ASCENDAS INDIA TRUST

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

PROPOSED FORWARD PURCHASE ACQUISITION OF 1.65 MILLION SQUARE FEET OF AN IT PARK AT HEBBAL, BANGALORE

1. INTRODUCTION

Ascendas Property Fund Trustee Pte. Ltd., as Trustee-Manager of Ascendas India Trust ("**a-iTrust**"), wishes to announce that:

(a) Its wholly owned subsidiary, Ascendas Property Fund (FDI) Pte. Ltd. ("**APFF**") has today entered into a debenture subscription agreement (the "**Debenture Subscription Agreement**") with Hebbal Infraspace Private Limited ("**HIPL1**") and Hebbal Infocity Private Limited ("**HIPL2**") to subscribe to non-convertible debentures ("**NCDs**") issued by HIPL1 and HIPL2, which will be utilised to provide funding ("**Construction Funding**") for the development by Gardencity Realty Private Limited ("**Vendor**") of an IT Park with an aggregate net leasable area of approximately 2.26 million square feet at Hebbal, Bangalore (the "**Project**")[1] ;

(b) Its subsidiary, Information Technology Park Limited ("**ITPL**"), has today entered into an inter-corporate deposit agreement (the "**ICD Agreement**") with HIPL1 and HIPL2, to provide inter-corporate deposits ("**ICDs**") towards the acquisition of land admeasuring ~1.6 acres at Hebbal, Bangalore for the development of the Project under HIPL2, the purchase of Transferable Development Rights ("**TDR**") in HIPL1 and HIPL2 and the payment of deposits to landowners in HIPL1 ("**Additional Funding**"); and

(c) Its wholly owned subsidiary, Ascendas Property Fund (India) Pte. Ltd., ("**APFI**"), has today entered into a conditional Share Purchase Agreement ("**SPA**") with the shareholders of HIPL1 and HIPL2 to acquire 100% interest in both the entities, subject to the fulfilment of certain conditions precedent (the "**CPs**") including, but not limited to, the completion of the construction in the Project (the "**Forward Purchase**").

---

[1] Project I comprises of two buildings with total net leasable area of approximately 1.87 million square feet. Project II consists of one building with net leasable area of approximately 0.39 million square feet.

The Vendor is developing the Project at Hebbal, Bangalore, which comprises three buildings spread across two land parcels. a-iTrust proposes to fund the development of the Project and subsequently acquire a net leasable area of up to 1.65 million square feet[2] in two buildings spread across two land parcels ("**Transaction**"). The remaining area of up to 0.61 million square feet developed in HIPL1 will be allocated to the landowners in accordance with the Joint Development Agreement ("**JDA**") entered between HIPL1 and the landowners prior to the acquisition of the entity by APFI.

The Vendor has incorporated two Special Purpose Vehicles, Hebbal Infraspace Private Limited (HIPL1) and Hebbal Infocity Private Limited (HIPL2), for the development of the Project.

2. DETAILS OF THE TRANSACTION

2.1. Construction Funding

Pursuant to the Debenture Subscription Agreement, APFF shall provide Construction Funding to HIPL1 and HIPL2.

The Construction Funding is subject to certain conditions precedent that include:

- Vendor, HIPL1 and HIPL2 having entered into all necessary agreements and obtained approvals in relation to the creation of security; and
- HIPL1 and HIPL2 having performed necessary amendments to their charter documents to enable the subscription of NCDs.

The key terms of the NCDs are:

- A tenure of 30 years from the date of issue.
- Interest to be accrued for HIPL1 and HIPL2 on a quarterly basis till the date of receipt of the Occupancy Certificate ("**OC**") for the Project and shall be payable thereafter.
- The NCDs are secured through a first pari-passu charge over the land, development rights and buildings forming part of the Project, a pledge of 100% of HIPL1 and HIPL2 shares and the hypothecation of receivables.
- The NCDs will be further secured by the Vendor's corporate guarantee in respect of the repayment of principal and interest.
- APFF can call for redemption of the NCDs on occurrence of an event of default.

[2] Balance net leasable area of approximately 0.61 million square feet will be retained by landowners and Vendor.

Taken together, a-iTrust shall provide to HIPL1 and HIPL2 an amount of approximately INR 8.28 billion or SGD 154.1 million[3] for Construction Funding and Additional Funding in the Project.

2.2. Additional Funding

The ICDs will be utilised towards the acquisition of land admeasuring ~1.6 acres in Hebbal, Bangalore for the development of the Project under HIPL2, the purchase of TDR in HIPL 1 and HIPL 2 and the payment of deposits to landowners under a JDA entered into between HIPL1 and the landowners.

The Additional Funding is subject to certain conditions precedent that include:

- Vendor, HIPL1 and HIPL2 having entered into all necessary agreements and obtained approvals in relation to the creation of security; and
- HIPL1 and HIPL2 having performed necessary amendments to their charter documents to enable the issuance of ICDs.

The key terms of the ICDs are:

- A tenure of 5 years from the date of issue.
- Interest to be serviced on a quarterly basis.
- The ICDs are secured through a first pari-passu charge over the land, development rights and buildings forming part of the Project, a pledge of 100% of HIPL1 and HIPL2 shares and the hypothecation of receivables.
- The ICDs will be further secured by the Vendor's corporate guarantee in respect of the repayment of principal and interest.
- ITPL can call for repayment of the ICDs on occurrence of an event of default.

Additionally, the balance portion of the Additional Funding[4] will be utilised towards repayment of existing loans, obtaining approvals and other corporate overheads.

2.3. Forward Purchase

Pursuant to the terms of the SPA, a-iTrust, through APFI or its nominees, shall purchase 100% shares of HIPL1 and HIPL2, subject to the receipt of the OC for the Project, based on a purchase consideration to be determined in accordance with an agreed formula, which takes into account the agreed capitalisation rates, rental, and leasing level. The total estimated purchase consideration for the Transaction is approximately INR 14.41 billion or SGD 268.2 million, which includes Construction and Additional Funding provided by a-iTrust or its nominees. An independent valuation will be conducted and announced after

---

[3] Based on exchange rate of SGD1 to INR53.75 and is used throughout this announcement.
[4] Additional Funding from APFF will have similar terms as agreed in the case of the Construction Funding.

the acquisition of the two buildings in the Project.

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

- Vendor obtaining the necessary regulatory approval(s) for the transfer of all the shares in HIPL1 and HIPL2 to a-iTrust;
- Project completion and obtaining the OC; and
- Satisfactory completion of the final due diligence at the time of acquisition.

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

The micro-market is emerging as a growth corridor for IT/ITES development owing to its access to the International Airport, proximity to the city centre and developing infrastructure. The micro-market constitutes approximately 4.0% of the overall stock in the Bangalore market. With established residential pockets and the expected development of a new rapid metro line, Hebbal is emerging as a prominent real estate destination in Bangalore.

3.2. Stable Demand

This Transaction provides an opportunity for a-iTrust to expand its footprint in the micro-market which houses completed IT Park projects such as Kirloskar Tech Park, RMZ Latitude, RMZ Azure, RMZ Galleria, Brigade Magnum and Brigade Opus etc. Rentals in the micro-market remained relatively stable during COVID-19 at approximately INR 70.0 / square feet / month and is expected to sustain in the long term[5].

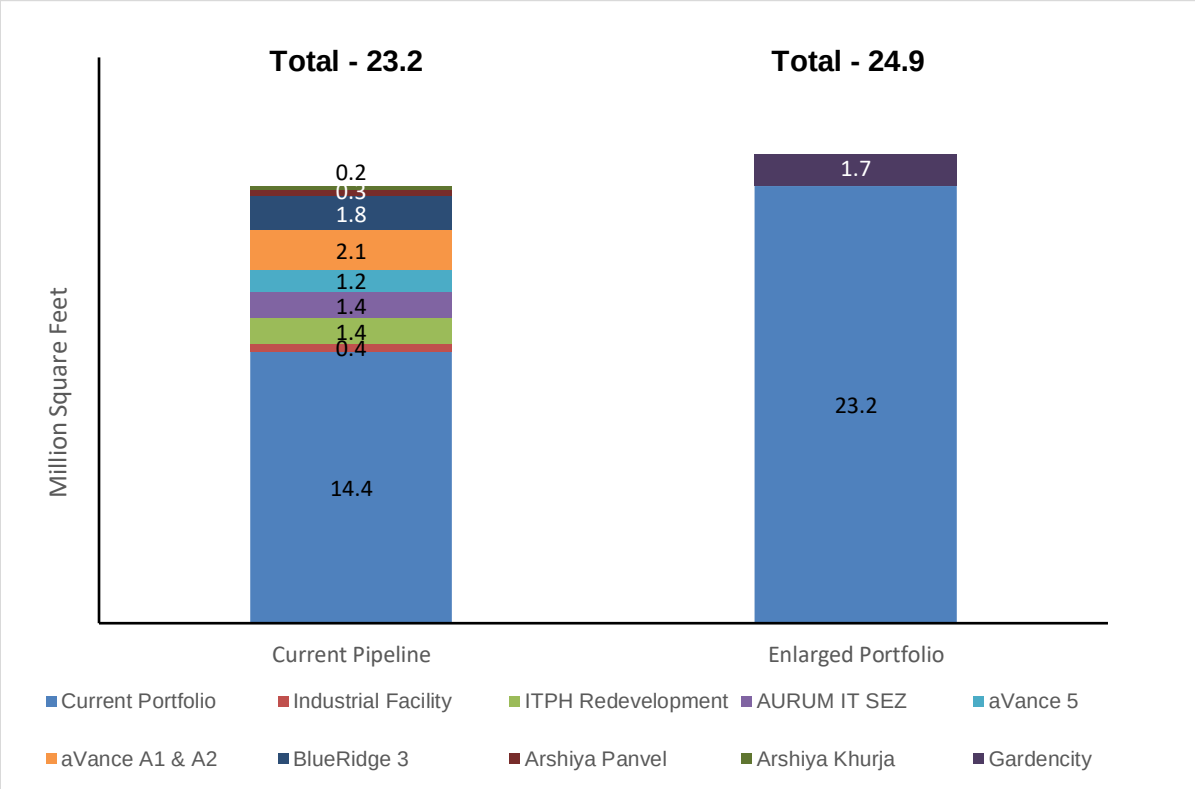
[5] Source: CBRE

3.3. The Transaction fits the Trustee-Manager's Investment Strategy

The Transaction is in line with the Trustee-Manager's investment strategy to invest in quality assets used primarily for business space.

a-iTrust has an existing presence in Bangalore and can leverage on its market knowledge and tenant relationships for marketing of the Project.

Upon completion of the forward purchase of the two buildings in the Project, a-iTrust's current portfolio[6] share will increase by 7.2% from approximately 23.2 million square feet to approximately 24.9 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 issuance of the ICDs and subscription of NCDs up to the date of the acquisition, a-iTrust will receive a coupon on the ICDs and NCDs that is higher than its borrowing costs.

---

6 Includes the proposed acquisitions of: (i) two buildings in AURUM IT SEZ as announced on 14 May 2018, (ii) aVance 5 as announced on 21 May 2018, (iii) aVance A1 & A2 in aVance Business Hub 2 as announced on 31 July 2018, (iv) BlueRidge 3 as announced on 14 June 2019, (v) the 7th Arshiya warehouse in Panvel as announced on 11 July 2019, (vi) Arshiya warehouse in Khurja as announced on 13 March 2020, (vii) an industrial facility in Mahindra World City, Chennai as announced on 5 March 2021 and (viii) the development pipeline in existing projects.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1. Method of Financing

The Trustee-Manager intends to finance the ICDs and NCDs through a combination of cash reserves in ITPL and additional borrowings from Singapore. Details of the mode of financing the acquisition will be determined nearer the point of closing.

4.2. Financial Effects

4.2.1. Assumptions

The pro forma financial effects of 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 acquisition[7]. They have been prepared based on the latest audited financial statements of a-iTrust for the financial period from 1 January 2020 to 31 December 2020 ("**FY2020**").

4.2.2. Pro Forma Net Profits

Post-acquisition, the FY2020 pro forma net profit attributable to the Acquisition is approximately SGD 12.3 million[8] 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 2020, as if a-iTrust had completed the acquisition on 1 January 2020 and held the interest in the Property through to 31 December 2020.

	Before the acquisition	After the acquisition
NAV per Unit (SGD)	1.08	1.10

4.2.4. Pro Forma Distribution per Unit[9] ("DPU")

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out the pro forma financial effects of the acquisition on a-iTrust's DPU for FY2020, as if a-iTrust had completed the acquisition on 1 January 2020 and held the interest in the Project through to 31 December 2020.

---

7 Assuming the Transaction had been funded using 40% debt and 60% equity.

8 Estimate based on the assumed revenue derived from the 2 buildings in the Project post acquisition, net of operating, financing, trust expenses and withholding taxes.

9 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.

	Before the acquisition	After the acquisition
DPU[10] (SGD cents)	8.83	8.96

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 780,979 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"**). Mr Jonathan Yap, who is a Non-Executive Director of the Trustee-Manager, is the President of CapitaLand Financial. 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. 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 247,680,368 Units, which is equivalent to 21.51% 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)[11] have any interest, direct or indirect, in the funding and 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.

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

---

[10] Post retaining 10% of income available for distribution.

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

(ii) the aggregate value of the consideration given, compared with a-iTrust's market capitalisation.

Based on a-iTrust's consolidated financial statements for FY2020, 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 funding and the acquisition, the relative figure for the basis of comparison set out in sub-paragraph (ii) above is approximately 15.8% 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

Copies of the SPA, ICD Agreement and the Debenture Subscription Agreement are available for inspection during normal business hours at the registered office of the Trustee-Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 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

29 March 2021

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 express 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 of, reliance on or distribution of this release 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 (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.

This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.