



ASCENDAS INDIA TRUST

(Registration Number: 2007004)

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

PROPOSED ACQUISITION OF AVANCE A1 & A2 AT AVANCE BUSINESS HUB 2, HYDERABAD

1. INTRODUCTION

Ascendas Property Fund Trustee Pte. Ltd., the Trustee-Manager of Ascendas India Trust (“**a-iTrust**”), wishes to announce that 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 Phoenix Infracore India Private Limited (“**PIIPL 1**”) and Phoenix Infracore India Private Limited (“**PIIPL 2**”), collectively referred to as “**Co-Developer Entities**”, to subscribe to non-convertible debentures (“**NCDs**”) issued by the Co-Developer Entities.

The Co-Developer Entities as the approved co-developers of aVance Business Hub 2, Hyderabad, an information technology (“**IT**”) / information technology enabled services (“**ITES**”) Special Economic Zone (“**SEZ**”), are currently developing two buildings, aVance A1 & A2 (collectively referred to as the “**Properties**”) with a combined leasable area of approximately 1.85 million square feet located within aVance Business Hub 2, Hyderabad.

aVance Business Hub 2 comprises 7 buildings to be developed on approximately 14.4 acres of land. In May 2018, a-iTrust, through Ascendas Property Fund (India) Pte. Ltd. (“**APFI**”), had entered into a master agreement (the “**Master Agreement**”) with Phoenix Ventures Private Limited (owns 100% equity stake in the Co-Developer Entities, to be taken as the “**Vendor**”) and Phoenix Infracore (India) Private Limited to acquire five out of the seven future buildings.

aVance A1 has approximately 0.86 million square feet of leasable area and aVance A2 has approximately 0.99 million square feet of leasable area. Both buildings will be acquired individually when completed, subject to occupancy levels and other conditions.

2. DETAILS OF THE TRANSACTION

2.1 Construction Funding for aVance A1 & A2

Pursuant to the Subscription Agreement, APFF and VITP, will be subscribing to the NCDs to be issued by the Co-Developer Entities amounting to INR 7,958 million/SGD 157.8 million¹. The NCDs will be secured by a charge over the Properties, land and pledge of

¹ Based on an exchange rate of S\$1 to INR 50.44

shares. The funding will be based on the Properties' construction funding requirements (the "**Subscription**").

The Subscription is subject to, and conditional upon, the satisfaction of certain conditions precedent that include the following:

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

2.2 Acquisition of aVance A1 & A2

Pursuant to the terms of the Master Agreement, a-iTrust, through APFI or its nominees, shall purchase 100% of the shares in the Co-Developer Entities (the "**Acquisition**"), subject to the Properties achieving specified leasing threshold(s), based on a purchase price to be determined in accordance with an agreed formula ("**Formula**"), which takes into account the agreed capitalisation rates, rental, and leasing level. a-iTrust can call for redemptions of the NCDs if the completion date is delayed beyond June 2021. The combined purchase price of the Co-Developer Entities computed based on the Formula, is currently not expected to exceed INR 14,000 million/SGD 277.5 million. An independent valuation will be conducted and announced after the Acquisition of each of the Properties.

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

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

(the Subscription and the Acquisition are collectively referred to as the "**Transaction**").

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

HITEC city is an established IT cluster occupied by leading IT/ITES companies such as TCS, Capgemini, Cognizant, Dell and IBM.

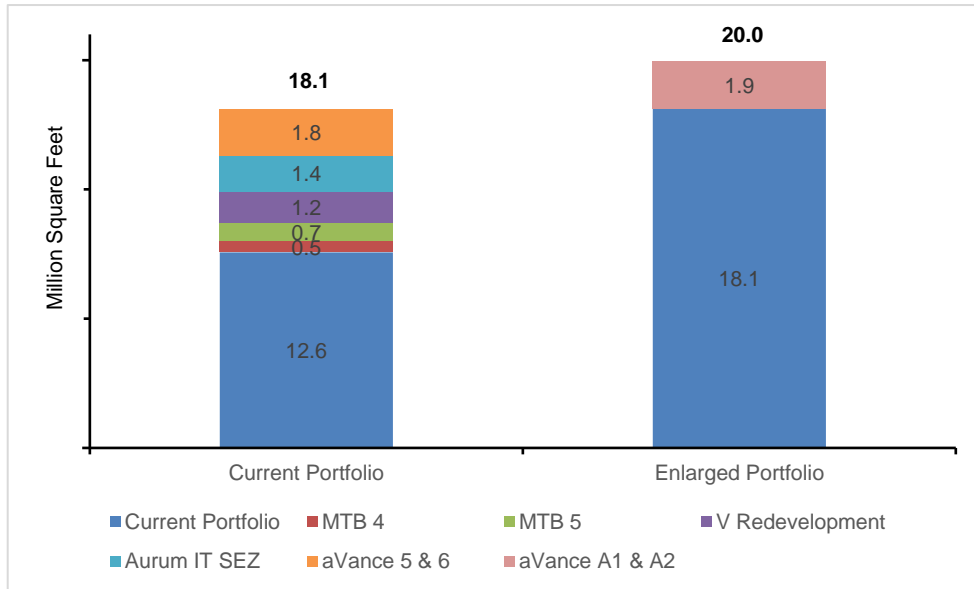
3.2 Robust micro-market trends

This Transaction will enable a-iTrust to increase its presence in Hyderabad, which is currently witnessing robust rental growth arising from healthy demand from global IT companies. HITEC City is the prime IT cluster accounting for the majority of office leasing transactions in Hyderabad. The rentals for the SEZ segment are expected to witness appreciation over the years with a CAGR of approx. 5%. Vacancies in Hi-Tec City micro-markets are expected to be around 5% till 2019.

3.3 The Transaction Fits the Trustee-Manager’s Investment Strategy

The Transaction fits 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 Properties, a-iTrust’s current portfolio² will increase 10.2% from approximately 18.1 million square feet to approximately 20.0 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 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 additional borrowings at Singapore. 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 Acquisition³. 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”).

² 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 and development pipeline in existing projects

³ Assuming the transaction had been funded using 40% debt and 60% equity.

4.2.2 Pro Forma Net Profits

The FY 2017/2018 pro forma net profit attributable to the Acquisition is approximately SGD 13.42 million⁴ 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 of both the Co-Developer Entities
NAV per Unit (SGD)	0.92 ⁵	0.93

4.2.4 Pro Forma Distribution per Unit⁶ (“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.

	Before the Acquisition	After the Acquisition of both the Co-Developer Entities
DPU ⁷ (SGD cents)	6.28 ⁶	6.42

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)⁸ have any interest, direct or indirect, in the Subscription and the Acquisition.

⁴ Estimate based on the assumed revenue derived from the Property, net of operating, financing and trust expenses and withholding taxes.

⁵ Includes the proposed acquisition of two buildings in AURUM IT SEZ as announced on 14 May 2018, and acquisition of aVance 5 and 6 in aVance Business Hub as announced on 21 May 2018.

⁶ 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.

⁷ Post retaining 10% of income available for distribution.

⁸ “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 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 Properties.

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 11.12% for PIPL 1 and 12.86% for PIPL 2 respectively.

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.

7. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement and the Master 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 a-iTrust
31 July 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.