



A Member of CapitaLand

ASCENDAS INDIA TRUST

(Registration Number: 2007004)

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

PROPOSED ACQUISITION OF A WAREHOUSE IN THE ARSHIYA FREE TRADE WAREHOUSING ZONE AT KHURJA, NCR, INDIA

1. INTRODUCTION

Ascendas Property Fund Trustee Pte. Ltd., as Trustee-Manager of Ascendas India Trust (“**a-iTrust**”), wishes to announce that its wholly owned subsidiary, Ascendas Property Fund (India) Pte. Ltd. (“**APFI**”), has today entered into a:

- (i) Share Purchase Agreement (“**SPA**”) with Arshiya Limited (“**AL**” or “**Seller**”) to acquire 100.0% interest (“**Acquisition**”) in Arshiya Northern Projects Private Limited (“**ANPPL**”). Payment will be made only upon completion of certain conditions precedent (the “**CPs**”).
- (ii) Framework Agreement for the acquisition of two existing warehouses (“**Existing Warehouses**”) and construction funding and forward purchase of future developments (“**Future Warehouses**”) within the Arshiya Free Trade Warehousing Zone at Khurja (“**Khurja FTWZ**”).

(the Acquisition and the Framework Agreement are collectively referred to as the “**Transaction**”).

Arshiya Northern FTWZ Limited (“**ANFL**”), a subsidiary of Arshiya Limited, owns an operating warehouse at Khurja FTWZ, near Delhi NCR¹, India (“**Property**”). The Property comprises of a Grade-A warehouse² (“**Warehouse**”) with a total leasable area of approximately 191,582 square feet and is part of a FTWZ facility that is spread over approximately 127.0 acres with estimated future development potential of approximately 3.6 million square feet.

¹ National Capital Region.

² Includes assets within the warehouse such as racks, material handling equipment etc.

2. DETAILS OF THE TRANSACTION

2.1. Acquisition

2.1.1. Property Overview

Name of the Facility	<ul style="list-style-type: none">Arshiya Free Trade Warehousing Zone, Khurja
Location	<ul style="list-style-type: none">Khurja, NCR, India
Land Area	<ul style="list-style-type: none">Approximately 127.0 acres land area for the Khurja FTWZ facility; out of which approximately 4.5 acres land area allocated to the Warehouse
Warehouse	<ul style="list-style-type: none">Modern Grade-A warehouse with a total leasable area of approximately 191,582 square feetServices provided: storage and value-added services such as packing, labelling, tagging etc.Key Clients: ZTE, Corning, CFM Aircraft Engines etc.

2.2. Details of the Acquisition

The Acquisition will be structured in the form of acquisition of ANPPL, the SPV³ that will acquire the long-term leasehold rights⁴ in the Property from the Vendor⁵. On the closing date, the following actions shall take place:

(i) Share Acquisition of ANPPL:

Pursuant to the terms of the SPA, APFI shall purchase 100.0% of the shares in ANPPL.

(ii) Acquiring Leasehold Rights from the Vendor:

ANPPL shall acquire long-term leasehold rights in the Property for a purchase consideration that comprises of an upfront⁶ consideration of approximately INR 229.9 million/SGD 4.5 million⁷ and an additional deferred consideration of up to INR 721.6 million/SGD 14.17 million to be paid over the next four years, contingent on the achievement of certain performance milestones ("**Purchase Consideration**").

(iii) Lease Arrangement:

After completing the Acquisition, ANPPL shall enter into a Lease Arrangement with the Vendor to lease back the Warehouse to the Vendor for a period of six years. Vendor shall operate and manage the Warehouse and shall pay pre-agreed rentals to ANPPL.

To secure the rental payments, the Vendor will provide a bank guarantee and security deposit (aggregate value of approximately 12 months' rentals) to ANPPL. Additionally, rent due to ANPPL will be paid in priority from an escrow account in which all cash flows from the Property are collected.

This lease back arrangement will help a-iTrust benefit from the Vendor's expertise in the management of FTWZs.

³ Special Purpose Vehicle (a Co-developer in the FTWZ).

⁴ Initial lease term of 99 years renewable at ANPPL's option for further periods of 99 years on each lease expiry.

⁵ Property is owned by ANFL, a 100.0% subsidiary of AL. AL along with its group companies ANFL, Arshiya Infrastructure Developers Private Limited ("**AIDPL**") and Arshiya 3PL Services Private Limited ("**A3PL**") are collectively referred to as Vendor ("**Vendor**").

⁶ To be adjusted for security deposit equivalent to 12 months' rental.

⁷ Based on an exchange rate of SGD 1 to INR 51.30.

(iv) **Conditions Precedent:**

The Acquisition is subject to completion by the Vendor of certain CPs, including:

- the Vendor obtaining consents from its lenders and entering into settlement terms with certain creditors; and
- satisfactory completion of closing diligence.

The transaction closing is contingent on the completion of CPs by the long-stop date.

2.3. Framework Agreement

The transaction also covers the acquisition of the Existing Warehouses of approximately 0.3 million square feet and the construction funding and forward purchase of the Future Warehouses and includes:

(i) **Right to finance:**

- a-iTrust has the right to finance the construction of the Future Warehouses.

(ii) **Right to acquire:**

- a-iTrust has the exclusive right (and in certain cases, an obligation) to acquire all Existing and Future Warehouses.
- Any acquisition of the Existing or Future Warehouses is based on a pre-agreed cap rate framework and is subject to due diligence and fulfilment of CPs.

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. Strategic Location

The Khurja FTWZ is well connected to New Delhi (approximately 120 km) via existing road and rail network. It is approximately 30 km from the Yamuna Expressway⁸.

The site is one of the key stations on the Eastern DFC⁹ (Ludhiana-Kolkata) and is also close to the Western DFC (approximately 50 km from Dadri) which provides it with advantage to cater to the North India bound cargo handled at the Western and Eastern ports. The proximity to the DFC is a key driver of demand for the site.

3.2. Proposed International Airport

The proposed international airport at Jewar being developed by Zurich Airport International (expected completion by 2023) is approximately 36 km from the subject site. It is expected that the Jewar airport will provide a significant boost to the business of the clients operating from the Khurja FTWZ, which in turn would help the Vendor to scale-up storage space requirements in the Warehouse.

⁸ Yamuna Expressway is a 6-lane, 165 km long, expressway, connecting Greater Noida with Agra.

⁹ The Dedicated Freight Corridor ("**DFC**") aims to achieve efficient rail freight transportation from the interior parts of India to the eastern and western ports. Project completion is expected in 2021.

3.3. Leasing Pipeline

Since the announcement of the key infrastructure projects in the vicinity, there has been an increase in leasing momentum. Some of the key clients operating from the Khurja FTWZ include ZTE, CFM Aircraft Engines, Corning etc.

3.4. Scalable and Quality Warehouse Portfolio

Though the current Transaction is relatively small, it provides a-iTrust immediate access to a quality modern Warehouse, located in an FTWZ with good infrastructure and facilities. In addition to the upfront acquisition, the Framework Agreement provides scalability as a-iTrust has the right to acquire the Existing and Future Warehouses in the Khurja FTWZ.

3.5. FTWZ - Attractive Value Proposition

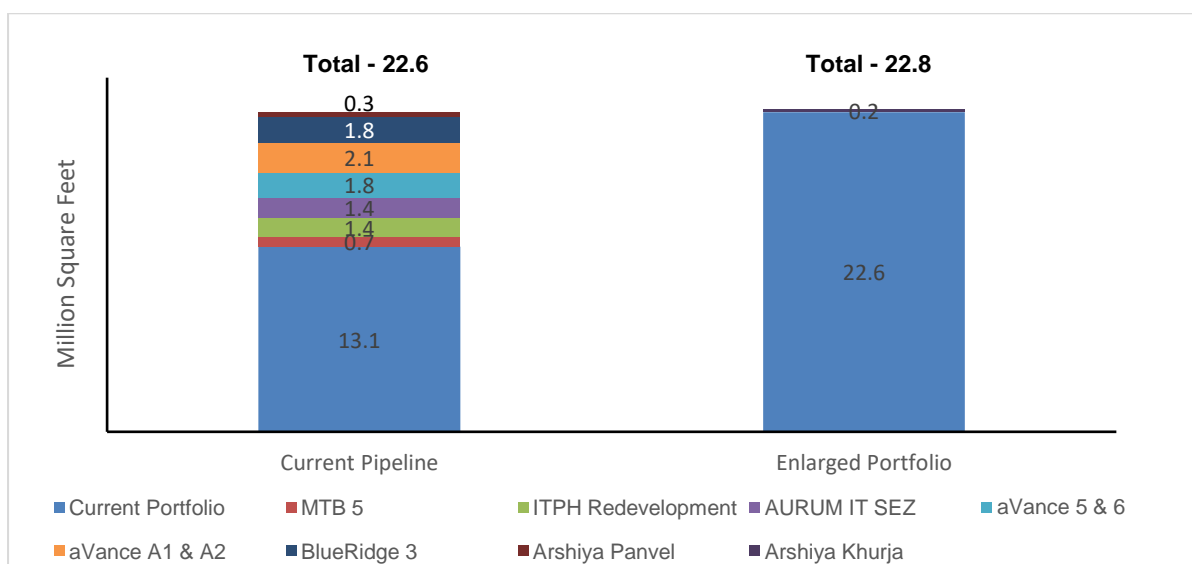
FTWZs are a category of Special Economic Zones (SEZs) that provide quality integrated infrastructure encompassing warehouses, office spaces, handling and transportation equipment and related utilities. FTWZs are designated as deemed foreign territories having many incentives including duty deferment and tax exemptions.

3.6. The Transaction fits the Trustee-Manager’s Investment Strategy

The Transaction fits the Trustee-Manager’s investment strategy to invest in quality assets used primarily for warehousing space.

a-iTrust has an existing investment with the Vendor in Panvel and can leverage its market knowledge and occupier relationships.

Upon completion of the Acquisition of the Property, a-iTrust’s current portfolio¹⁰ share will increase by 0.9% from approximately 22.6 million square feet to approximately 22.8 million square feet.



¹⁰ Includes the proposed acquisition of two buildings in AURUM IT SEZ as announced on 14 May 2018, acquisition of aVance 5 & 6 in aVance Hyderabad as announced on 21 May 2018, acquisition of aVance A1 & A2 in aVance Business Hub 2 as announced on 31 July 2018, acquisition of BlueRidge 3 as announced on 14 June 2019, acquisition of 7th Arshiya warehouse as announced on 11 July 2019 and development pipeline in existing projects.

3.7. Improved Earnings and Distributions for Unitholders

The Acquisition is expected to be accretive at the distribution level. The financial impact of the Acquisition on the Distribution per unit (“DPU”) is expected to be approximately 0.02 Singapore cents per unit¹¹ in a-iTrust (“Unit”).

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1. Method of Financing

The Trustee-Manager intends to finance the Acquisition through a combination of equity, Compulsorily Convertible Debentures and Non-Convertible Debentures issued by ANPPL in India and additional borrowings at Singapore. Details of the mode of financing 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 Acquisition¹². They have been prepared based on the latest audited financial statements of a-iTrust for the financial year ended 31 December 2019 (“FY2019”).

4.2.2. Pro Forma Net Profits

After Acquisition, the FY2019 pro forma net profit attributable to the Acquisition is approximately SGD 0.75¹³ million assuming income generated from the Transaction 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 December 2019, as if a-iTrust had completed the Acquisition on 1 April 2019 and held the interest in the Property through to 31 December 2019.

	Before the Acquisition	After the Acquisition
NAV per Unit (SGD)	1.09	1.09

¹¹ Assuming the transaction had been funded using 40% debt and 60% equity. Calculated based on pro forma results for the nine-month period ended 31 December 2019 and after retaining 10% of income available for distribution.

¹² Assuming the Transaction had been funded using 40% debt and 60% equity and payment of deferred consideration in full.

¹³ Estimate based on the assumed revenue derived post payment of all deferred considerations, net of operating, financing and trust expenses and withholding taxes.

4.2.4. Pro Forma Distribution per Unit¹⁴ (“DPU”)

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the Acquisition on a-iTrust’s DPU for FY2019, as if a-iTrust had completed the Acquisition on 1 April 2019 and held the interest in the Project through to 31 December 2019.

	Before the Acquisition	After the Acquisition
DPU ¹⁵ (SGD cents)	6.45	6.47

4.2.5. Pro Forma Gearing Ratio and Available Debt Headroom

After Acquisition, the FY2019 pro forma Gearing Ratio as at 31 December 2019 remains at 28%. The FY2019 pro forma available debt headroom as at 31 December 2019 would decrease from SGD 802 million to SGD 797 million.

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 726,849 Units.

Mr Manohar Khiatani, who is the Deputy Chairman and a Non-Executive Director of the Trustee-Manager, is the Senior Executive Director of CapitaLand Group. Mr Jonathan Yap, who is a Non-Executive Director of the Trustee-Manager, is the President of CapitaLand Financial of CapitaLand Group. Mr Sanjeev Dasgupta is the CEO and the Executive Director of the Trustee-Manager. Mr Manohar Khiatani and Mr Jonathan Yap are also Directors of CapitaLand India Pte. Ltd. (the “Sponsor”). The Sponsor and the Trustee-Manager are indirect, wholly owned subsidiaries of CapitaLand Limited. As at the date of this announcement and based on information available to the Trustee-Manager, the Sponsor and the Trustee-Manager hold an aggregate direct and indirect interest in 241,987,063 Units, which is equivalent to 21.12% 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 or the Controlling Unitholder(s)¹⁶ have any interest, direct or indirect, in the acquisition.

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 nor any other transactions contemplated in relation to the Transaction.

¹⁴ 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.

¹⁵ Post retaining 10.0% of income available for distribution.

¹⁶ “Controlling Unitholders” refers to any person(s) with an interest in Units constituting not less than 15.0% of all Units in issue.

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; 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 FY2019, 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 Transaction.

Based on the expected purchase consideration and a-iTrust’s market capitalisation as at the date prior to the announcement of the acquisition, the relative figure for the basis of comparison set out in sub-paragraph (ii) above is approximately 1.1% for the Transaction.

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.

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 Share Purchase Agreement and the other Transaction Documents 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
13 March 2020

Important Notice

This release may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this release. Neither Ascendas Property Fund Trustee Pte. Ltd. ("Trustee-Manager") nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this release.

The past performance of Ascendas India Trust ("a-iTrust") is not indicative of future performance. The listing of the units in a-iTrust ("Units") on the Singapore Exchange Securities Trading Limited (the "SGX-ST") does not guarantee a liquid market for the Units. The value of the 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. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Trustee-Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

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