



## ASCENDAS INDIA TRUST

(Registration Number: 2007004)

(a business trust registered under the Business Trusts Act, Chapter 31A of Singapore)

### PROPOSED FORWARD PURCHASE OF BLUERIDGE 3, A 1.8 MILLION SQUARE FEET IT SEZ AT HINJEWADI PHASE I, PUNE

#### 1. INTRODUCTION

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

- (a) Its wholly owned subsidiary, Ascendas Property Fund (India) Pte Ltd (“**APFI**”) has today entered into a master agreement (the “**Master Agreement**”) with Nalanda Shelter Private Limited (“**NSPL**”) and Brickmix Developers Private Limited (“**BDPL**”) (collectively “**Vendor**”) for project funding and forward purchase of BlueRidge 3 with net leasable area upto 1.8 million square feet<sup>1</sup>, which will be developed by NSPL and/or BDPL in two phases.
- (b) Its subsidiary, Information Technology Park Limited (“**ITPL**”) has today entered into an Inter-Corporate Deposits Agreement (the “**ICD Agreement**”) with NSPL, to provide inter-corporate deposits (“**ICDs**”) towards part repayment of NSPL’s existing loans and towards the entire balance payment for the land.
- (c) Its wholly owned subsidiary, Ascendas Property Fund (FDI) Pte Ltd (“**APFF**”) has today entered into a Rupee Denominated Bonds Subscription Agreement and Deed (the “**RDB Agreements**”) with NSPL to subscribe for Rupee Denominated Bonds (“**RDBs**”) and the proceeds shall be used for construction funding.
- (d) Its wholly owned subsidiary, Ascendas Property Fund (India) Pte Ltd, (“**APFI**”), has today entered into a conditional securities purchase agreement (“**SPA**”) with the shareholders of NSPL to acquire 100% interest in NSPL.

BlueRidge 3, is an information technology (“**IT**”) / information technology enabled services (“**ITES**”) Special Economic Zone (“**SEZ**”), with Phase 1 comprising of two buildings namely IT building 1 and Cafeteria building with an aggregate net leasable area upto 1.4 million square feet and Phase 2 comprising of one building namely IT building 2 with a net leasable area upto 0.4 million square feet (collectively referred to as the “**Project**”).

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<sup>1</sup> Currently, a-iTrust is conservatively underwriting total net leasable area upto 1.7 million square feet. On compliance of certain conditions by the Vendor, total net leasable area can increase upto 1.8 million square feet.

## **2. DETAILS OF THE TRANSACTION**

### **2.1 Phase 1**

#### **2.1.1 Loan repayment and balance land payments**

Pursuant to the ICD Agreement, ITPL shall provide ICDs towards part repayment of NSPL's existing loans and entire balance land payments.

The ICD funding is conditional upon, the satisfaction of certain conditions precedent that include the following:

- Vendor having entered into all necessary agreements and obtained approvals in relation to the creation of security.
- Vendor having performed necessary amendments to its charter documents to enable the issuance of ICDs.

The key terms of the ICDs are as follows:

- A tenure of 5 years from the date of issue.
- Interest to be serviced on a quarterly basis.
- The ICDs are secured through first charge over the land and buildings forming part of the Project.
- The ICDs shall be prepaid upon termination of the ICD Agreement.

#### **2.1.2 Construction funding**

Pursuant to the RDB Agreements, APFF shall provide construction funding to NSPL based on Phase 1 requirements.

The RDB funding is conditional upon, the satisfaction of certain conditions precedent that include the following:

- Vendor having complied with and obtained all the necessary approvals from the relevant authorities in relation to the issuance of RDBs in Singapore.
- Vendor having performed necessary amendments to its charter documents to enable the issuance of RDBs in Singapore.

The key terms of the RDBs are as follows:

- A tenure of 30 years from the date of issue.
- Interest to be serviced on a quarterly basis.
- The RDBs are secured through first charge over the land and buildings forming part of the Project.
- The RDBs shall be prepaid upon termination of the RDB Agreements subject to a minimum average maturity period of three years.

Taken together, a-iTrust shall provide to the Vendor INR 4,927 million or SGD 97.6 million<sup>2</sup> for loan repayments, balance land payments and construction funding in respect of Phase 1.

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<sup>2</sup> Based on exchange rate of SGD to INR 50.48 as on 28 May 2019.

### **2.1.3 Acquisition**

Pursuant to the terms of the Master Agreement, a-iTrust, through APFI or its nominees, shall purchase 100% of NSPL shares upon the Phase 1 obtaining OC and the completion of the stabilization period of 21 months. The total estimated purchase consideration for Phase 1 of BlueRidge 3 is INR 7,390 million or SGD 146.4 million, which includes funding provided by a-iTrust. An independent valuation will be conducted and announced after acquisition of Phase 1.

Acquisition is subject to certain conditions precedent including:

- NSPL obtaining the necessary regulatory approval/s for the transfer of all the shares in NSPL to a-iTrust;
- buildings obtaining OC within pre-defined timelines;
- satisfactory completion of the final due diligence at the time of acquisition.

### **2.2 Phase 2**

Pursuant to the terms of the Master Agreement and upon satisfaction of certain conditions precedent, a-iTrust shall provide construction funding to the Vendor of INR 1,250 million or SGD 24.76 million and forward purchase 100% of the shares in BDPL upon Phase 2 obtaining OC and the completion of the stabilization period of 15 months. The total estimated purchase consideration for Phase 2 of BlueRidge 3 is INR 2,420 million or SGD 47.94 million, which includes funding provided by a-iTrust. An independent valuation will be conducted and announced after the acquisition of the Phase 2.

The acquisition is subject to certain conditions precedent including:

- BDPL obtaining the necessary regulatory approval/s for the transfer of all the shares in BDPL to a-iTrust;
- buildings obtaining OC within pre-defined timelines;
- satisfactory completion of the final due diligence at the time of acquisition.

## **3. RATIONALE FOR THE TRANSACTION**

The Trustee-Manager believes that the Transaction will bring the following benefits to unitholders of a-iTrust ("**Unitholders**"):

### **3.1 Established Location**

Hinjewadi is one of the prominent micro-markets and has approximately 20% (10 million sq. ft.) of Grade A office stock in Pune. IT/ITES SEZ developments constitute approximately 86% of the total office stock in Hinjewadi. With established residential pockets and improving social infrastructure, Hinjewadi has emerged as a self-sufficient real estate destination.

### **3.2 Robust Demand Dynamics**

This Transaction provides an opportunity for a-iTrust to expand its footprint in Hinjewadi, where a-iTrust already owns BlueRidge 2 with an area of 1.5 million square feet with current occupancy of 98%. BlueRidge 3 is in close proximity to BlueRidge 2 and other IT/ITES SEZ projects, and will be well placed to absorb expansion demand from existing occupiers in addition to new demand. Vacancy levels in IT/ITES SEZ developments in Hinjewadi have

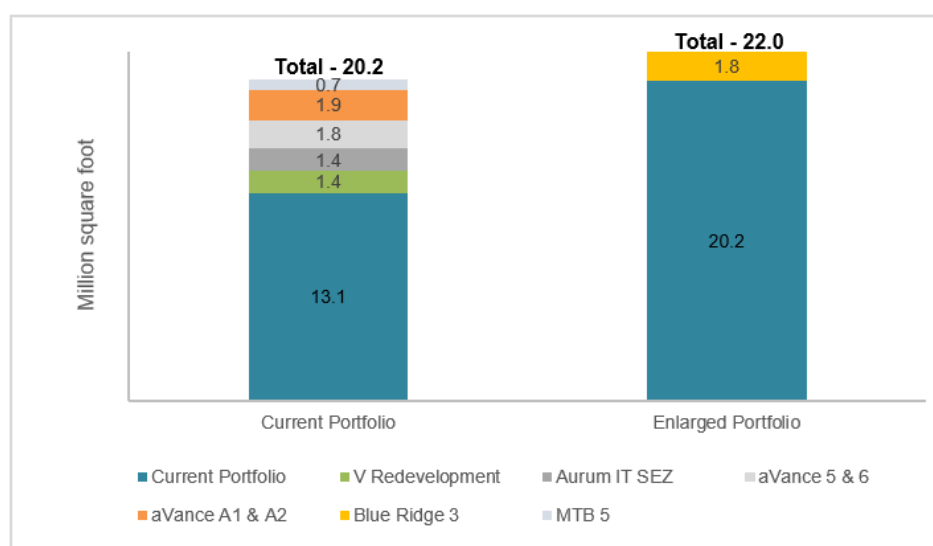
declined from 9.3% in Q1 2016 to 2.9% in Q1 2019<sup>3</sup> owing to limited supply and thus BlueRidge 3 would be well-positioned to cater to the demand.

### 3.3 The Transaction fits the Trustee-Manager's Investment Strategy

The Transaction fits the Trustee-Manager's investment strategy to invest in quality income-producing assets used primarily for business space.

a-iTrust has an existing investment in BlueRidge 2 and can leverage its market knowledge and occupier relationships for marketing BlueRidge 3.

Upon completion of the forward purchase of BlueRidge 3, a-iTrust's committed portfolio<sup>4</sup> share will increase by 7.0% from approximately 20.2 million square feet to approximately 22.0 million square feet.



### 3.4 Improved Earnings and Distributions for Unitholders

The Trustee-Manager believes that the Transaction will improve the earnings and distributions for Unitholders. From the date of the ICDs and subscription of RDBs up to the date of the acquisition, a-iTrust will receive a coupon on the ICDs and RDBs 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 ICDs and RDBs through a combination of cash reserves in ITPL and additional borrowings at Singapore. Details of the mode of financing the acquisition will be determined nearer the point of closing.

<sup>3</sup> Source: CBRE Research Report Q1, 2019.

<sup>4</sup> Includes the proposed acquisition of two buildings in AURUM IT SEZ as announced on 14 May 2018, acquisition of aVance 5 and 6 in aVance Business Hub as announced on 21 May 2018, acquisition of aVance A1 and A2 as announced on 31 July 2018 and development pipeline in existing projects.

## 4.2 Financial Effects

### 4.2.1 Assumptions

The pro forma financial effects of 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>5</sup>. They have been prepared based on the latest audited financial statements of a-iTrust for the financial year ended 31 March 2019 (“FY18/19”).

### 4.2.2 Pro Forma Net Profits

The FY18/19 pro forma net profit attributable to the acquisition is approximately SGD 9.7 million<sup>6</sup> assuming income generated from the Project on a stabilized 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 2019.

	Before the acquisition	After the acquisition
NAV per Unit (SGD)	1.02	1.03

### 4.2.4 Pro Forma Distribution per Unit<sup>7</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 FY18/19, as if a-iTrust had completed the acquisition on 1 April 2018 and held the interest in the Project through to 31 March 2019.

	Before the acquisition	After the acquisition
DPU <sup>8</sup> (SGD cents)	7.33	7.40

## 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 Controlling Unitholder(s)<sup>9</sup> have any interest, direct or indirect, in the funding and the acquisition.

<sup>5</sup> Assuming the Transaction had been funded using 40% debt and 60% equity.

<sup>6</sup> Estimate based on the assumed revenue derived from the Project post acquisition, net of operating, financing and trust expenses and withholding taxes.

<sup>7</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.

<sup>8</sup> Post retaining 10% of income available for distribution.

<sup>9</sup> “Controlling Unitholders” refers to any person(s) with an interest in Units constituting not less than 15.0% of all Units in issue.

## **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 funding and the acquisition nor any other transactions contemplated in relation to the funding 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 explained 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

Based on a-iTrust's consolidated financial statements for FY18/19, 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 Project.

Based on the expected purchase consideration and a-iTrust's market capitalisation as at the date prior to the announcement of the funding and the acquisition, the relative figure for the basis of comparison set out in sub-paragraph (ii) above is approximately 15.4% for the Project.

### **6.3 Voluntary Disclosure**

The Transactions are in the ordinary course of a-iTrust's business and do not fall under Chapter 10 of the SGX-ST Listing Manual. Notwithstanding that, the Trustee-Manager is voluntarily announcing the Transaction in consonance with Rule 1010 of the SGX-ST Listing Manual as a matter of good corporate governance.

## **7. DOCUMENTS FOR INSPECTION**

A copy of the Master Agreement, ICD Agreement and the RDB Agreements are 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 Judith de Souza  
Company Secretary  
Ascendas Property Fund Trustee Pte. Ltd.  
(Company Registration No. 200412730D)  
as Trustee-Manager of a-iTrust  
14 June 2019

**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.