

14 May 2018



## PROPOSED ACQUISITION OF TWO BUILDINGS IN AURUM IT SPECIAL ECONOMIC ZONE AT NAVI MUMBAI

### 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 today entered into a subscription agreement (the “**Subscription Agreement**”) with LOMA Co-Developers 1 Private Limited (“**LOMA 1**”) and LOMA Co-Developers 2 Private Limited (“**LOMA 2**”), collectively referred to as “**Co-Developer Entities**”, to subscribe to non-convertible debentures (“**NCDs**”) issued by the Co-Developer Entities; and
- (b) Ascendas Property Fund (India) Pte Ltd (“**APFI**”) and VITP, wholly owned subsidiaries of a-iTrust, have today entered into a conditional share purchase agreement (the “**SPA**”) with Aurum Platz Private Limited, the existing shareholder of the Co-Developer Entities (the “**Seller**”), to acquire a 100% interest in the Co-Developer Entities (the “**Acquisition**”).

The Co-Developer Entities, an approved co-developer of information technology (“**IT**”) / information technology enabled services (“**ITES**”) Special Economic Zone (“**SEZ**”), are currently developing two buildings, IT Building 1 and IT Building 2 (collectively referred to as the “**Properties**”) with a combined super built-up area<sup>1</sup> (“**SBA**”) of 1.4 million square feet in Navi Mumbai. IT Building 1, which has a SBA of 0.6 million square feet, is expected to be completed by the second half of 2018 and IT Building 2, which has a SBA of 0.8 million square feet, is expected to be completed by early 2020. The underlying land has a remaining lease of 47 years, renewable for another two terms of 100 years each.

a-iTrust has the right of first refusal on another two buildings with a combined SBA of approximately 1.5 million square feet.

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<sup>1</sup> In super built-up area terms, rent is payable on 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.

## 2. DETAILS OF THE TRANSACTION

### 2.1 Subscription

Pursuant to the Subscription Agreement, APFF and VITP will be subscribing for NCDs to be issued by the Co-Developer Entities amounting to INR 5,012 million/SGD 100.2 million<sup>2</sup> based on the Properties' construction funding requirements (the "**Subscription**").

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:

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

The key terms of the NCDs are as follows:

- a tenure of 30 years from the date of issue;
- interest servicing on a quarterly basis;
- the NCDs are secured by a charge over the Properties, land lease and pledge of shares and are backed by a corporate guarantee from the Seller for interest and principal repayment; and
- the NCDs shall be redeemed in the event that the SPA is terminated.

### 2.2 Acquisition of the Co-Developer Entities

Pursuant to the terms of the SPA, a-iTrust, through APFI or its nominees, shall purchase 100% of the shares in the Co-Developer Entities based on certain leasing milestones or 24 months from the actual completion date, whichever is earlier. The purchase price will be determined in accordance with an agreed formula ("**Formula**") which takes into account the agreed capitalisation rates, rental, and leasing level of the Properties at the time of the purchase. The purchase price computed based on the Formula, is currently not expected to exceed INR 9,300 million/SGD 186 million<sup>2</sup>. An independent valuation will be conducted and announced at the time of acquisition of each property. In the case of certain events of default, a-iTrust can call for redemptions of the NCDs.

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

- Co-Developer Entities obtaining the necessary regulatory approval/s for the transfer of all the shares in Co-Developer Entities to a-iTrust;
- obtaining building completion within the defined timelines; and
- satisfactory completion of the final due diligence.

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<sup>2</sup> Based on an exchange rate of SGD1 to INR 50.04

### 3. RATIONALE FOR THE ACQUISITION

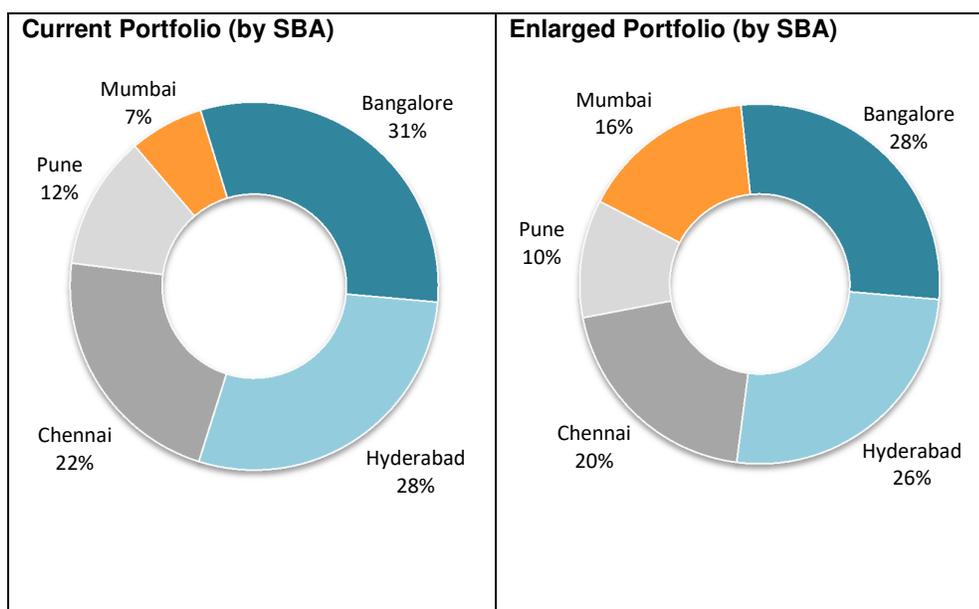
The Trustee-Manager believes that the Subscription and the Acquisition will bring the following benefits to unitholders of a-iTrust (“Unitholders”):

#### 3.1 Strategic Location and Good Connectivity

The Property is located on Thane-Belapur Expressway, one of the key IT corridors in Mumbai occupied by large multi-national corporations, and is less than 0.5 km from the Ghansoli railway station. Further, the new international airport in Navi Mumbai, which is expected to be completed by 2019, will enhance the importance of this location.

#### 3.2 Portfolio Diversification

This Acquisition will enable a-iTrust to gain an operating presence in Mumbai, which is India’s financial capital and one of the fastest growing cities in India. Mumbai, particularly Navi Mumbai, is likely to be a key destination for captive technology businesses.



#### 3.3 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 grow by 11% from 12.8 million square feet to 14.2 million square feet.

#### 3.4 Improved Earnings and Distributions for Unitholders

The Subscription and the Acquisition are expected to improve the earnings and distributions for Unitholders. From the date of Subscription up to the date of Acquisition, 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<sup>3</sup> <sup>4</sup>. They have been prepared based on the latest audited financial statements of a-iTrust for the financial year ended 31 March 2018 (“FY 2017/2018”).

#### 4.2.2 Pro Forma Net Profits

The FY 2017/2018 pro forma net profit attributable to the Acquisition is approximately S\$9.4 million assuming income generated from the Properties 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 2018.

	Before the Acquisition	After the Acquisition
NAV per Unit (S\$)	0.90	0.91

#### 4.2.4 Pro Forma Distribution per Unit<sup>5</sup> (“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 2017/2018, as if a-iTrust had completed the Acquisition on 1 April 2017 and held the interest in the Property through to 31 March 2018.

<sup>3</sup> Assuming the transaction had been funded using 40% debt and 60% equity

<sup>4</sup> Estimate based on assumed revenue derived from a fully stabilised Property, net of operating, financing and trust expenses and withholding taxes.

<sup>5</sup> 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.

	<b>Before the Acquisition</b>	<b>After the Acquisition</b>
<b>DPU<sup>6</sup> (SGD cents)</b>	6.10	6.21

## **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 727,000 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 Unitholders<sup>7</sup> 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(b) and 1006(c) of the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST") are set out below:

- (i) the net profits attributable to the assets acquired, compared with a-iTrust's net profits; and
- (ii) the aggregate value of the consideration given, compared with a-iTrust's market capitalisation.

Based on a-iTrust's consolidated financial statements for FY 2017/18, 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 17.0%.

<sup>6</sup> Post retaining 10% of income available for distribution.

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

## **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 1 Fusionopolis Place, #10-10, Galaxis, Singapore 138522 for a period of three months commencing from the date of this announcement.

By Order of the Board  
Mary J. de Souza  
Company Secretary  
14 May 2018

### **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.