (“**AGM**”) of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”) and introduced the Chairman to the unitholders. Chairman greeted the unitholders and introduced the panelists comprising the Board of Directors, the Chief Financial Officer and the Head of Capital Markets & Investor Relations of Ascendas Funds Management (S) Limited to the Unitholders.
- 1.2 Ms Yeow informed all present that in accordance with the Trust Deed constituting Ascendas Reit, the Trustee had nominated Mr Lim Hock San to preside as the Chairman of the AGM. The conduct of the AGM was then handed over to Chairman.

2.0 QUORUM

- 2.1 Chairman informed the unitholders that a quorum was present and he declared the AGM was duly convened.

3.0 NOTICE OF AGM

- 3.1 With the consent of the unitholders present, the notice dated 21 June 2019 convening the AGM contained in the Annual Report to the unitholders (the “**AGM Notice**”) was taken as read by Chairman.

4.0 ASCENDAS REIT’S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

- 4.1 On behalf of the Manager, Mr William Tay presented to the unitholders on the Ascendas Reit’s performance for the financial year ended 31 March 2019.

5.0 VOTING BY ELECTRONIC POLL

- 5.1 Chairman informed the unitholders that in order to achieve a transparent and clear result, voting on all the proposed resolutions would be conducted by poll. DrewCorpServices Pte. Ltd. (“DrewCorp”) and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as Scrutineer and Polling Agent respectively.
- 5.2 An explanation of the electronic polling process was presented by DrewCorp.
- 5.3 Following the presentation by DrewCorp, Chairman proceeded to table the resolutions, for the consideration of the unitholders and proxies present at the meeting.

6.0 ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE REPORT OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (AS TRUSTEE OF ASCENDAS REIT), STATEMENT BY ASCENDAS FUNDS MANAGEMENT (S) LIMITED (AS MANAGER OF ASCENDAS REIT) AND THE AUDITED FINANCIAL STATEMENTS OF ASCENDAS REIT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 AND THE AUDITORS' REPORT THEREON

6.1 Ordinary Resolution 1 as stated in the Notice of AGM was proposed by Tan Jin and seconded by Low Hock Leong.

6.2 A Q&A session followed and was recorded separately.

6.3 There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 1.

6.4 After electronic polling was conducted on Resolution 1, Boardroom announced the results of the voting as follows:

Ordinary Resolution 1

No. of Votes For	:	2,100,373,193 representing 99.10%
No. of Votes Against	:	18,980,745 representing 0.90%

Chairman declared Ordinary Resolution 1 carried.

7.0 ORDINARY RESOLUTION 2: TO APPOINT ERNST & YOUNG LLP AS AUDITORS OF ASCENDAS REIT TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM OF ASCENDAS REIT AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION

7.1 Ordinary Resolution 2 as stated in the Notice of AGM was proposed by T Pannir Selvam and seconded by Tan Jin.

7.2 There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 2.

7.3 After electronic polling was conducted on Resolution 2, Boardroom announced the results of the voting as follows:

Ordinary Resolution 2

Boardroom announced the results of the electronic poll voting for Ordinary Resolution 2 as follows:

No. of Votes For	:	1,941,860,071 representing 91.66%
No. of Votes Against	:	176,665,967 representing 8.34%

Chairman declared Ordinary Resolution 2 carried.

8.0 ORDINARY RESOLUTION 3: TO AUTHORISE THE MANAGER TO ISSUE UNITS AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS

- 8.1 Ordinary Resolution 3 as stated in the Notice of AGM was proposed by Tan Jin and seconded by T Pannir Selvam.
- 8.2 There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 3.
- 8.3 After electronic polling was conducted on Resolution 3, Boardroom announced the results of the voting as follows:

Ordinary Resolution 3

Boardroom announced the results of the electronic poll voting for Ordinary Resolution 3 as follows:

No. of Votes For	:	1,926,280,674 representing 90.97%
No. of Votes Against	:	191,313,764 representing 9.03%

Chairman declared Ordinary Resolution 3 carried.

9.0 EXTRAORDINARY RESOLUTION 4: TO APPROVE THE RENEWAL OF THE UNIT BUY-BACK MANDATE

- 9.1 Extraordinary Resolution 4 as stated in the Notice of AGM was proposed by Chong Yoon Kheong and seconded by Fung Yuet Kwai.
- 9.2 A Q&A session followed and was recorded separately.
- 9.3 There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 4.
- 9.4 After electronic polling was conducted on Resolution 4, Boardroom announced the results of the voting as follows:

Extraordinary Resolution 4

No. of Votes For	:	2,116,324,442 representing 99.97%
No. of Votes Against	:	647,096 representing 0.03%

Chairman declared Extraordinary Resolution 4 carried.

11.0 CLOSE OF ANNUAL GENERAL MEETING

- 11.1 As there was no other business to be transacted at the Annual General Meeting, Chairman declared the meeting closed and thanked the unitholders for their attendance.

11.2 The meeting ended at 4.30 pm.

Confirmed by:

Lim Hock San
Chairman

ASCENDAS REAL ESTATE INVESTMENT TRUST

RECORD OF QUESTIONS RAISED BY UNITHOLDERS AND THE CORRESPONDING ANSWERS FROM THE DIRECTORS DURING THE PROCEEDINGS AT THE ANNUAL GENERAL MEETING OF THE HOLDERS OF UNITS OF ASCENDAS REAL ESTATE INVESTMENT TRUST (“Ascendas Reit”) HELD AT MARINA MANDARIN BALLROOM, LEVEL 1, MARINA MANDARIN SINGAPORE, 6 RAFFLES BOULEVARD, MARINA SQUARE, SINGAPORE 039594 ON TUESDAY, 9 JULY 2019 AT 3:00 PM

1. Distribution Per Unit (“DPU”) Growth

- 1.1 To Mr Vincent Tan Yong Ngee’s query that the growth of DPU was not corresponding with the growth in Assets Under Management (“AUM”), total revenue and net property income (“NPI”), Mr William Tay (“Mr Tay”), the Executive Director & CEO, explained that this was attributed to a 6% increase in new units issued in FY1819 and the interest cost incurred for new acquisitions. Mr Tay further explained that the Board and Management had been very prudent and disciplined in selecting the targeted acquisition assets. Only those assets which are accretive and would bring value for the long term would be considered.

2. Under-performing Assets in International Business Park (“IBP”)

- 2.1 To Mr Vincent Tan Yong Ngee’s query on whether the Board is looking into the under-performing assets in IBP while focusing on overseas acquisitions, Mr Tay explained that the Board and Management have been exploring ways to improve the occupancy rate and overall portfolio performance, through the following strategies:

- (i) Value adding – acquisition of the UK logistics properties which provide a better yield spread. The Board also take into account other considerations such as freehold properties with longer weighted average lease expiry (“WALE”);
- (ii) Value creation – redevelopment of aging asset (eg. 20 Tuas Avenue 1) and conversion of light industrial facility to hi-spec facility (eg. 25 & 27 Ubi Road 4); and
- (iii) Value management – aim to capture demand through differentiated pricing strategy and carry out refurbishment of asset (eg. Nordic European Centre).

- 2.2 Mr Tay further explained that for IBP assets, the rentals are low because they are not close to the MRT station and relatively less vibrant than other business parks. IBP assets maybe under-performing now but they are expected to have greater value in the long term in view of the recent announcement of the new Jurong Region MRT Line, whereby the Jurong Town Hall station would have entrances facing iQuest@IBP and Acer building.

- 2.3 Mr Manohar Khiatani (“Mr Khiatani”) added that the Management actively reviews the performance of each asset in Singapore and overseas. IBP is the first business park in Singapore and was the best performing park serving the oil and gas industry until it was affected by the downturn of the said industry in the recent years. Management with the oversight from the Board is constantly exploring options for IBP and the other parks to see how to improve their performance.

2.4 Mr Khiatani also explained that Ascendas Reit and the sponsor had carried out the first phase of redevelopment for Science Park 1 resulting in DNV/DSO becoming one of the best performing assets for the Reit. Sponsor has other successfully redeveloped assets in Singapore Science Park 1 eg. Ascent. The overseas expansion is a complement to the portfolio in Singapore as Singapore property market would reach a saturation point and Ascendas Reit would need to invest into other developed markets with the same risk reward as Singapore.

3. Criteria for Selecting Target Assets and Pipeline Projects

3.1 To Mr Tan See Peng's queries on the criteria for the Board to consider the target assets and whether the pipeline projects would only be dependent on CapitaLand, Chairman explained that the Board would consider all assets offered by CapitaLand as well as third parties so long as the assets create value for the Trust.

3.2 Mr Tay explained that other than the pipeline from sponsor, the third-party deals had always been considered with the aim to grow the portfolio and increase the value for the Trust. Criteria such as accretion, specific asset class that supports the driver of the economy as well as land tenure and quality of tenants would be taken into consideration.

4. Overseas Investment Strategy

4.1 To Ms Loke Wai Yin's query on overseas investment strategy, Chairman explained that the Board had always look for diversification of the portfolio and prudently evaluate the risk reward of the target acquisitions in achieving stable DPU.

4.2 Mr Tay explained that Ascendas Reit would explore matured overseas market but continue to be a Singapore-focused Reit. Whether Ascendas Reit could growth rapidly in overseas markets is much dependent on the opportunities. With regards to the risk reward, Mr Tay explained that Ascendas Reit would continue to acquire within the same asset classes held in the Trust, such as logistics, industrial, business and science parks, which would contribute to the economy of that specific country and sustainable for the long term.

4.3 To Mr Louis Lee's query on whether Germany and Vietnam are in the radar for overseas investment strategy, Mr Tay explained that the Board prefers to explore into markets with similar risk profile as Singapore, Australia and UK. Germany is a matured and huge industrial market with many technologies and innovations, and thus fit into that category. Vietnam has a lot of opportunities, but it is viewed as different risk profile.

5. Built to Suit ("BTS") for Grab

5.1 To Mr Henry Ho Hai Pang's query on the specification for BTS for Grab, Mr Tay explained that the specification is for generic business park use with utility provision and floor space configuration customised to suit Grab's requirements. There will be 2 buildings of 9 and 4 floors in the development.

5.2 To Mr Louis Lee's query on the replacement of tenant if Grab did not renew the lease. Mr Tay explained that the land was allocated by the government on Grab's merits and there was a back to back arrangement between the government, Ascendas Reit and Grab. The land premium was pre-determined by JTC and Ascendas Reit would translate it as land cost, and together with construction cost, the expected yield is 6.4% on the back of the agreed lease terms including 11 years tenure plus a 5-year option. The building was designed for the business park space and could be converted into multi-tenanted building for leasing to other tenants eg. new technology business such as e-payment companies. Rental would be adjusted to market rate after 11 years.

6. Land Tenure for Each Property

6.1 To Mr Henry Ho Hai Pang's query on land tenure for each property, Mr Tay referred Mr Ho to pages 175 to 184 of the Annual Report for the land tenure for each property.

7. UK Properties and Brexit

7.1 To Mr Henry Ho Hai Pang's query on the impact of Brexit, Mr Tay explained that the UK logistics properties have not been significantly affected by Brexit and the logistics market has continued to grow because of limited land supply and growing domestic demand. Other than assessing impact of Brexit on specific asset class when reviewing investment opportunities, the Board would also look at the location of the properties and the quality of tenants. Approximately 60% of tenants in the portfolio are in e-commerce business.

8. Rent Default by Hyflux

8.1 To Mr Vincent Tan Yong Ngee's query on the status of Hyflux buildings, Mr Tay explained that Hyflux is still a tenant at Hyflux Innovation Centre, and zero occupancy had been recorded for 202 Kallang Bahru. Ascendas Reit had drawn down the security deposit of S\$7.6 million. The Trust had filed a contingent claim under the Hyflux's scheme of arrangement in February 2019 and the Management would continue to monitor the situation.

9. Perpetual Securities

9.1 To Mr Vincent Tan Yong Ngee's query on the perpetual securities ("Perps"), Ms Yeow Kit Peng explained that Ascendas Reit has S\$300 million worth of Perps which were issued about 4 years ago. The Perps may potentially be reset at a lower rate of around 4.3% from Oct 2020 onwards because the base rate has fallen to about 1.8% currently from about 2.3% (4 years ago). Management would review the Perps and select the appropriate option to achieve an optimal capital structure and to minimise interest costs.

10. Acquisition Process

- 10.1 To Mr Louis Lee's query on whether the forensic audit of management of seller forms part of the audit process for acquisition, Mr Khiatani explained that Ascendas Reit conduct a very comprehensive due diligence exercise including the sellers, properties, technical, operations, legal and leases as well as involving both internal experts and external consultants during the acquisition process.
- 10.2 Mr Tay added that the outcome of the due diligence is reported to the Trustee of Ascendas Reit and are in compliance with Trustee's requirements.

11. Treasury Units

To Mr Louis Lee's query on treasury units, Ms Yeow Kit Peng explained that Ascendas Reit unit price was generally trading at more than 20% of the NAV last year. Hence, Ascendas Reit did not execute any unit buy-back programme in FY18/19 as it would not have been accretive. To-date, Ascendas Reit does not have any treasury units.
