



PROPOSED ACQUISITION OF BLUERIDGE IT/ITES SPECIAL ECONOMIC ZONE PHASE II

1. INTRODUCTION

Ascendas Property Fund Trustee Pte. Ltd. as trustee-manager of Ascendas India Trust (“**a-iTrust**”), and the trustee-manager of a-iTrust, the “**Trustee-Manager**”), wishes to announce that:

- (a) its wholly owned subsidiaries, Ascendas Property Fund (FDI) Pte Ltd (“**APFF**”) and VITP Private Limited (“**VITP**”), have on 28 December 2014, entered into a subscription agreement (the “**Subscription Agreement**”) with Flagship Developers Private Limited (“**FDPL**”) to subscribe to non-convertible debentures (“**NCDs**”) issued by FDPL; and
- (b) Ascendas Property Fund (India) Pte Ltd (“**APFI**”), a wholly owned subsidiary of a-iTrust, has on 28 December 2014, entered into a conditional share purchase agreement (the “**SPA**”) with the existing shareholders of FDPL (the “**Sellers**”) to acquire 100% interest in FDPL (the “**Acquisition**”).

FDPL, an approved co-developer of BlueRidge information technology (“**IT**”) / information technology enabled services (“**ITES**”) Special Economic Zone (“**SEZ**”), is currently developing BlueRidge IT/ITES SEZ Phase II (the “**Property**” or “**BlueRidge Phase II**”). The Property comprises three buildings with approximately 1.5 million square feet of super built-up area¹ (“**SBA**”) and is located in Hinjewadi, Pune. The underlying land is on a 99 year lease, renewable at FDPL’s option. The development is expected to be completed by the second half of 2015.

2. DETAILS OF THE TRANSACTION

2.1 Subscription

Pursuant to the Subscription Agreement, APFF and VITP will be subscribing for NCDs amounting to INR 2,600 million/S\$54.0 million², to be issued by FDPL based on the Property’s construction funding requirements (the “**Subscription**”).

¹ In super built-up area terms, which is the sum of the floor area enclosed within the walls, the area occupied by the walls, and the common areas such as the lobbies, lift shafts, toilets and staircases of that property, and in respect of which rent is payable.

² Based on an exchange rate of S\$1 to INR 48.16.

The Subscription is subject to, and conditional upon, the satisfaction of certain conditions precedent. The conditions precedent of the Subscription Agreement include, among others, the following:

- FDPL having entered into all necessary documents and obtained approvals in relation to the creation of security for the Subscription; and
- FDPL having performed necessary amendments to its charter documents to enable the Subscription.

The key terms of the NCDs are as follows:

- a tenure of 10 years from the date of issue;
- interest servicing on a quarterly basis;
- the NCDs are secured by a charge over the Property, land lease and pledge of shares;
- NCD investor has the right to call for redemption of the NCDs prior to its maturity in the event that either: (a) the leasing on the date when a-iTrust is to acquire 100% interest in FDPL is lower than 65% of the SBA or (b) the occurrence of certain events that would make the acquisition of 100% interest in FDPL impractical; and
- The NCDs shall be automatically redeemed in the event that the SPA is terminated.

2.2 Acquisition of FDPL

Pursuant to the terms of the SPA, on 31 December 2016 (“**Purchase Date**”), provided that the stipulated minimum leasing threshold of 65% of the SBA is met for the Property, a-iTrust, through APFI or its nominees, shall purchase 100% of the shares in FDPL based on a purchase price to be determined in accordance with an agreed formula (“**Formula**”) which takes into account the agreed applicable capitalisation rates, rental, rental escalation and leasing level of the Property at the time of the sale. Prior to the Purchase Date, if at least 90% of the SBA has been leased, the Sellers have the option to sell their shares in FDPL to a-iTrust based on a purchase price determined in accordance with the same Formula. The purchase price computed based on the Formula, is currently not expected to exceed INR 6,404.6/S\$133.0 million². An independent valuation will be conducted and announced after the Acquisition (when the Property is completed and leased).

The Acquisition is subject to certain conditions precedent, which include the following:

- FDPL obtaining the necessary regulatory approval/s for the transfer of all the shares in FDPL to a-iTrust; and
- satisfactory completion of the final due diligence.

3. RATIONALE FOR THE ACQUISITION

The Trustee-Manager believes that the Subscription and the Acquisition will bring the following benefits to unitholders of a-iTrust (“**Unitholders**”):

3.1 Entry into an Important IT/ITES Market

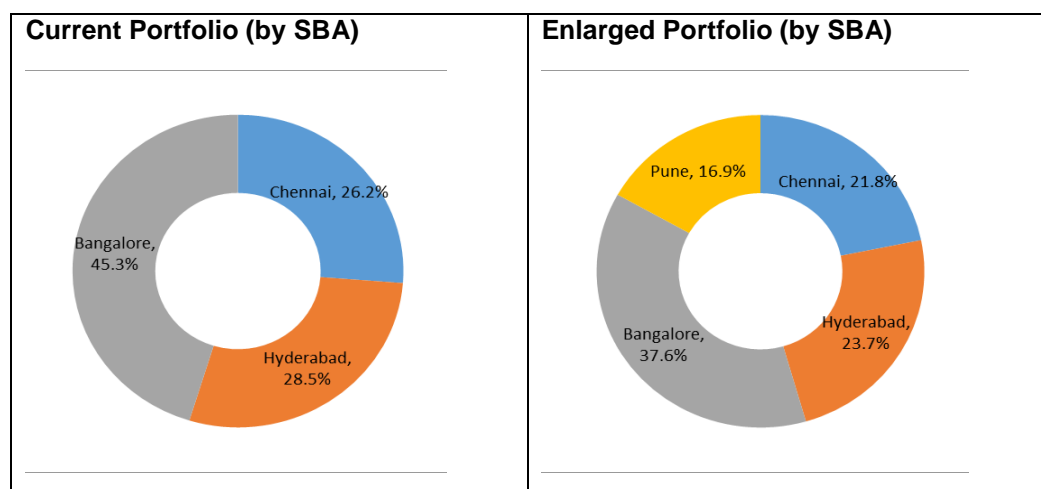
Pune is Maharashtra’s second largest city after Mumbai and the seventh largest city in India. Pune has a large and balanced economic base of manufacturing companies, services firms and research centres. The city is a natural choice for IT/ITES firms due to the availability of talent and quality infrastructure.

3.2 Established Location

The Property is located in Hinjewadi Phase 1, a preferred location for IT companies such as TCS, Cognizant and Accenture, which have been operating in the area for several years.

3.3 Portfolio Diversification

Many of a-iTrust’s existing and prospective tenants have a presence in Pune. The Acquisition would help meet their space requirements in this market and enhance the geographical diversification of a-iTrust’s portfolio.



3.4 The Acquisition Fits the Trustee-Manager’s Investment Strategy

The Subscription and the Acquisition fit the Trustee-Manager’s principal investment strategy to invest in quality income-producing assets which are primarily used for business space.

As a result of the Acquisition of the Property, a-iTrust’s portfolio of operating space will increase from 7.5 million sq ft to 9.0 million sq ft.

3.5 Improved Earnings and Distributions for Unitholders

The Trustee-Manager believes that the Subscription and the Acquisition will improve the earnings and distributions for Unitholders. From the date of Subscription up to the Purchase Date, a-iTrust will receive a coupon on the NCDs that is higher than its borrowing costs.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Trustee-Manager intends to finance the Subscription using existing cash resources in India and additional borrowings. Details of the mode of financing the Acquisition will be determined near the point of closing.

4.2 Financial Effects

4.2.1 Assumptions

The pro forma financial effects of the Acquisition presented below are strictly for illustration purposes only, and do not reflect the actual financial position of a-iTrust following the completion of the Acquisition^{3 4}. They have been prepared based on the latest audited financial statements of a-iTrust for the financial year ended 31 March 2014 ("FY 2013/2014").

4.2.2 Pro Forma Net Profits

The FY 2013/2014 pro forma net profit attributable to the Acquisition is approximately S\$6.9 million assuming income generated from the Property on a stabilised basis.

4.2.3 Pro Forma Net Asset Value ("NAV")

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the Acquisition on the NAV per unit in a-iTrust ("**Unit**") as at 31 March 2014, as if the Acquisition was completed on 31 March 2014.

	Before the Acquisition	After the Acquisition
NAV per Unit (S\$)	0.62	0.63

4.2.4 Pro Forma Distribution per Unit⁵ ("DPU")

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the Acquisition on a-iTrust's DPU for FY 2013/2014, as if a-iTrust had completed the Acquisition on 1 April 2013 and held the interest in the Property through to 31 March 2014.

3 Assuming the transaction had been funded using 40% debt and 60% equity.

4 Estimate based on the assumed revenue derived from the Property, net of operating, financing and trust expenses and taxes.

5 Rule 1010(9) of the Listing Manual requires that the issuer discloses the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the transaction on the distribution per Unit is disclosed instead as it is a more appropriate measure for a real estate investment trust.

	Before the Acquisition	After the Acquisition
DPU⁶ (SGD cents)	4.56	4.67

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Trustee-Manager collectively hold an aggregate direct and indirect interest in 892,000 Units. Save as disclosed above and based on information available to the Trustee-Manager as at the date of this announcement, none of the Directors or the Substantial Unitholders⁷ have an interest, direct or indirect, in the Subscription and the Acquisition.

6. OTHER INFORMATION

6.1 Director's Service Contracts

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Subscription and the Acquisition or any other transactions contemplated in relation to the Subscription and the Acquisition.

6.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures computed on the following bases set out in Rule 1006(a), 1006(b) and 1006(c) of the Listing Manual of the SGX-ST are set out below:

- (i) the net profits attributable to the assets acquired, compared with a-iTrust's net profits;
- (ii) the aggregate value of the consideration given, compared with a-iTrust's market capitalisation; and
- (iii) the number of units issued by the Trustee-Manager as consideration for the Subscription and the Acquisition, compared with the number of Units previously in issue.

Based on a-iTrust's annualised unaudited second quarter financial statements for the financial period ended 30 September 2014, the relative figure for the basis of comparison set out in sub-paragraph (i) above in relation to the same period is not applicable as there are currently no profits attributable to the Property.

Based on the expected purchase consideration and a-iTrust's market capitalisation as at the date prior to the announcement of the Subscription and the Acquisition, the relative figure for the basis of comparison set out in sub-paragraph (ii) above is approximately 18.1%.

⁶ Post retaining 10% of income available for distribution.

⁷ "Substantial Unitholders" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

No Units will be issued as consideration for the Subscription and Acquisition, therefore the relative figure of the number of Units issued by a-iTrust as consideration for an acquisition compared with the number of Units previously in issue does not apply.

7. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement and the SPA is available for inspection during normal business hours at the registered office of the Trustee-Manager at 61 Science Park Road #04-01, The Galen, Singapore Science Park II, Singapore 117525 for a period of three months commencing from the date of this announcement.

By Order of the Board
Mary J. de Souza
Company Secretary
29 December 2014

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 Trustee-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 Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders of a-iTrust 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-iTrust is not necessarily indicative of the future performance of a-iTrust.

This release may contain forward-looking statements that involve 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 property rental income and occupancy rate, 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.