



ASCENDAS INDIA TRUST

(Registration Number: 2007004)

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

ANNOUNCEMENT

Annual General Meeting to be held on 25 June 2020 Responses to Substantial and Relevant Questions

Ascendas Property Fund Trustee Pte Ltd, the Trustee-Manager of Ascendas India Trust (“**a-iTrust**”, and the trustee-manager of a-iTrust, the “**Trustee-Manager**”) would like to thank all Unitholders who submitted their questions in advance of a-iTrust’s Annual General Meeting (“**AGM**”) to be held virtually via live audio-visual webcast and live audio-only stream at 2:30 p.m. on Thursday, 25 June 2020.

We have grouped the most asked questions, as well as questions relevant to the AGM agenda and aspects of our business into a few key topics.

Key topics include:

1. Impact of COVID-19 on a-iTrust
2. Business strategy/outlook
3. Distribution policy
4. Financials
5. Capital Management

Please refer to our responses to these substantial and relevant questions in the following pages (**Appendix 1**).

Mr Sanjeev Dasgupta, Chief Executive Officer, will deliver a presentation to Unitholders at the AGM. Please refer to the 2020 AGM Presentation and all AGM-related documents at <https://ir.a-itrust.com/agm.html>.

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and made available on a-iTrust’s website. The minutes of the AGM will be published on a-iTrust’s website on or before 25 July 2020.

BY ORDER OF THE BOARD
ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.
(Company Registration No. 200412730D)
(as Trustee-Manager of Ascendas India Trust)

Mary Judith de Souza
Company Secretary
24 June 2020

A. Impact of COVID-19 on a-iTrust	
1.	What is the impact of COVID-19 on a-iTrust's business operations? What pre-emptive measures will be put in place going forward?
	<p>India has crossed 440,000 cases as at 23 June 2020 and the situation is still evolving. However, given the severe impact on the economy, India started limited and phased exit from country-wide lockdown on 1 June 2020. Some states like Maharashtra and Tamil Nadu continue with a higher level of precaution. To tackle the increase in cases, containment zones are planned in individual buildings and colonies, rather than entire cities and states. Exceptions include Tamil Nadu, which has re-imposed a lockdown in Chennai from 19th to 30th June 2020.</p> <p>National air, rail and inter-state buses have started in a phased manner and operate based on state guidelines. Religious places, hotels, restaurants, and shopping malls are allowed to open since 8 June 2020, with guidelines on operations in the post-COVID-19 era. Educational institutions opening will be decided by individual states. International air travel, movie theatres, bars, etc will remain suspended and the decision to re-open them will be taken in July 2020. Offices across India can open, but work from home, staggered hours and social distancing are encouraged.</p> <p><u>IT Parks (Office):</u> Our parks were open for essential services to support tenants' critical operations throughout the lockdown phases. Most tenants have implemented work from home during the lockdown period with minimal tenants' employees on site for essential services. While tenants are now allowed to operate at full capacity with the easing of restrictions, it is noted that most tenants remain cautious and are ramping up their office attendance gradually over several weeks even after the lockdown is lifted. Current physical occupancy within the parks is around 4 - 5%. We expect many tenants to have a proportion of their workforce working from home possibly till end of this year, or until the spread of the virus has been contained.</p> <p><u>Retail:</u> Park Square ("PSQ"), our retail mall in International Tech Park Bangalore ("ITPB"), has been closed from 14 March to 7 June per government regulations. The mall has reopened from 8 June onwards. Approximately 30% of PSQ tenants have reopened. The tenants/public have remained cautious. Mall footfalls should pick up as more office tenants from the IT park return to office.</p> <p><u>Logistics:</u> While the warehousing sector has been categorised as an essential service, it has been impacted due to scarcity of truck drivers and restrictions on road transportation during the lockdown. The Arshiya Panvel warehouses are under master lease arrangement with Arshiya Group till 2024 with various risk mitigation measures including a high security deposit.</p> <p><u>Pre-emptive measures going forward:</u> We have been maintaining the highest level of hygiene at our parks and enhanced precautionary measures to ensure our parks are safe, resilient and ready. Our tenants and their employees' health and safety is a key priority for us. To achieve this objective, we have taken various steps in our parks, including compliance with the orders and Standard Operating Procedures released by Government agencies. A three-step approach is employed towards park preparedness comprising of enhanced hygiene and safety protocols, social distancing and creating awareness and highlighting precautionary measures among our tenant employees.</p> <p>We have been looking to adopt relevant technologies for the precautionary measures without affecting customer experience. These include installing thermal scanners for rapid and safe temperature screening, heightened hygiene protocols to minimise the spread of pathogens, a special deep cleaning team, Ultra Low Volume fogging and disinfection, ultraviolet treatment in air handling units, special training for all support staff, amongst others. We are also adding contact-free features to equipment where possible. Artificial Intelligence tools are also under evaluation. We will continue to follow these initiatives and steps for the safety of all park users till the pandemic situation improves.</p>

2.	What is the % of tenants seeking rental waiver, deferral, reduction? Does the company foresee substantial increase in arrears of rent?
	<p>We have received various requests from our tenants. We currently do not plan to provide any rent rebate/relief to the office tenants as our office remains open throughout the lockdown period and tenants can still use the premises for their essential functions. This approach is consistent with the approach of other large office landlords in India. We are working with our tenants and may provide rent deferrals on a case by case basis to support occupiers who have potential to grow with us in the future.</p> <p>We are looking to provide some relief for our retail tenants who were forced to close during the lockdown period on government orders. In FY2019, income from all retail tenants only accounted for less than 2% of a-iTrust's net property income ("NPI").</p> <p>We have a well-diversified tenant base with the top 10 tenants accounting for 37% of our portfolio base rent. To protect a-iTrust's interest, we are actively monitoring and pursuing rent collections to avoid a build-up of receivables. Most of our April and May rents have been collected from our tenants. As a risk mitigation measure, we hold approximately 6 to 8 months of security deposit from our tenants.</p>
3.	What is the impact of COVID-19 on a-iTrust's occupancy?
	<p>Our occupancy was at 99% as at March 2020. While we have not seen any major non-renewals during this period, the situation remains fluid and there is a risk that some tenants may not renew their leases if the situation deteriorates.</p>
4.	a-iTrust has maintained a cautious tone in 1Q2020 business update. What is the impact of COVID-19 on revenue/ NPI/ DPU?
	<p>The weak economic conditions brought about by COVID-19 could reduce demand for office space, resulting in lower occupancies, softening of rents and potentially higher bad debt provisions. With the closure of Park Square (retail mall in ITPB) from 14 March to 7 June, revenue from retail is expected to reduce.</p>
B. Business Strategy / Outlook	
1.	What is the business outlook for a-iTrust?
	<p>For this fiscal year, the outlook will be challenging as the weak economic conditions brought about by COVID-19 could reduce demand for office space, resulting in lower occupancies, softening of rents and potentially higher bad debt provisions.</p> <p>While we have resumed construction activity for MTB 5 and International Tech Park Hyderabad ("ITPH"), other planned developments/acquisitions may be delayed due to supply chain disruptions, labour shortages and potential slowdown in leasing activity this year. Construction of MTB 5, a 100% pre-leased building, is on target to be completed by end of 2020. Redevelopment of ITPH, which is in the early stage of Phase 1 of several phases, may be delayed depending on the outlook of the India office market. We will likely continue with the planned acquisition of Arshiya Khurja (logistics asset in NCR) once the conditions precedent in the sales and purchase agreement are fulfilled. Acquisition plans for forward purchases in our committed pipeline may be impacted depending on the outlook of the India office market.</p>
2.	With work from home ("WFH"), what is the outlook for the office sector in India?
	<p>As more companies adopt work from home and flexible work arrangements, there is a potential for reduced office demand in India. However, social distancing requirements, infrastructure challenges in employee homes and productivity considerations may limit the actual impact.</p>
3.	Are there any asset enhancement plans this year?
	<p>We will continue with planned asset enhancement initiatives ("AEIs") that we have reviewed/assessed to be essential for the operation of our properties and/or are in progress before COVID-19. For the non-essential AEIs, we may delay the plans to the next year.</p>

4.	Will a-iTrust look for opportunities to acquire in current environment?
	<p>a-iTrust has a committed pipeline from our forward purchase agreements with third parties and from our sponsor, CapitaLand Limited.</p> <p>Given the current uncertainty, it is too early to work out a detailed assessment of the impact of COVID-19 on economic activity and the real estate market. Investment opportunities could emerge out of the COVID-19 crisis and we will continue to review investment opportunities that are in-line with our investment strategy and accretive to Unitholders.</p>
5.	What is a-iTrust's plan for the data centre asset class in 2020?
	Currently, a-iTrust does not have any data centre assets as part of its portfolio. We will consider investments in the data centre asset class if there are investment opportunities that are in-line with our investment strategy and accretive to Unitholders.
C. Distribution Policy	
1.	Are there any changes to the dividend distribution policy of a-iTrust?
	There is no change to the dividend distribution policy i.e. a-iTrust will continue to distribute at least 90% of its income available for distribution. For FY2019, due to a change in financial year end from 31 March to 31 December as announced on 19 July 2019, a-iTrust has made distributions to Unitholders for the six-month period ending 30 September 2019 and three-month period ending 31 December 2019. Going forward, a-iTrust will make distributions to Unitholders for every six-month period ending 30 June and 31 December. Unitholders will receive the distributions in the months of February and August with effect from calendar year 2020.
D. Financials	
1.	How does the construction funding with the subsidiary of Arshiya Ltd work? How does this generate revenue for a-iTrust?
	Construction funding for this is similar to the construction funding of other projects under the a-iTrust committed pipeline. a-iTrust provides project funding to the Vendor by subscribing to non-convertible debentures ("NCDs") issued by the Vendor for the project. The funding of such NCDs are based on the construction schedule and funding with the aim to eventually acquire the asset once certain conditions precedent are met. The NCDs are recognised as long-term receivables in our balance sheet (refer to Note 17 of the FY2019 Financial Statements). a-iTrust earns interest income from such NCDs. Upon acquisition of the asset (once conditions precedent are met), a-iTrust will earn property income from the asset.
E. Capital Management	
1.	Will a-iTrust be tapping the equity market in the near future with the current committed pipeline? Will rights issue to all Unitholders be considered?
	There are no existing plans to tap the equity market in the short term based on current operations and committed pipeline since we have available funds and a comfortable debt headroom. a-iTrust may look to tap the equity market should the need arise from additional new investment opportunities not in the current committed pipeline.
2.	How much can EBITDA go down before a-iTrust breach the interest coverage ratio ("ICR") of 2.5X?
	Currently, a-iTrust will only breach its loan covenants if its ICR is below 2.0X. Although a-iTrust is structured as a business trust, we have voluntarily adopted the restrictions under the MAS Property Funds Appendix. In April 2020, MAS has raised the leverage limit for S-REITs from 45% to 50%, with immediate effect. The MAS requirement for a new minimum ICR ratio has been deferred to 1 January 2022. a-iTrust's ICR for 1Q FY2020 is 4.0X and a 50% drop in EBITDA is required to breach ICR of 2.0X.