



A Member of CapitaLand

## **ASCENDAS INDIA TRUST**

(Registration Number: 2007004)

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

### **PROPOSED INVESTMENT FOR DEVELOPMENT OF A DATA CENTRE PROJECT LOCATED IN NAVI MUMBAI, INDIA**

#### **1. INTRODUCTION**

##### **1.1 The Project**

Ascendas Property Fund Trustee Pte. Ltd., in its capacity as trustee-manager of Ascendas India Trust (“**a-iTrust**”, and as trustee-manager of a-iTrust, the “**Trustee-Manager**”), is pleased to announce that a-iTrust will, through its wholly-owned subsidiary, Ascendas Property Fund (India) Pte. Ltd. (the “**Purchaser**” or the “**Company**”), invest in and develop a greenfield data centre project located on an approximately 6.6-acre site in Navi Mumbai, India (the “**Project**”).

In this connection, the Company has entered into a conditional securities subscription, purchase and buyback agreement (the “**Securities Subscription, Purchase and Buyback Agreement**”) with third-party vendors, Mr Suresh Wavia and Mr Jayesh Vavia (collectively, the “**Vendors**”) to acquire 100.0% of the interest in Datascape Realty Private Limited (the “**Indian SPV**”, and the acquisition of the Indian SPV, the “**Acquisition**”) which in turn holds leasehold rights in the land on which the Project will be constructed.

Subject to fulfilment or waiver (as the case may be) of the various conditions precedent contained in the Securities Subscription, Purchase and Buyback Agreement, the Acquisition is expected to be completed by the third quarter of 2021 and will mark the first foray into investment in data centre projects in India by a-iTrust.

Upon Completion (as defined in paragraph 2.1 below), the Purchaser, through the Indian SPV, will as soon as practicable commence construction and development of the Project into a data centre campus. The proposed construction and development of the Project will be carried out in phases and when completed, the Project will be developed into a fully-fitted data centre campus with a total potential built-up area of up to 575,000 square feet (“**sqft**”) and 90 megawatts (“**MW**”) of power to host customers such as global technology companies and cloud service providers, as well as large domestic enterprise clients. When the data centre campus is fully developed, it is expected to have an overall capacity to host

approximately 8,500 racks and operate at an efficient power usage effectiveness<sup>1</sup> of approximately 1.4. The data centre will adopt sustainable design principles and green building standards. These include features such as intelligent energy management systems, solar panels, and waterless cooling systems.

## 1.2 Project Development

The data centre campus will comprise two buildings to be developed across two phases. The first phase of the Project (“**Phase 1**”) will comprise a data centre building with a built-up area of about 325,000 sqft and the proposed completion schedule is second quarter of 2024.

## 1.3 Overview of Phase 1 of the Project

An overview of Phase 1 of the Project is set out below.

<b>Location</b>	Airoli, Navi Mumbai, India
<b>Project (Phase 1)</b>	Fully-fitted data centre building (325,000 sqft built-up area; 26 MW IT Load)
<b>Land area and title</b>	Approximately 6.6 acres of leasehold land from Maharashtra Industrial Development Corporation (“ <b>MIDC</b> ”). The residual term of the leasehold interest held by the Indian SPV is for approximately 41 years expiring in or around 2062 <sup>2</sup> . The lease term is subject to renewal for an additional 95 years, upon expiry of the primary lease term.
<b>Development</b>	a-iTrust intends to leverage the development and data centre expertise of its sponsor, CapitaLand Limited (“ <b>CapitaLand</b> ”), for executing the Project pursuant to agreements to be entered into with CapitaLand and/or its subsidiaries at a later stage.  The development of the Project will involve the development of the core and shell and may, as determined by the Trustee-Manager upon further evaluation, also involve the development of the mechanical and electrical systems of the data centre.

## 1.4 Project Financing

The Trustee-Manager currently estimates that the cost of development of Phase 1 will be around INR 12 billion (approximately SGD 216.6 million<sup>3</sup>) and intends to finance the cost of development through a combination of debt and internal resources.

<sup>1</sup> Power usage effectiveness is the metric used to determine the energy efficiency of a data centre. It is the ratio of energy the data centre uses to the energy delivered to its computing equipment.

<sup>2</sup> The land comprises three sub-plots, with the lease expiries for the respective sub-plots ranging between 1 July 2062 and 31 March 2063.

<sup>3</sup> Based on an exchange rate of SGD 1 to INR 55.0 which is used throughout this Announcement.

## 2. DETAILS OF THE ACQUISITION

### 2.1 Acquisition Process

The Company and the Vendors have agreed that the Acquisition would be carried out in two stages.

In the Stage 1 Acquisition, the Purchaser will acquire approximately 79.1% of the Indian SPV through (i) acquisition of certain equity shares held by Vendors in the Indian SPV and (ii) subscription to compulsorily convertible preference shares (the “**CCPS**”) issued by the Indian SPV (collectively, the “**Stage 1 Acquisition**”).

Shortly after completion of the Stage 1 Acquisition, the Indian SPV will repurchase the remaining shares held by the Vendors through a share buy-back exercise in the Indian SPV (the “**Stage 2 Acquisition**”). Thereafter, the Purchaser will legally and beneficially own 100% of the total issued share capital of the Indian SPV and the completion of the Acquisition would have occurred (the “**Completion**”).

Completion is subject to and conditional upon satisfaction of certain conditions, including but not limited to the following:

- (i) the Vendors completing registration of the deed of assignment for the transfer of leasehold rights in the land in favour of the Indian SPV, as applicable; and
- (ii) satisfactory completion of closing due diligence.

### 2.2 Purchase Consideration and Valuation

The total estimated purchase consideration of INR 1,307.0 million (the “**Purchase Consideration**”) is negotiated on a willing-buyer, willing-seller basis. The Purchase Consideration will be adjusted for the net working capital of the Indian SPV as at Completion (“**Post-Completion Adjustments**”).

An independent property valuer, Savills Property Services (India) Private Limited (“**Valuer**”), was commissioned by the Trustee-Manager to value the leasehold rights in the land on which the Project is situated. As per the valuation report prepared by the Valuer<sup>4</sup> (the “**Valuation Report**”), the leasehold rights in the land on which the Project is situated is valued at approximately INR 1,211 million (approximately SGD 22.0 million) plus transfer costs<sup>5</sup> based on the sales comparison method (the “**Independent Valuation**”).

### 2.3 Estimated Total Costs of the Acquisition

The estimated total costs of the Acquisition are approximately INR 1,430.5 million (approximately SGD 26.0 million), comprising:

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4 Report dated March 31, 2021.

5 Includes MIDC transfer charges, urban land conversion charges and stamp duty charges.

- (i) the Purchase Consideration estimated to be INR 1,307.0 million (approximately SGD 23.8 million); and
- (ii) the estimated professional fees and other transaction expenses incurred or to be incurred in connection with the Acquisition (including due diligence costs) of approximately INR 123.5 million (approximately SGD 2.2 million).

## **2.4 Method of Financing**

The total costs of the Acquisition to be borne by the Trustee-Manager (including the Purchase Consideration) will be financed through a combination of debt and internal resources.

## **3. RATIONALE FOR AND BENEFITS OF THE ACQUISITION AND THE PROJECT**

The Trustee-Manager believes that the Acquisition and the Project (collectively referred to as the “**Transaction**”) will bring the following key benefits to unitholders of a-iTrust (“**Unitholders**”):

### **3.1 Diversification into data centre asset class**

The Transaction offers a-iTrust the opportunity to diversify into the attractive and highly scalable new economy asset class. Demand for data centres in India is rising due to increasing global connectivity, rapid digitisation, improving technology infrastructure, increasing internet penetration and smart phone usage which has accelerated due to the rising work-from-home trend amid COVID-19. These factors are expected to result in an expansion of the total data centre capacity at a compounded annual growth rate of 31% by 2023<sup>6</sup>.

### **3.2 Strong micro-market**

The Project is located in a prime location along Thane-Belapur Road, a key IT micro-market, and is easily accessible from Mumbai city via the Eastern Express Highway. Mumbai accounts for 44% of India’s data centre capacity<sup>6</sup>. Navi Mumbai has emerged as a preferred data centre location since it offers proximity to sea cable landing stations, adequate power access and a well-established land title system. Navi Mumbai also has an existing ecosystem for data centre operators with leading data centre players including Sify, CtrlS, Colt and Bridge.

### **3.3 Robust institutional activity**

India’s data centre sector has witnessed active participation from global technology players (such as Amazon, Google and Microsoft), strategic investors (such as NTT and Equinix) and leading Indian corporates (such as Reliance Jio, Adani, and Hiranandani).

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6 JLL Research, May 2021.

## 4. NON-DISCLOSEABLE TRANSACTION

### 4.1 Relative Figures Computed on the Bases set out in Rule 1006

Chapter 10 of the listing manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) classifies transactions by a-iTrust into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rules 1006(b) and 1006(c) of the Listing Manual<sup>7</sup>:

- 4.1.1 the net profits attributable to the assets acquired, compared with a-iTrust’s net profits; and
- 4.1.2 the aggregate value of the consideration given, compared with a-iTrust’s market capitalisation.

The relative figures for the Acquisition using the applicable bases of comparison in Rule 1006 are set out below.

Comparison of	Acquisition	a-iTrust	Relative figure (%)
Profits (SGD million)	Not material <sup>(1)</sup>	193.3 <sup>(2)</sup>	Not material <sup>(1)</sup>
Consideration against market capitalisation (SGD million)	31.5 <sup>(3)</sup>	1,659.2 <sup>(4)</sup>	1.9%

#### Note(s):

- (1) As the Indian SPV was recently incorporated in January 2020 and does not have significant operations, profits and/or losses of the Indian SPV are not material.
- (2) Profits before tax based on the audited financial statements for FY2020 of a-iTrust.
- (3) Includes payment for Purchase Consideration, transaction expenses and project working capital requirements
- (4) The figure is based on a-iTrust’s market capitalisation as at the date prior to the announcement of the Announcement.

Accordingly, as the relative figure(s) as computed on the bases set out in Rule 1006 of the Listing Manual amount to 5% or less, the Acquisition is a “Non-Discloseable Transaction” within the meaning of Rule 1008 of the Listing Manual.

## 5. INTEREST OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement and based on the information available to the Trustee-Manager as at the date of this announcement, certain directors of the Trustee-Manager hold direct and indirect interest in the Units. Save as disclosed in this announcement and based

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<sup>7</sup> Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets, and Rule 1006(d) of the Listing Manual is not applicable as a-iTrust is not issuing any equity securities as consideration for the Acquisition.

on the information available to the Trustee-Manager as at the date of this announcement, none of the Directors or the controlling unitholders of a-iTrust has any interest, direct or indirect, in the Acquisition or the Project.

## **6. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Trustee-Manager<sup>8</sup> at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912 for a period of three months commencing from the date of this announcement:

6.1.1 the Securities Subscription, Purchase and Buyback Agreement; and

6.1.2 the Valuation Report.

The trust deed constituting a-iTrust will also be available for inspection during normal business hours at the registered office of the Trustee-Manager for so long as a-iTrust is in existence.

## **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  
5 July 2021

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<sup>8</sup> Prior appointment with the Trustee-Manager (telephone: +65 6713 2888 or email address: choonsiang.tan@a-itrust.com) will be appreciated.

## 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.