ASCENDAS INDIA TRUST
(Registration Number: 2007004)
(a business trust registered under the Business trusts Act, Chapter 31A of Singapore)

ANNOUNCEMENT

RESPONSE TO QUERIES FROM SGX-ST ON THE HALF YEAR RESULTS OF ASCENDAS INDIA TRUST

Ascendas Property Fund Trustee Pte. Ltd. (the "**Trustee-Manager**"), as trustee-manager of Ascendas India Trust ("**a-iTrust**"), hereby provides its response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 4 August 2020 in relation to a-iTrust's unaudited results for the half year ended 30 June 2020 announced via the SGXNet on 28 July 2020 ("**Results Announcement**"), as set out below:

Question 1:

It is stated on page 9 of the announced financial results that a-iTrust and its subsidiaries (the "**Group**") has aggregate borrowings of S$187,637,000 which are repayable in one year or less, or on demand.

a) How does the Group intend to repay the amount of S$187,637,000 which is repayable in one year or less, or on demand?

b) How much of the amount of S$187,637,000 is attributable to borrowings which are repayable on demand? Further, what are the conditions or circumstances which would trigger repayment to be made on demand?

c) Please provide further information on whether the Company expects cash flow or liquidity issues with regard to the repayment of S$187,637,000, in light of the COVID-19 situation and its impact on the Company's business operations. Please substantiate the Company's stand with specific details.

Where applicable, please elaborate on the matters set out in our Regulator's Column "What SGX expects of issuer's disclosures during COVID-19" dated 22 April 2020.

Trustee-Manager's Response:

a) As at 30 June 2020, the Group has available undrawn committed term loan facilities of S$69 million and total cash and cash equivalent of S$129 million. a-iTrust is also in the process of closing a 4-year S$65 million committed term loan facility. Out of the S$188 million current borrowings due within 1 year, a-iTrust has already refinanced S$69 million with 4-year & 5-year committed term loans in July 2020. The remaining S$119 million may be repaid through the upcoming S$65 million committed facility, S$286 million of undrawn uncommitted revolving credit facilities and/or available cash of S$129 million, all of which add up to S$480 million. The Group also has available debt headroom of S$1,109 million as at 30 June 2020 to refinance the existing loans.

b) S$104 million of borrowings is repayable on demand as at 30 June 2020. Out of these, S$69 million has already been refinanced with long-term committed term loan facilities in July 2020. The remaining S$35 million of borrowings are uncommitted revolving credit facilities from various banks. These loans are repayable at the banks' discretion. If necessary, a-iTrust has sufficient cash resources to pay the remaining S$35 million of uncommitted revolving credit facilities. However, given the Group's low gearing ratio of 29%, healthy interest service coverage of 4x, healthy cash balance of S$129 million and ample debt headroom of S$1,109 million as at 30 June 2020, Management believes that the risk of the banks demanding immediate repayment for these uncommitted borrowings is low.

c) a-iTrust does not expect cash flow/liquidity issues for the repayment of the S$188 million since it has refinanced $69 million in July 2020, is in the process of closing a S$65 million 4-year term loan before end August and has sufficient cash to pay the remaining S$54 million of borrowings. Further, a-iTrust has a low gearing ratio of 29% and has available debt headroom of S$1,109 million to refinance the existing loans.

Question 2:

It is noted that a-iTrust has disclosed on page 9 Notes (4):-

"The carrying amounts of investment properties as at 30 June 2020 were assessed by the Trustee-Manager based on market conditions as at 30 June 2020. Valuations of investment properties are currently subject to significant estimation uncertainty and given that the potential impact of COVID-19 is constantly evolving, significant market uncertainty exists. Therefore, the valuation of investment properties would be reassessed at year end to understand the COVID-19 impact that may arise after the balance sheet date."

Our Regulator's Column of 27 July 2020 titled "What SGX RegCo expects of financial reports amid COVID-19" dated 27 July 2020 provides amongst others that:-

"Boards and management should carefully assess if asset values are appropriately reported in the interim financial statements. They should review whether the effects of COVID-19 present any indication that the asset values as at the previous financial year-end have changed significantly. The assessment of the impact and its associated uncertainties should be clearly explained.

Disclosures are expected to be entity-specific, relevant and useful to investors. Issuers must eschew boilerplate disclosures, such as broad or generic statements that COVID-19 have negatively impacted the valuation measurements, without elaborating on the effects on each business segment. Disclosures must also be balanced and fair and avoid omission of important unfavourable facts.

Financial statements should provide comparable and relevant information that adequately reflects the impact of COVID-19 on the issuer. Timely disclosure of any changed circumstances will enable investors to make an informed investment decision."

a) Please clarify as to how the Trustee-Manager has assessed the carrying amounts of investment properties as at 30 June 2020 based on market conditions as at 30 June 2020?

b) Please explain whether and how the Board of Directors has addressed its mind to the carrying amounts of a-iTrust's investment properties for 1H2020 and decided if any material change is required, in view of the current COVID-19 situation;

c) Given the significant change in the economic, operating and business conditions caused by the COVID-19 pandemic which would be prevailing as at 1H2020, please state whether and how a-iTrust would have disclosed all material information relating to the value of its investment properties to enable investors to make informed investment decisions;

d) Please provide the assessment by the Board of Directors as to whether it is possible and if so, please quantify any impact on the carrying amounts of a-iTrust's investment properties for 1H2020. If not, please provide the bases for the Board of Directors' view(s); and

e) Taking into consideration your responses to the above queries a) to d), please clarify as to whether the Board of Directors has considered if the interim financial statements provide a balanced and fair view of any material factors that have affected a-iTrust's business conditions and financial position, including the impact of COVID-19.

Trustee-Manager's Response:

a) Investment Properties of a-iTrust comprise mainly offices, business parks and logistics warehouses ("**Office and Logistics Portfolio**"), which make up 98.2% of the total value of investment properties. The remaining 1.8% of the value of investment properties is attributed to Park Square Mall, which is a retail space located in International Tech Park Bangalore.

   The valuation of investment properties is driven by three key primary factors, occupancy, average rent and capitalisation rate.

   With reference to the Office and Logistics Portfolio, the Trustee-Manager has assessed that the methodologies and assumptions used by the independent valuer since 31 December 2019 remain appropriate as there is no change to the nature of investment properties. In addition, the Trustee-Manager has compared key information (occupancy rate and lease rentals) used in the earlier valuation as at 31 December 2019 vis-à-vis information as at 30 June 2020. As at 30 June 2020, the portfolio occupancy was 98.3% (compared to 99.0% as at 31 December 2019) while average effective rent was INR 50.8 per square foot per month as at 30 June 2020 (compared to INR 49.9 as at 31 December 2019). The 0.7% decrease in occupancy is more than offset by the 1.8% increase in average effective rent. The capitalisation rate of 8.75% applied on the Office and Logistics Portfolio as at 31 December 2019 also remains relevant as comparable properties in competitor parks have been valued at lower capitalisation rates. Based on the above, the Trustee-Manager has assessed that no impairment to the Office and Logistics Portfolio is required.

   For Park Square Mall, an independent valuation was conducted by the same valuer engaged by the Trustee-Manager as at 31 December 2019. Based on the valuation report, the fair value of Park Square Mall has decreased from INR 1,916 million as at 31 December 2019 to INR 1,700 million as at 30 June 2020. As the decrease is only 0.2% of the total carrying amount of investment properties, the Trustee-Manager has assessed that no impairment was required based on materiality.

b) With respect to the Office and Logistics Portfolio, the Board concurs with Management's assessment that no impairment is required as at 30 June 2020 relative to the value at 31 December 2019 based on the following:

   (i) As at 30 June 2020, portfolio occupancy was at 98.3% compared to 99.0% as at 31 December 2019;
   (ii) As at 30 June 2020, average effective rent was at INR 50.8 per square foot per month compared to INR 49.9 as at 31 December 2019;
   (iii) As at 30 June 2020, the 0.7% decrease in occupancy was more than offset by the 1.8% increase in average effective rent; and
   (iv) The capitalisation rate of 8.75% applied on the Office and Logistics Portfolio as at 31 December 2019 remains relevant as comparable properties in competitor parks have been valued at lower capitalisation rates.

   With respect to Park Square Mall, the valuation conducted by the independent valuer reflected a fair value loss of 0.2% of the total carrying amount of investment properties. The Board of

Directors is of the view that no material changes to the total carrying amounts of investment properties is required.

c) The Trustee-Manager has, together with the Results Announcements, released its Press Release and 1H FY2020 Financial Results Presentation Slides (“**Presentation Slides**”) on 28 July 2020. Material information relating to the impact of COVID-19 has been disclosed in these documents.

In particular, the Trustee-Manager would like to highlight the following material information (also indicating where such information may be found):

(i) Collections for office rents remain healthy with 99% of April, 95% of May and 92% of June billings collected (Slide 6 of Presentation Slides). Allowance for expected credit loss was also made on a prudent basis (Page 2 of Results Announcement, Slide 6 of Presentation Slides and Press Release). Offices remain open and no rebates have been provided to office tenants (Slide 6 of Presentation Slides and Press Release);
(ii) Closure of Park Square Mall from 14 March 2020 to 7 June 2020 and 14 July 2020 to 21 July 2020 (Slide 6 of Presentation Slides and Press Release);
(iii) Assessment of the carrying amounts of investment properties as at 30 June 2020 and that no impairment is required (Page 9 of Results Announcement). Management has further iterated that a valuation will be conducted as at year end that will also assess the impact of COVID-19 on the valuation of a-iTrust’s investment properties post balance sheet date of 30 June 2020.

d) With reference to the Trustee-Manager’s response in part b), a fair value loss relating to Park Square Mall was reflected in the valuation conducted by the independent valuer. The fair value loss amounted to 0.2% of the total carrying amount of a-iTrust’s investment properties. As this amount was deemed to be immaterial, no material changes were made to the total carrying amounts of the investment properties.

e) The Board of Directors, having reviewed the interim financial statements and given due consideration to the information set out in our responses in parts a) to d), is of the view that the interim financial statements present a balanced and fair view of any material factors that have affected a-iTrust’s business conditions and financial position, including the impact of COVID-19.

Question 3:

Please clarify the reason(s) for the increase in the “trade and other receivables” financial statement line item, from approximately S$34,165,000 as at 31 December 2019, to approximately S$48,684,000 as at 30 June 2020. Please also provide a breakdown of the “trade and other receivables” financial statement line item.

Trustee-Manager’s Response:

The increase in trade and other receivables is mainly due to increase in interest receivables on long term receivables of INR 681 million (equivalent to S$13 million) together with increase in trade receivables and service input tax recoverable during the financial period.

The interest receivables are accrued interest on the long term receivables, and they are both secured by a charge over the underlying properties/land/shares and have healthy loan-to-value ratios. Nevertheless, the Trustee-Manager continuously monitors the status of the interest receivables and the long term receivables, and the underlying projects to ensure they remain on track.

The breakdown of the increase in “trade and other receivables” is provided below.

Trade and other receivables

	Group	
	30 June 2020	31 December 2019
	$'000	$'000
Current		
Trade receivables	**13,141**	8,674
Less: Allowance for impairment of receivables	**(5,449)**	(2,231)
Trade receivables - net	**7,692**	6,443
Non-related parties		
- Advances to suppliers	**1,842**	2,095
- Interest receivable	**31,676**	19,798
- Service input tax recoverable	**6,957**	5,358
- Others	**517**	471
	48,684	34,165

Question 4:

Please clarify the reason(s) for the increase in the "long term receivables" financial statement line item, from approximately S$318,193,000 as at 31 December 2019, to approximately S$335,605,000 as at 30 June 2020. Please also provide a breakdown of the "long term receivables" financial statement line item.

Trustee-Manager's Response:

During the financial period, the Group continued to subscribe to Rupee Denominated Bonds which was issued to fund the forward purchase of an office building at Pune; and Non-Convertible Debentures to fund the forward purchase of a Free Trade Warehousing Zone warehouse at Panvel and an office building at Navi Mumbai (refer to our announcements on these forward purchases as follows: Blueridge 3 at Hinjawadi Phase I, Pune on 14 June 2019, additional warehouse at the Arshiya Free Trade Warehousing Zone at Panvel on 11 July 2019 and AURUM IT Special Economic Zone at Navi Mumbai on 14 May 2018).

As highlighted in the response to question 3, the interest receivables and the long term receivables are secured by a charge over the underlying properties/land/shares and have healthy loan-to-value ratios. Nevertheless, the Trustee-Manager continuously monitors the status of the interest receivables and long term receivables, and underlying projects to ensure they remain on track.

The breakdown of the increase in "long term receivables" is provided below.

Long Term Receivables

	Group	
	30 June 2020	31 December 2019
	$'000	$'000
Balance at beginning of financial period	**318,193**	222,106
Additions	**19,358**	106,565
Translation differences	**(1,946)**	(10,478)
Balance at the end of financial period	**335,605**	318,193

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

6 August 2020

Important Notice

The value of a-iTrust units ("**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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.