



ASCENDAS INDIA TRUST

(Registration Number: 2007004)

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

ANNOUNCEMENT: PROPOSED INVESTMENT IN ADDITIONAL WAREHOUSE AT THE ARSHIYA FREE TRADE WAREHOUSING ZONE AT PANVEL, NAVI MUMBAI, INDIA

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 following the acquisition of six operating warehouses (total leasable area of 832,249 square feet) at the Arshiya Free Trade Warehousing Zone located at Panvel, near Navi Mumbai (“**Panvel FTWZ**”), from Arshiya Limited (“**Vendor**”) in February 2018 (“**Initial Acquisition**”), a-iTrust has exercised its right under the forward purchase agreement with the Vendor to extend construction funding and finalise the acquisition terms for an additional warehouse with total leasable area of approximately 325,503 square feet (the “**Property**”) to be developed at Panvel FTWZ (the “**Transaction**”):

(i) Construction Funding

Ascendas IT Park Chennai Limited (“**AITPCL**”), a subsidiary of a-iTrust, has today entered into a subscription agreement (the “**Subscription Agreement**”) with Anomalous Infra Private Limited (“**AIPL**”) to subscribe to non-convertible debentures (“**NCDs**”) issued by AIPL to finance the construction of the Property on a 5.5 acre site (the “**Underlying Land**”) at Panvel FTWZ. Total construction funding is expected to not exceed INR 700.0 million / SGD 13.7 million¹ (the “**Construction Funding**”).

AIPL, a special purpose vehicle (“**SPV**”) that is a co-developer² and a wholly owned subsidiary of the Vendor, will construct the Property.

(ii) Forward Purchase

Ascendas Property Fund (India) Pte. Ltd. (“**APFI**”), a wholly owned subsidiary of a-iTrust, has today entered into a conditional share purchase agreement (the “**Share Purchase Agreement**”) with the existing shareholders³ (the “**Sellers**”) of AIPL to acquire 100% interest in AIPL, subject to the fulfilment of certain conditions precedent (the “**CPs**”) including, but not limited to, the completion of the Property (the “**Forward Purchase**”).

The Transaction will enable a-iTrust to capture additional demand at Panvel FTWZ as a-iTrust’s existing warehouses at Panvel FTWZ are near full occupancy.

¹ Exchange rate of S\$1 to INR 51.0 is used throughout this announcement.

² Approved under the Indian Special Economic Zone (SEZ) laws.

³ Arshiya Limited with 100% shareholding

2. DETAILS OF THE TRANSACTION

2.1 Construction Funding for the Property

Pursuant to the Subscription Agreement, AITPCL will subscribe to NCDs totalling up to INR 700.0 million / SGD 13.7 million issued by AIPL in tranches linked to various project milestones (the “**Subscription**”).

Key terms of the NCDs:

- (i) The NCDs will be secured by a first charge over the Underlying Land, the construction work-in-progress, additional land of 5.5 acres within Panvel FTWZ, a pledge of 100% of AIPL shares and the hypothecation of AIPL’s receivables.
- (ii) The NCDs will be further secured by the Vendor’s corporate guarantee in respect of the repayment of principal and interest.
- (iii) AITPCL can call for redemption of the NCDs on occurrence of certain events of default.
- (iv) AITPCL has a call option on expiry of 24 months from first disbursement.

The Subscription is subject to and conditional on the satisfaction of the CPs, including:

- (a) transfer of long-term leasehold rights (since sale is prohibited under SEZ laws) in the Underlying Land⁴ from the Vendor to AIPL;
- (b) creation of security for the Subscription; and
- (c) satisfactory completion of due diligence.

2.2 Acquisition of the Property

Pursuant to the terms of the Share Purchase Agreement, a-iTrust, through APFI or its nominees, shall purchase 100% of AIPL shares (the “**Acquisition**”) on Property completion⁵. The purchase price is determined based on an agreed formula that takes into account the capitalisation rate, rental, and vacancy allowance for any unleased space.

The estimated purchase consideration for the Transaction is INR 2,149.3 million / SGD 42.1 million⁶. This includes deferred consideration of INR 212.3 million / SGD 4.2 million that will be paid over four years, subject to achievement of certain performance milestones by the Vendor.

The Acquisition is subject to and conditional on the satisfaction of the CPs, including:

- (a) building completion and obtaining the occupancy certificate; and
- (b) satisfactory completion of the final due diligence.

The Acquisition is expected to be completed by June 30, 2020.

2.3 Master Lease Arrangement

Upon completion of the Acquisition, AIPL shall enter into a master lease arrangement with a subsidiary company of the Vendor (“**Vendor Sub**”) to lease-back the Property for six years. The Vendor Sub shall provide its expertise in management of the FTWZ by operating and managing the Property and pay rent to AIPL during the lease period.

⁴ Initial lease term of 30 years, renewable perpetually at AIPL’s option for further periods of 30 years on each expiry.

⁵ Estimated 12-months construction period.

⁶ Net consideration is INR 2,039.1 million / SGD 40.0 million (after deduction of security deposit).

3. RATIONALE FOR THE TRANSACTION

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

3.1 Continued Diversification into Warehousing Space

The Transaction offers a-iTrust the opportunity to diversify further into India's fast-growing logistics sector which is expected to grow by 12 – 15% per annum over the next five years⁷.

3.2 Expansion in an Established Zone

The Transaction allows a-iTrust to expand its presence in Panvel, an established warehousing zone in a strategic location near Jawaharlal Nehru Port Trust (“JNPT”), India's largest container port, with good access to the industrial centres of Mumbai, Vashi and Thane.

3.3 Capitalise on Strong Tenant Demand in Panvel FTWZ

Following the Initial Acquisition, warehousing demand at Panvel FTWZ has gained significant traction. The six operating warehouses are currently operating at near full occupancy and an additional warehouse is required to cater to incremental demand.

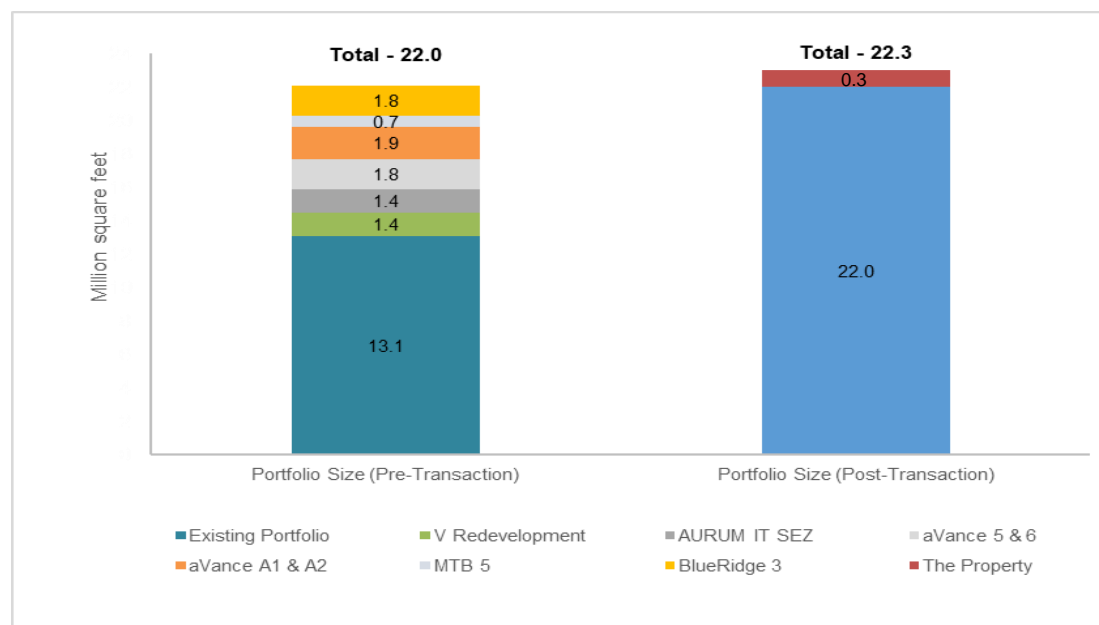
3.4 High Quality Asset

Similar to the existing operating warehouses, the Property will be constructed as a modern Grade-A warehousing facility that is within a large FTWZ with high-quality infrastructure and excellent facilities. Coupled with its strategic location and unique value proposition, the Property is expected to attract leading international customers.

3.5 Transaction fits the Trustee-Manager's Investment Strategy

The Transaction fits the Trustee-Manager's strategy to invest in quality logistics assets.

Upon completion of the Forward Purchase, a-iTrust's portfolio size (pre-Transaction) will increase by 1.4% from approximately 22.0 million square feet⁸ to approximately 22.3 million square feet.



⁷ Source: KPMG Study

⁸ Includes the proposed acquisition of two buildings in AURUM IT SEZ as announced on 14 May 2018, acquisition of aVance 5 & 6 in aVance Business Hub as announced on 21 May 2018, acquisition of aVance A1 & A2 as announced on 31 July 2018, acquisition of BlueRidge 3 as announced on 14 June 2019 and development pipeline in existing projects.

3.6 Expected Accretive Acquisition

The Transaction is expected to be accretive at the distribution level. Post-Acquisition, the financial impact of the Transaction on the Distribution per Unit (the “DPU”) is expected to be approximately 0.03 Singapore cents per unit in a-iTrust (the “Unit”).

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Trustee-Manager intends to finance the Construction Funding using existing cash resources in India. Details of the mode of financing of the Acquisition will be determined nearer to 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 Acquisition⁹. They have been prepared based on the latest audited financial statements of a-iTrust for the financial year ended 31 March 2019 (“FY 2018/2019”).

4.2.2 Pro Forma Net Profits

Post-Acquisition, the FY 2018/2019 pro forma net profit attributable to the Acquisition is approximately SGD 1.7 million¹⁰ 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 as at 31 March 2019, as if a-iTrust had completed the Acquisition on 1 April 2018 and held the interest in the Property through to 31 March 2019.

	Before the Acquisition	After the Acquisition
NAV per Unit (SGD)	1.017	1.021

4.2.4 Pro Forma Distribution per Unit (“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 2018/2019, as if a-iTrust had completed the Acquisition on 1 April 2018 and held the interest in the Property through to 31 March 2019.

	Before the Acquisition	After the Acquisition
DPU ¹¹ (SGD cents)	7.330 ¹²	7.364

⁹ Assuming the Acquisition had been funded using 40% debt and 60% equity.

¹⁰ Estimate based on the assumed revenue derived from the Property, net of operating, financing and trust expenses and withholding taxes.

¹¹ Post retaining 10% of income available for distribution.

¹² 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 business trust.

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.

Mr Manohar Khiatani, who is the Deputy Chairman and a Non-Executive Director of the Trustee-Manager, is a Senior Executive Director of CapitaLand Limited ("**CapitaLand**"). Amongst others, Mr Manohar Khiatani assists the Group Chief Executive Officer of CapitaLand in matters relating to organisation integration and the India and business parks businesses. He also oversees the Group Chief Operating Executives of CapitaLand for Business Communities Development and Customer Services & Solutions. Mr Jonathan Yap, who is a Non-Executive Director of the Trustee-Manager, is the President of CapitaLand Financial and a member of the CapitaLand Management Committee. Mr Manohar Khiatani and Mr Jonathan Yap are also Directors of Ascendas Land International Pte. Ltd. (the "**Sponsor**"). The Sponsor and the Trustee-Manager are indirect, wholly owned subsidiaries of CapitaLand. As at the date of this announcement and based on information available to the Trustee-Manager as at the date of this announcement, the Sponsor and the Trustee-Manager hold an aggregate direct and indirect interest in 238,302,607 Units, which is equivalent to 22.87% of the total number of Units in issue.

Save as disclosed above and based on information available to the Trustee-Manager as at the date of this announcement, none of the Directors of the Trustee-Manager or the Controlling Unitholders¹³ have an interest, direct or indirect, in the Transaction.

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 Transaction or any other transaction contemplated in relation to the Transaction.

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 2018/2019, 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 Transaction, the relative figure for the basis of comparison set out in sub-paragraph (ii) above is approximately 2.89%.

6.3 Voluntary Disclosure

The Transaction is in the ordinary course of a-iTrust's business and does 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.

¹³ "Controlling Unitholders" refers to any person(s) with an interest in Units constituting not less than 15.0% of all Units in issue.

The Trustee-Manager will make further announcement(s) as appropriate when there are material developments with regard to the Transaction.

7. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement and Share Purchase Agreement 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 Judith de Souza
Company Secretary
Ascendas Property Fund Trustee Pte. Ltd.
(Company Registration No. 200412730D)
(as Trustee-Manager of Ascendas India Trust)

11th July 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.