NUS INVESTMENT SOCIETY

Ascendas India Trust (AIT: SP)

BUY: S$1.75 (+45.8%)

Equity Research Department – Real Estate | 31 March 2020

Analysts

Tan Jian Zhang
Lead Analyst, Equity Research
jianzhang.tan@u.nus.edu

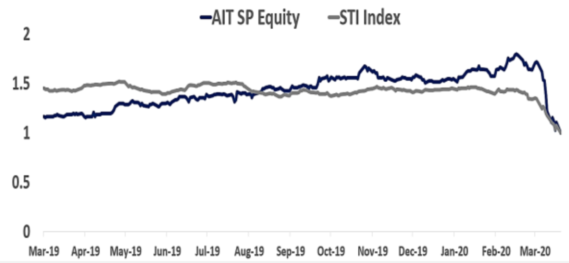
Adriel Ng
Analyst, Equity Research
adrielngch@u.nus.edu

Gordon Ng
Analyst, Equity Research
ng.gordon@u.nus.edu

Basic Information (as of 31 March 2020)

Last Closed Price	S$1.20
12M Target Price	S$1.75
+/- Potential	+45.8%
Bloomberg Ticker	AIT SP
GICS Sector	Real Estate
GICS Sub-Industry	Real Estate (IT Logistics)

1Y Price v Relative Index



Company Description

Ascendas India Trust is the first Indian property trust in Asia, established with the principal objective of owning and developing income-producing real estates used primarily as business space in India with a portfolio of assets valued at S$1.9 billion in 3Q19. Currently, its portfolio comprises seven IT parks and one logistics park strategically located in fast-growing cities such as Hyderabad and Chennai.

Key Financials

Market Cap	S$2.016b
Basic Shares O/S	S$1.145b
Free Float	65.0%
52-Wk High-Low	S$1.11 - S$1.84
Fiscal Year End	31-Dec-2020

(S$ M)	FY17A	FY18A	FY19E	FY20E
Revenue	157.7	188.5	201.5	208.3
Gr Rate (%)	*8.8*	*20.1*	*7.3*	*10.2*
NPI	104.2	128.1	135.7	142.7
Margin (%)	*66.0*	*67.9*	*67.3*	*68.5*
ROE	19.9	22.6	19.3	21.7
ROA	9.4	10.8	9.1	9.9
ROIC	5.9	4.9	4.2	5.1
Gearing	30.0	32.0	31.2	28.0

Key Executives

Sanjeev Dasgupta	Executive Director & Chief Executive Officer
Tan Choon Siang	Chief Financial Officer

We are initiating coverage of Ascendas India Trust ("AIT" or the "Company") with a BUY rating and a S$1.75 12M price target.

FY19 Earnings Highlights

- Net property income of S$113.4m in FY19, an increase of 13% y-o-y from S$100.4m in FY18. Stronger performance is attributed to the completed development of Anchor building at International Tech Park Bangalore (ITPB) and positive rental reversion from aVance Pune.
- Distribution per stapled security of S$6.45 cents, representing an increase of 15% from S$5.63 cents in FY18.
- Low aggregate leverage maintained, with a gearing level of 28% - below the self-imposed borrowing limit of 45%, allowing for debt headroom to pursue growth opportunities.
- Revised government regulations have increased development potential at ITPB from 2.7 million to 3.8 million square feet where construction is ongoing with completion expected by 2H20.
- Pipeline of developments in MTB 5 Bangalore and The V "Phase 1" redevelopments ongoing are expected to be completed in 2021.
- Committed pipeline of forward purchase agreements for BlueRidge 3 and Arshiya's 7th warehouse has increased assets under management ("AUM") from S$1.9b in 3Q19 to S$2.1b in 4Q19.

Investment Thesis

- **Strategic expansion** into modern warehousing and logistics in key Indian cities supported by a well-developed pipeline of properties to capitalize on structural shift from old to modern warehousing.
- **Favourable presence in India's Special Economic Zones provide structural economic moat.** Further supported by government policy of restricting zone supply pipeline.
- **Robust pipeline of developments and redevelopment plans** to drive positive rental reversion, providing a visible income stream.

Catalysts

- Success of India's "Phase 4" reopening to allow offices to remain open past 31 May 2020.
- Effective Covid-19 control measures implemented to ensure that pipeline projects are completed as scheduled.
- Accretive acquisitions of suitable properties facing downward revaluations in 2Q20, driving AIT's strong recovery post Covid-19.

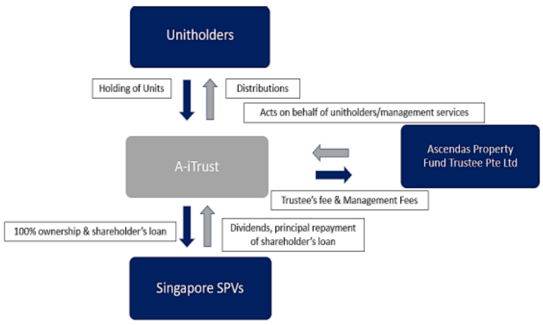
Valuations

Our 12M price target at the date of coverage is **S$1.75**. Using an assumed payout ratio of 90%, a DDM model was used to derive the valuation. Our target price falls within the relative valuations of AIT's competitors as well as street estimates of S$1.25 – S$1.85. The 1Y historical yield spread between AIT and 10 years SGS of 3.28% is higher than the 1-year lookback SGS mean of 2.08% and presents an attractive risk reward profile at its current price.

Investment Risks

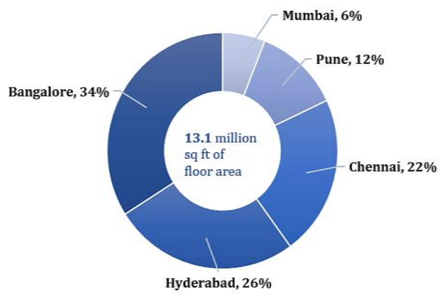
- **Refinancing risk:** Widening credit spread and drying liquidity markets. Cushioned by weighted average debt maturity of 2.8 years.
- **FX fluctuations:** High FX exposure to India and any weakening of INR may impact earnings. Forward contracts utilized to mitigate risk.
- **Economic downturn in India:** Delaying of projects and reducing demand for office space, mitigated with clear management goals.
- **Tenant concentration risk:** Reduced via diversification of tenant industries as well as sub-tenants to maintain an optimal tenant mix.

Figure 1. Ascendas India Trust Structure



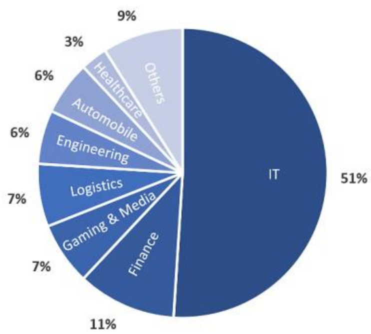
Source: Ascendas India Trust 3Q19 Presentation

Figure 2. Floor Area by Cities for FY9M19



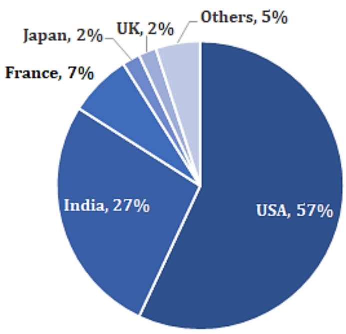
Source: Ascendas India Trust 3Q19 Presentation

Figure 3. Total Rental Income Contribution by Trade Sector



Source: Ascendas India Trust 3Q19 Presentation

Figure 4. Tenant Base by Country of Origin



Source: Ascendas India Trust 3Q19 Presentation

Company Overview

AIT is the first Indian property trust in Asia, established with the principal objective of owning and developing income-producing real estates used primarily as business space in India. It is managed by Ascendas Services (India) Pte Ltd, a wholly owned subsidiary of CapitaLand Limited. CapitaLand stands amongst Asia's largest diversified real estate groups with a presence in over 30 countries and an AUM of S$131.9b as of 3Q19. CapitaLand has granted AIT with the Rights of First Refusal (ROFR) to acquire income-producing properties from Ascendas Land International Pte Ltd and Ascendas India Development Trust, a real estate fund which owns land in Gurgaon, Chennai and Coimbatore. AIT also acquire buildings from 3rd party vendors through prior agreements that grant AIT with ROFR.

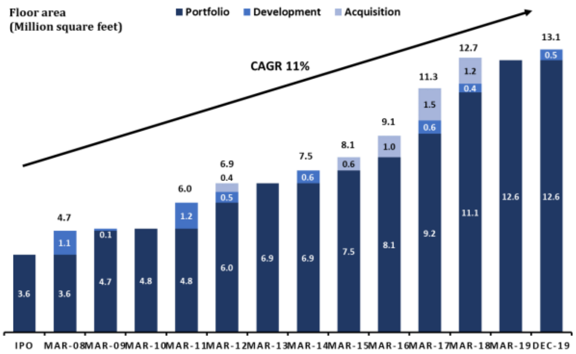
Currently, AIT owns seven IT parks and one logistics park in India with a combined value of S$1.9b as of 31 March 2020. AIT seeks to capitalize on growing IT and logistics demand in India by investing in IT parks, office properties and warehouses in key Indian cities such as Mumbai, Pune, Chennai, Hyderabad and Bangalore offering 13.1 million square feet of leasable space. AIT has yet to dispose of any properties as they are strategically located coupled with its low gearings that provide AIT with a significant debt headroom to acquire new buildings. Quality, reliable business space serves to differentiate and enables AIT to attract and retain prominent tenants such as Bank of America, DHL Logistics and Huawei Telecommunications that commit to an average lease term of 6.7 years which fosters a stable income profile. Moreover, healthy development and acquisition pipelines alongside prudent capital management supports stable, sustained growth. A total of 6.83 million square feet of potential floor area is currently under construction, with 2.29 million square feet (33.5%) slated to be completed in 2H20. This will result in a total of 19.9 million square feet of net leasable area once the constructions are completed.

As at 31 Dec 2019, AIT's tenant base comprises 344 tenants across a multitude of industries: IT Software & Application Development and Service Support (51%), Banking & Financial Services (11%), Design, Gaming and Media (7%), Logistics (7%) etc. With multinational companies comprising 86% of all tenants, AIT is well-hedged against regional shocks. AIT's top tenant accounts for only 8% of base rent while its top 10 tenants account for only 36% of total base rent, mitigating revenue concentration risk. In November 2019, AIT completed a round of private placement equity fund-raising at an offer price of S$1.51 with 99.4 million new units issued, bringing the number of total shares post issuance to 1.14 billion. The management has indicated that the equity issuance will shore up business funding and boost trading liquidity. Approximately S$150m was raised with the majority of proceeds used to partially finance the initial upfront funding of "Phase 1" of a potential investment. Net proceeds have also been used to repay existing loans, bringing gearing ratio down from 33% to 28%. Additionally, debt headroom has also increased from S$514m to S$802m, which may be used to further shore up financing and business funding.

FY19 Earnings Review

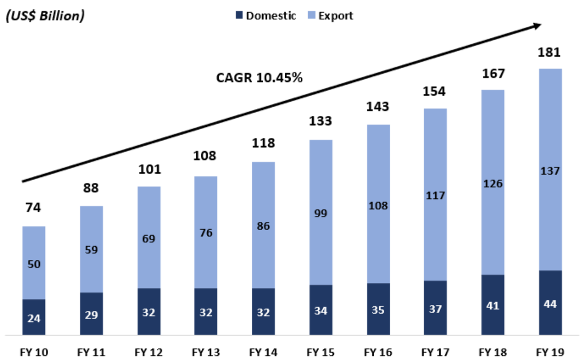
- Net property income ("NPI") of S$113.4m in FY19, an increase of 13% y-o-y from S$100.4m in FY18.
- The increase in NPI is attributed to the incremental income from the Anchor Building that was completed in May which was fully leased at completion. This is in tandem with higher contributions from the positive rental reversion in existing properties.

Figure 5. Portfolio Growth of Total Floor Area



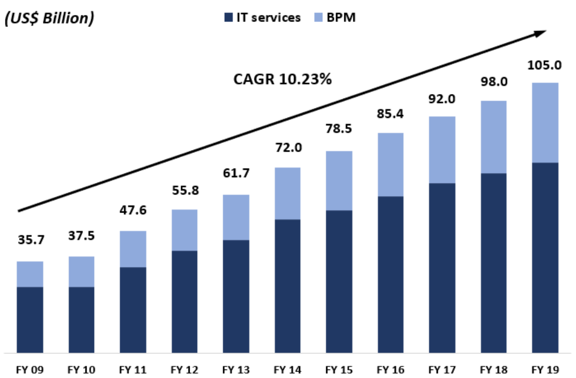
Source: Ascendas India Trust 3Q19 Presentation

Figure 6. Market Size of IT Industry in India



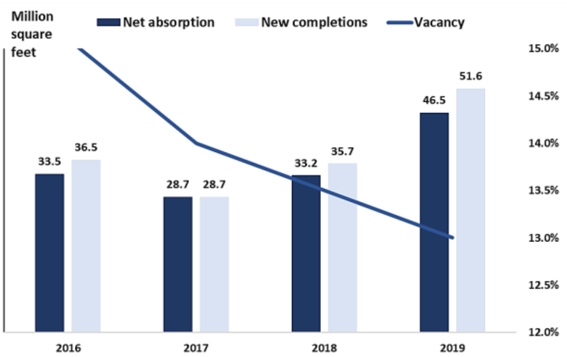
Source: India Brand Equity Foundation, 2019

Figure 7. Growth in Export Revenue for IT & ITeS



Source: India Brand Equity Foundation, 2019

Figure 8. India Office Market on a Growth Path



Source: Real Estate Intelligence Service (JLL), 2019

- Distribution per unit was S$6.45 cents, representing an increase of 15% from S$5.63 cents in FY18. Dividend payout ratio increased from 36.6% to 61.0%.
- Strong balance sheet maintained, with gearing of 28% that is well below the self-imposed limit of 45%. This leaves a significant regulatory debt headroom of S$802m.
- Overall portfolio occupancy rate has increased to 99% and WALE by net leasable areas remains stable at 3.8 years.
- Overall portfolio AUM has increased by 7% to S$2.1b in FY19.
- Overall portfolio total completed floor area stood at 13.1 million square feet in FY19 with total development potential of 7.7 million square feet in the pipeline.

Industry Outlook

The Indian office sector has experienced growth at an unprecedented pace. With gross leasing activity at a historic high of 61.6 million square feet in 2019, the Indian office sector has demonstrated remarkable resilience despite subdued economic growth and muted consumer sentiment. Rapid urbanization of Indian cities alongside sweeping policy reform has also resulted in strong commercial real estate growth.

Robustness of Indian IT exports to drive continued growth for IT market

Revenue from India's IT Business Process Management ("BPM") industry was estimated at around US$177b in FY19 with a growth rate of 6.1% y-o-y. This is driven by the global trend of offshoring and outsourcing large technology contracts by clients. The trend is expected to be maintained through FY20 with global BPM spending estimated to rise to US$233 billion. Export revenue from the IT industry has grown at a CAGR of 11.85% to US$137 billion in FY19 from US$50b in FY10.

Preferred sourcing destination with leading cost competitiveness to boost demand for office space

India is the leading sourcing destination across the world, representing 55% market share of the US$185-190b global services sourcing business in 2017-18. India has established itself as the digital hub of the world with around 75% of global digital talent in India. Its unique selling proposition continues to be its cost competitiveness in providing services, which is approximately three to four times more cost-effective than the US. This has enabled foreign clients to enjoy approximately US$200b in cost savings over the past five years (National Investment Promotion and Facilitation Agency of India, 2019). With more companies outsourcing their operations to India, demand for office space will see an increase, creating a higher net absorption of office supply.

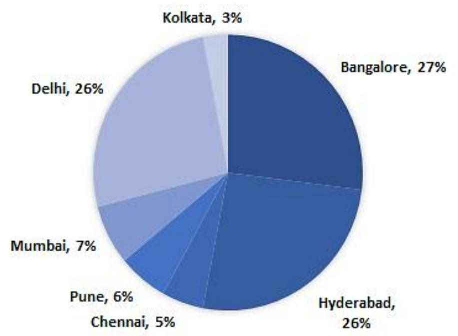
Demographic strength with largest pool of ready-to-hire talents

India's workforce is predominantly English-speaking, which has been a major driver behind its emergence as a global outsourcing hub. India's highly qualified talent pool of technical graduates is one of the largest in the world, making it a preferred destination for outsourcing as many MNCs tap into its IT-savvy workforce. The number of engineering graduates is expected to increase from 651,000 in 2013 to 802,000 in 2020. The estimated median age of India's population is 28.4 years (Statista, 2019), indicating a vibrant workforce which is bound to attract sustained foreign investment in the country.

Government initiatives to boost its business sector

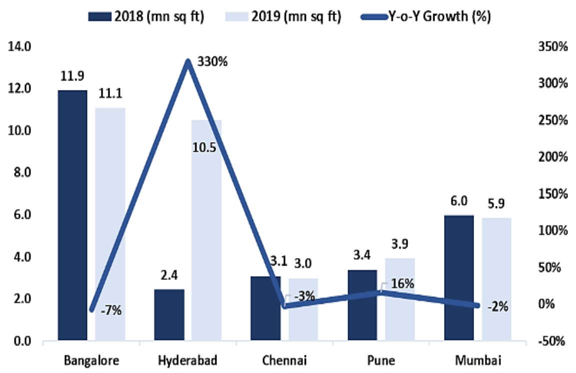
In most countries, there exists restrictions on Foreign Direct Investment ("FDI") which takes the form of limiting the ownership of companies' share capital that non-residents are allowed to hold. The Indian government's favourable policy regime allows for 100% of FDI across a myriad of business sectors, incentivizing foreign companies to set up

Figure 9. India Office Net Absorption in 2019 by state



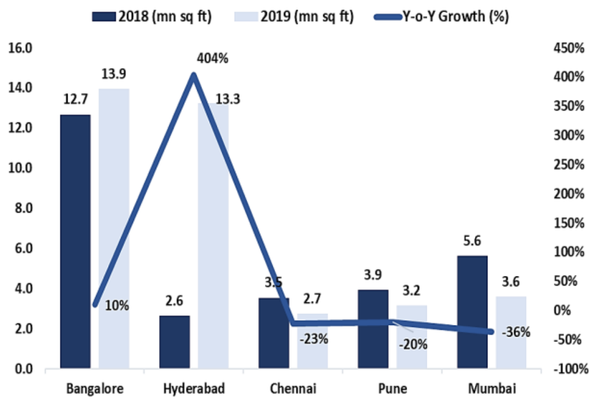
Source: Real Estate Intelligence Service (JLL), 2019

Figure 10. India Office Net Absorption in 2018 and 2019



Source: Real Estate Intelligence Service (JLL), 2019

Figure 11. India Office New Completions in 2018 and 2019



Source: Real Estate Intelligence Service (JLL), 2019

shop in India. Such companies are able to hire relatively lower-wage workers and enjoy special investment privileges such as tax exemptions. This has attracted US$49 billion investment in 2019, a 16% y-o-y increase. Additionally, the implementation of a Special Economic Zone ("SEZ") policy enhances foreign investment and provides for an internationally competitive and hassle-free environment for exports. The tax breaks offered to foreign investors further spurs investments into the Indian economy.

India office's growth momentum to continue

Gross leasing activity at the end of 2019 was at a historic high of 61.6 million square feet, a 25% y-o-y growth (*CBRE Research, 2019*). The top two states for office leasing were Bangalore and Hyderabad. AIT has a combined 60% exposure of floor area in the aforementioned states.

New completions grew 45% from the previous year, setting a new high of 51.6 million square feet from 46.5 million square feet absorbed in 2019. The momentum in new completions is expected to continue in 2020, hovering at the 50 million square feet mark. Hyderabad will continue its rise in the office market with more than 13 million square feet of office space expected to be completed in 2020. Office assets continued to provide stable returns, with global institutional investors and sovereign wealth funds showing an increasing interest in this sector. Vacancy levels have dipped to 13% in 2019 as a result of the significant growth in new completions. Strong demand coupled with low vacancy have led to rental growth of 4%-8% on an annual basis across several states. With momentum in demand for office space expected to remain strong in the coming years, weighted average vacancy level is projected to remain around 13% despite increasing office supply, thus indicating that supply and demand dynamics are in equilibrium.

Bangalore (34% of AIT's presence)

The take-up rate of office space has declined by 7% on a y-o-y basis in 2019 as compared to the previous year. As the Outer Ring Road submarket continues to saturate, new projects are coming up in the Whitefield submarket and Western Bengaluru, which have not been explored by city developers and investors. As rentals move up swiftly in prime submarkets, affordable submarkets and back-end offices have been gaining traction due to spill-over demand. AIT's ITPB is a 2.7 million square feet facility located in the prime neighbourhood of Whitefield in Bangalore. Future development potential includes an additional 1.1 million square feet of floor area.

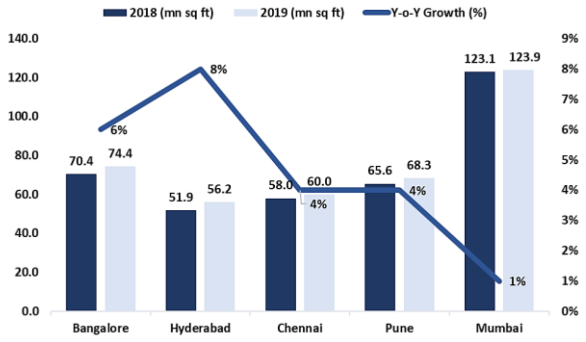
Hyderabad (26% of AIT's presence)

2019 was a benchmark year as Hyderabad witnessed the highest ever completions at 13.25 million square feet. The five-fold increase was driven by major project completions. The highest level of net absorption at 10.5 million square feet was also witnessed in 2019, driven by the expanding IT & financial players like Microsoft, Intel and Facebook. High demand for quality space along with low vacancy levels led to rental rates soaring by as high as 8%. Nonetheless, the trend of high completions has come to a standstill as a result of the pandemic and disrupted economic activity, preventing oversupply in Hyderabad.

Chennai (22% of AIT's presence)

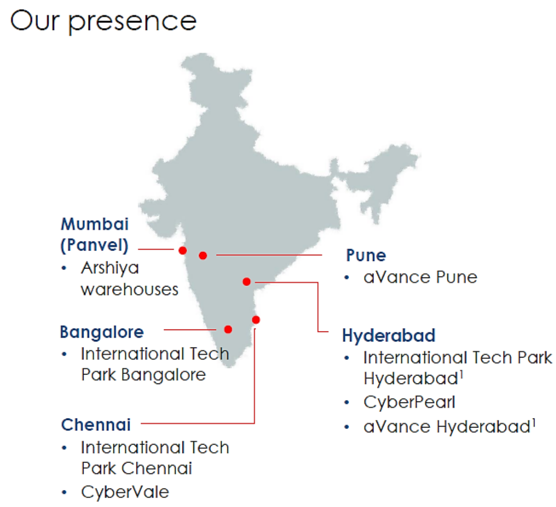
Chennai's commercial real estate witnessed significant demand in 2019. The leasing activity was driven by the strengthening of the IT sector, which is increasing its presence in the city. IT and IT-enabled services have contributed to around 51% of total leasing in 2019. The strong presence of an IT corridor and better connectivity with the airport and the rest of the city from the development of transport infrastructure will drive demand in this submarket. AIT's International Tech Park Chennai is primely located 15km from Chennai International Airport.

Figure 12. India Office Rent in 2018 and 2019



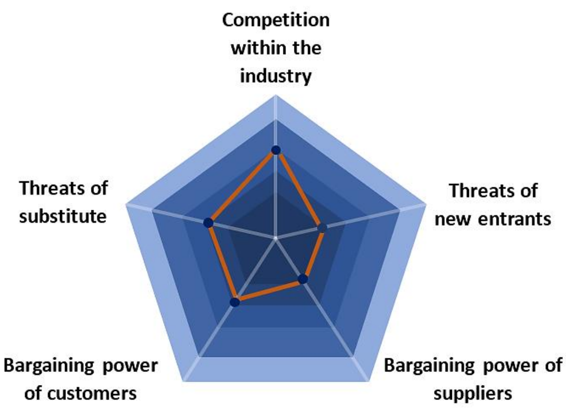
Source: Real Estate Intelligence Service (JLL), 2019

Figure 13. Well-positioned Locations in Fast Growing Cities in India



Source: Ascendas India Trust 3Q19 Presentation

Figure 14. Porter's 5 Forces



Source: NUS Investment Society Estimates

Pune (12% of AIT's presence)

Pune witnessed significant traction in demand with net absorption increasing by 16% mainly driven by the expansion of existing firms along with the entry of new MNCs, such as Barclays, which have leased commercial spaces. Rents escalated by 4% in 2019 as Pune is emerging as an affordable destination for office establishments close to Mumbai, the financial capital of the country. Pune, which is known as a hub for traditional IT, is about 150km out of Mumbai and less than 3 hours by car.

Mumbai (6% of AIT's presence)

The Mumbai office market witnessed a 2% dip in net absorption in 2019. Vacancy levels have come down from 16.1% in 2018 to 13.9% in 2019 as new completions have declined from 5.63 million square feet to 3.59 million square feet y-o-y. However, it is expected to rise in the short to medium term with project completions being on the rise. However, rent prices remained stable, increasing marginally around 1%.

Porter's Five Forces

Illustrating the points below using the Porter's Five Forces diagram, we observe that the increased inflow of foreign investment is expected to spur competition in the industry to some extent. Rising demand for properties in India in addition to favourable government policies have garnered significant interest from Private Equity and Infrastructure funds. This may result in heightened competition going forward arising from increased funding.

Competition within industry - High

There are few major players in the commercial real estate industry in India. However, the level of competition in the industry is expected to increase with global players such as Blackstone, GIC and Allianz acquiring quality office assets. Five of the seven top office owners and developers in India are either foreign-owned or have foreign capital behind them. This is attributed to the strong potential of the Indian real estate market. In the long term, we foresee increased competitive pressure to continually offer new and improved properties to remain relevant.

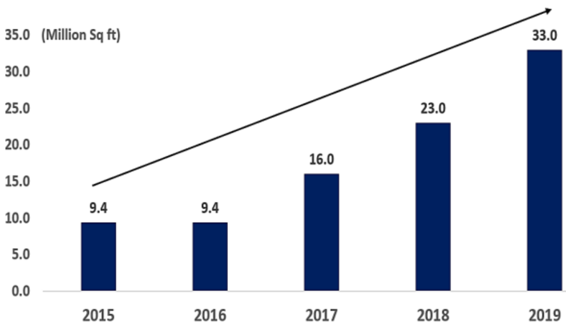
Threat of new entrants - Low

The high investment costs in terms of capital is a significant barrier to entry for new entrants. This is attributed to the large initial outlay required to build or acquire property along with the high capital expenditure required to maintain and refurbish existing infrastructure. Additionally, securing property in prime locations or signing high-quality tenants may also pose a challenge due to the presence of incumbent players with pre-existing lease agreements in place. This may deter new entrants from venturing into the industry given these considerations.

Threat of substitutes - Moderate

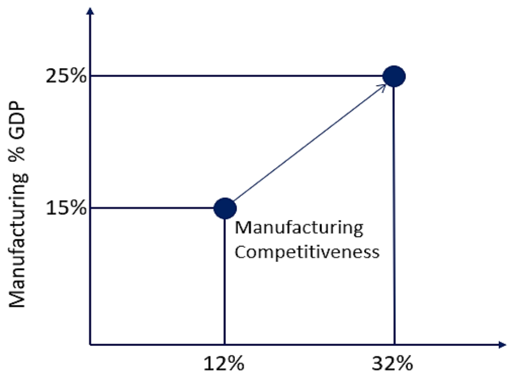
Existing developments in the industry offer tenants a myriad of office spaces and industrial parks to lease from. Switching cost is moderate due to the presence of early termination clauses and inconvenience of relocating staff and equipment to a new location. Additionally, the emergence of coworking spaces poses a threat to the traditional office sector. Shared office space among companies will result in decreased leasing volume and rent prices due to decreased demand. However, it is worth noting that commercial office space providers can correspondingly pivot and adapt to the changing landscape by providing flexible spaces and catering to different tenant demands. AIT's weighted average lease expiry of 6.7 years neutralises the threat of remote working in the near-term since tenants are still contractually obligated to pay their rents despite their employees working remotely.

Figure 15. Growing Demand for Warehousing Space



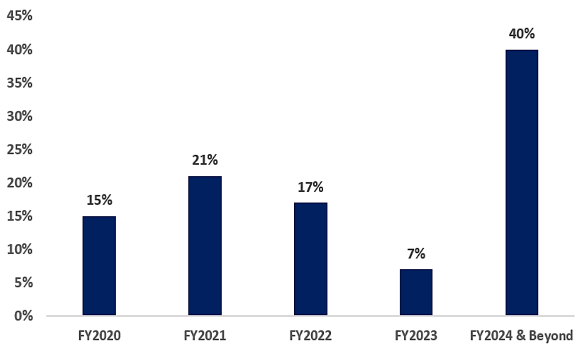
Source: Ascendas India Trust 3Q19 Presentation

Figure 16. Rise of Manufacturing Sector in India



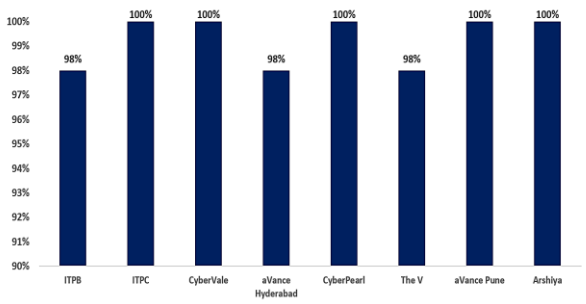
Source: PWC, Future of India: The Winning Leap.

Figure 17. Well Spread-out Lease Expiry Profile



Source: Ascendas India Trust 3Q19 Presentation

Figure 18. Portfolio Occupancy by Property



Source: Ascendas India Trust 3Q19 Presentation

Bargaining power of customers - Moderate

Tenants looking to lease spaces for their business needs have differing levels of bargaining power over landlords depending on the grade of the office space. For sub-prime locations, the ample supply results in landlords competing on a price basis with tenants having a high level of bargaining power. For prime locations, tenants are relatively price insensitive with landlords competing on the quality and location of the property. Due to the limited supply in the market, bargaining power of customers are low.

Bargaining power of suppliers - Low

The construction industry, which supplies and develops properties for landlords to lease, is comprised of a wide variety of companies of different sizes. As a result of the vast availability, bargaining power of suppliers is low. Additionally, the value of projects awarded and potential for additional developments in future suggests that landlords are in a stronger bargaining position than the supplier.

Investment Thesis

1. Strategic expansion into modern warehousing and logistics in key Indian cities supported by a well-developed pipeline of properties to capitalize on structural shift from old to modern warehousing.

Currently, AIT operates seven modern warehouses located primarily in Panvel, which is set to be the new railway hub of the Mumbai Metropolitan Region running 150 private trains on 100 routes across the country. These modern warehouses are equipped with state-of-the-art technology, advanced fire detection systems and security services, which meets the Grade A requirements of its tenants. These modern warehouses feature structured pallet rack systems which can store up to six levels and super flat floors that are stronger and more durable than ordinary warehouse fittings. Moreover, the warehouses boast greater storage capacity with higher ceiling heights of 13 metres as compared to the normal ceiling height of 9.5 metres.

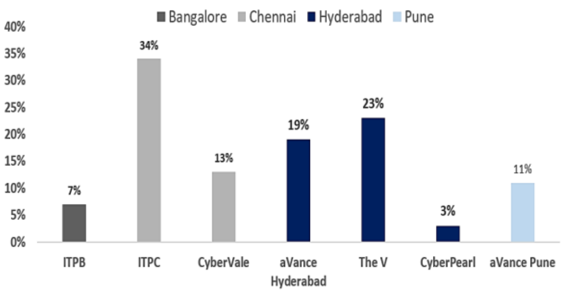
Modern warehouses capitalize on both the “Make in India” initiative and e-commerce boom in India as greater emphasis has been placed on warehouse storing capacity to meet increasing demand. AIT’s decision to penetrate the warehousing segment in 2018 and its acquisition of additional warehouses in July 2019 have been well-timed to capitalize on the growth in leasing demand for modern warehouses, which recently reached an all-time high of 33 million square feet.

We believe that the street has not priced in the premium of AIT’s expansion into India’s warehousing sector that is located in the major railway hub in India along with the tailwinds from the rise of manufacturing, e-commerce growth and the shift towards quality.

AIT’s sponsor CapitaLand and Firstspace Realty aim to deliver the state-of-the-art logistics facilities across major warehousing and manufacturing hubs in India. Through AIT’s partnerships with the aforementioned entities, a combined target of 15 million square feet of space is expected to be developed over the next five to six years. Currently, 1.25 million square feet of operational space has been completed with another 4 million square feet in development. When these developments are completed, we expect to see a pipeline of quality warehouses that AIT can acquire from its sponsor.

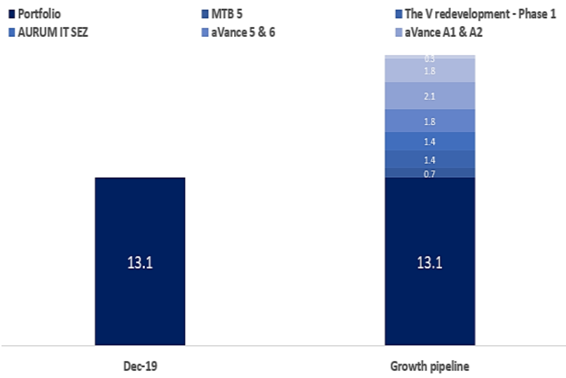
Given the modern warehouses with state-of-the-art facilities are strategically located in major railway hub and have greater storage capacity, this creates stickiness for AIT’s modern warehouses. Thus, we believe that AIT’s strategic acquisition of modern warehouses is timely

Figure 19. Positive Rental Reversion on Transacted Rents



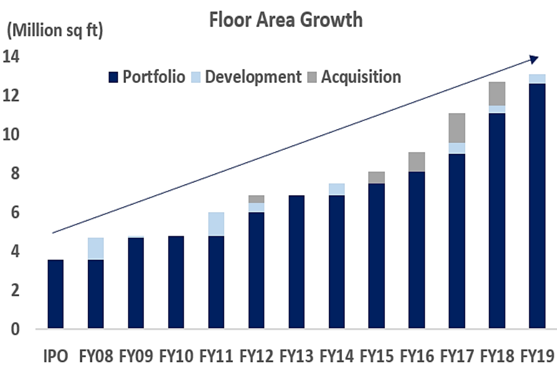
Source: Ascendas India Trust 3Q19 Presentation

Figure 20. Committed Growth Pipeline



Source: Ascendas India Trust 3Q19 Presentation

Figure 21. Floor Area Growth



Source: Ascendas India Trust 3Q19 Factsheet

Figure 22. AIT Extended DuPont Equation

Ratio	2020E
Tax Burden	67.0%
Interest Burden	91.1%
Operating Margin	65.8%
Total Asset Turnover	0.10x
Equity Multiplier	1.63x

Source: AIT Annual Report, NUS Investment Society Estimates

and AIT will be able to capitalize on the high growth drivers behind the need for modern logistics and warehousing facilities in India.

2. Favourable presence in India's Special Economic Zones provide structural economic moat. Further supported by government policy of restricting zone supply pipeline to drive high WALE and positive rental reversions.

AIT is poised to enjoy sustained growth in revenue through positive rental reversion trends in the long term given its balanced and well spread out lease expiry profile. Weighted average lease expiry by net leasable area ("WALE") currently stands at 3.8 years as of 31 December 2019. We believe that a low WALE is favourable for AIT in the near-term as it allows them to tap on India's growing demand for office space which has grown more than 25% y-o-y, reaching a record high of 61.6 million square feet according to CBRE.

AIT's properties are strategically located in Bangalore, Hyderabad, Pune and Chennai which are designated Special Economic Zones ("SEZ"). Occupants located in these zones are eligible to receive both direct and indirect tax benefits in the form of tax deductibles. Hence, the overall office space take-up rate has spiked in recent years as companies seek to take advantage of the tax benefits associated with these zones. This is in tandem with the increase in companies seeking to relocate their operations to these favourable locations. We believe that a strong demand for spaces along with shorter WALE will allow AIT to renew their existing lease arrangement at a higher rental rate. Nonetheless, this is supported by the income stability of AIT's healthy overall portfolio WALE of 6.7 years. Currently, the retention rate of AIT's tenants stands at 63% alongside a committed portfolio occupancy rate of 99% across its properties. This is testament to the quality of AIT's properties and cements AIT's ability to deliver continued income stability for its unitholders.

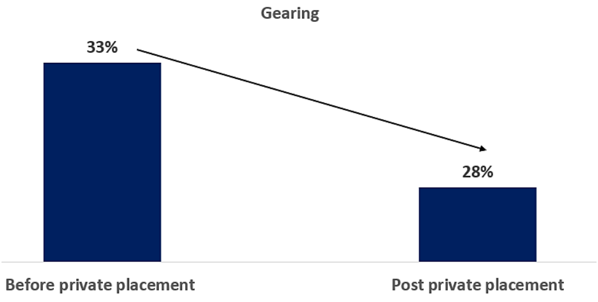
Across AIT's portfolio, positive rental reversion trends of 3% to 34% have been observed. The top 3 properties include ITPC (+34%), The V (+23%) and aVance Hyderabad (+19%). These properties contributed 44% of AIT's net property income as of 31 December 2019. With the average effective rents charged by AIT continuing to remain higher than the rival properties, we are confident in AIT's ability to deliver organic growth through continued positive rental reversion trends across its portfolio in the long term.

3. Robust pipeline of developments and redevelopment plans set to provide a visible income stream going forward.

As of 31 December 2019, growth based on committed pipelines has increased from 13.1 million to 22.6 million square feet. We are convinced that AIT's comprehensive development and redevelopment projects will enable AIT to not only increase rentals over the long-term, but also command a justifiable premium for its space over its competitors. Currently, a new multi-tenanted building in ITPB is in the works and is expected to be completed by 2H20, adding 0.7 million square feet of net leasable area to AIT's portfolio. Moreover, said leasable area has already been fully pre-leased to a leading IT service company. Coupled with the revised government regulation in India, this has increased the development potential in ITPB by 2.7 million to 3.8 million square feet which is expected to be completed by 2H20.

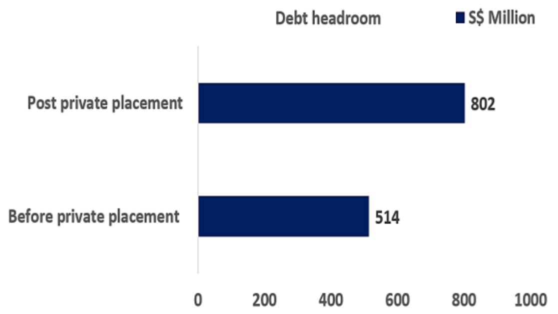
Redevelopment plans focusing on rejuvenating facilities of The V are already underway. The redevelopment which will take place across multiple phases over the next 7 to 10 years is expected to increase the park's net leasable area by 3.5 million square feet. Phase one of the construction is ongoing and the project is on track towards completion by 2H20. We believe that the robust development and redevelopment

Figure 23. Decreasing Leverage Post Private Placement



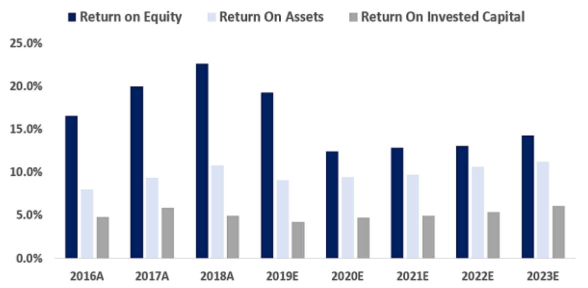
Source: Ascendas India Trust 3Q19 Presentation

Figure 24. Greater Debt Headroom Going Forward



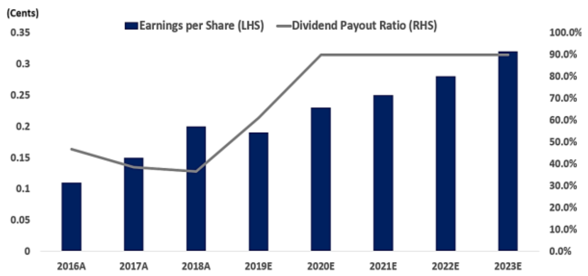
Source: Ascendas India Trust 3Q19 Presentation

Figure 25. Historical and Projected ROE, ROA, ROIC



Source: NUS Investment Society Estimates

Figure 26. Consistent Growth in EPS to Provide Dividend Payout Stability at 90.0%



Source: NUS Investment Society Estimates

plans will prime AIT to capture the increased demand for Grade A offices in India and also ensure competitiveness of AIT's offerings. The enhancement initiatives, together with the expansion of net leasable area serve as constituents of AIT's comprehensive strategy.

Catalysts

- Success of India's "Phase 4" reopening (allows all offices to run at 100% capacity) to allow offices to remain open past 31 May 2020, when the Indian government reviews the reopening measures. This will prevent deterioration of AIT's top line and sustain growth.
- AIT's successful implementation of Covid-19 control measures in construction and renovation ensuring that pipeline projects are completed and ready for tenants as per schedule.
- Potential accretive acquisitions of other offices that have failed to implement Covid-19 control measures. These offices will likely see strong yield expansion in the second half of 2020 when revaluations are competed. AIT will be able to carry out heavily discounted accretive acquisitions that will serve to drive AIT's strong recovery post Covid-19.

Financial Analysis

Financial Ratios	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E
Profitability								
EBITDA Margin	58.4%	59.3%	60.6%	64.7%	66.9%	69.5%	70.5%	71.2%
EBIT Margin	58.3%	59.2%	60.5%	64.6%	65.8%	69.2%	70.3%	70.9%
Net Income Margin	72.7%	88.8%	101.7%	105.5%	90.3%	92.7%	96.8%	98.1%
Return on Equity	16.6%	20.0%	22.7%	19.3%	12.4%	12.9%	13.1%	14.3%
Return on Assets	8.0%	9.4%	10.8%	9.1%	9.4%	9.8%	10.7%	11.2%
Return on Invested Capital	4.8%	5.9%	5.0%	4.2%	4.7%	5.0%	5.4%	6.1%
Liquidity								
Current Ratio	1.21	1.46	0.66	0.46	0.57	0.54	0.49	0.51
Quick Ratio	0.89	0.99	0.52	0.36	0.47	0.43	0.37	0.39
Cash Ratio	0.84	0.93	0.50	0.34	0.43	0.41	0.35	0.37
Activity								
Total Asset Turnover	0.11	0.11	0.11	0.09	0.10	0.12	0.12	0.13
Receivables Turnover	25.70	29.61	34.04	28.10	29.36	30.83	31.24	33.19
Payables Period	5.87	2.81	0.19	0.11	0.12	0.11	0.13	0.12
Financial Leverage								
LT Debt to Assets	23.5%	27.9%	19.7%	21.6%	22.5%	23.4%	22.9%	20.9%
LT Debt to Equity	49.8%	59.7%	40.3%	47.4%	46.5%	45.3%	45.8%	43.9%
Debt to Assets	26.9%	28.1%	26.7%	31.2%	30.2%	29.2%	28.7%	27.1%
Debt to Equity	40.0%	46.3%	40.1%	54.2%	42.1%	43.6%	43.2%	42.1%
Interest Coverage	7.95	6.97	9.82	8.79	9.12	9.24	9.87	10.12
Shareholder Returns								
Earnings per Share (cents)	0.11	0.15	0.20	0.19	0.23	0.25	0.28	0.32
Dividend per Share (cents)	0.05	0.06	0.07	0.07	0.08	0.08	0.09	0.09
Dividend Payout Ratio	46.7%	38.4%	36.6%	61.0%	90.0%	90.0%	90.0%	90.0%

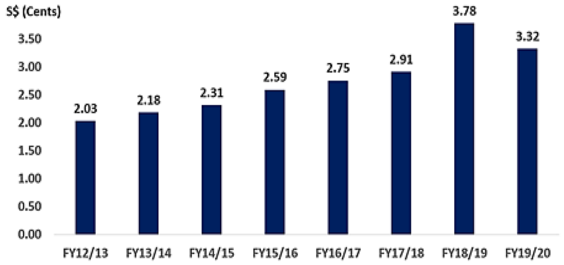
Overview

The chart above reveals AIT's financial condition prospects for the next five years, highlighting our assumptions. Most indicators yield positive and favourable trends that are supportive of the overall BUY recommendation.

Decreasing leverage provides greater debt headroom going forward

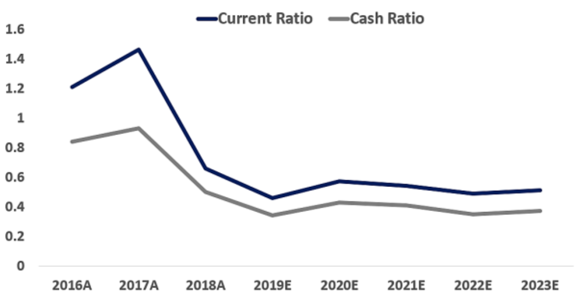
AIT recently completed a private placement of an equity fund raising for the initial upfront funding of its upcoming potential investment and existing committed pipeline acquisitions. As of 3Q19, 99.4 million new units were issued bringing the number of total shares post issuance to 1.14 billion. Approximately S$150m was raised that was four times covered and this has decreased AIT's leverage in FY19 from 33% to 28% enabling greater debt headroom going forward. Majority of the proceeds were used for its upcoming potential investment while the rest was used to pay up existing loans which explains the lower financial leverage ratios in FY20. As seen from AIT's financial analysis, its debt-equity ratio has decreased by 12.1% and its debt-assets ratio has decreased by 1% in comparison to FY19. We believe that the decision of AIT's management to pay up existing loans at an effective weighted average cost of 6.3% is beneficial in the long run as this effectively

Figure 27. Historical Distributable Income Per Unit



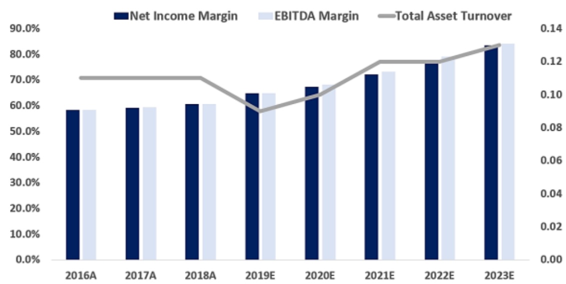
Source: NUS Investment Society Estimates

Figure 28. Strong Liquidity Position



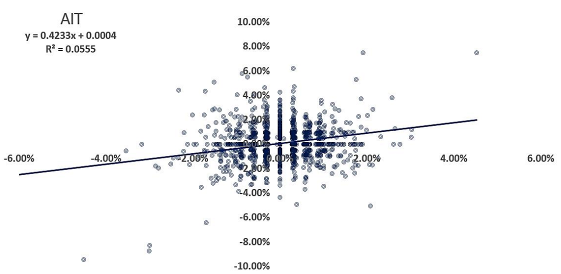
Source: NUS Investment Society Estimates

Figure 29. Margin Expansion and Higher Asset Turnover



Source: NUS Investment Society Estimates

Figure 30. AIT Beta Regression



Source: NUS Investment Society Estimates

allows them to lock in a lower interest rate should they require to borrow in the future.

Strong gearing in preparation of future growth pipelines

Despite its ongoing committed pipeline, AIT's gearing ratio stands at 28%, which is well below the self-imposed gearing limit of 45%. A debt headroom of S$802m enables AIT to pursue further development and acquisition opportunities to supplement the portfolio, taking full advantage of the low yield environment going forward.

Stabilizing net margins and higher asset turnover

Factoring in the ongoing Covid-19 developments, we expect an impact on AIT's net margins in the near term despite the development and redevelopment plans slated to be complete in 2H20. We foresee consistently high occupancy rates and positive rental reversions in the long term and expect that these considerations will boost AIT's top line figures. This is in conjunction with growth in y-o-y rental reversion driving historical net profit margins. Hence, asset turnover is expected to improve going forward.

Valuation

Valuation Price Target: **S$1.75**

DDM model

A Dividend Discount Model was utilized to estimate the intrinsic value of AIT's share price. Our model adopts a 5-year forecast period, given the infeasibility of projecting acquisitions and divestments of property on a longer-term basis. We assumed no new acquisitions and divestments for the period forecasted. To calculate the PV of future dividend payments, we took reference to its average historical payout ratio and employed a future forecasted payout ratio of 90% in line with management guidance. To calculate PV of terminal value, we applied a terminal growth rate of 3% to its dividend in 2024 and used the Gordon Growth Model to determine its terminal value, which was then discounted to the present.

Revenue projections

The projected revenues are derived by modelling various parameters of each individual property including the site area, floor area owned by AIT, development potential of the land bank, number of buildings, stake and committed occupancy. We also project capitalization rate moving forward given the micro trends that influence each individual property. We have taken a prudent stance towards our projections and have done so in line with management's guidance of announced and upcoming improvements. We note that these figures differ for many of the properties and many rent escalation clauses vary across different properties. As such, our projections are based on both historical trends as well as market research from both management and external bodies such as CBRE. Should there be a lack of guidance, we adopt a prudent stance and keep such values constant. The DDM is most sensitive to the following factors, derivation of which are explained below.

Revenue growth

Revenue growth for AIT is driven by both sustained strong demand for commercial space in the key areas that AIT operates in as well as management's decision to expand and scale up on various properties such as aVance Business Hub and The V. Macro-wise, we see that the Indian Information Technology and Business Process Management (IT-BPM) segment has seen strong revenue growth at CAGR of 18% from FY00/01 to FY18/19. While FY18/19 may have reflected lower growth, we remain confident of segment growth given that the lower growth was due to FX volatility. Fundamentals considered, we see an upskilling of employees and advancements in new technologies such as automation, robotics, cloud technology and blockchain.

Figure 31. Cost of Equity Build-up

Cost of Equity	7.59%
Risk-Free Rate	6.0%
Beta	0.51
Market Risk Premium	9.1%

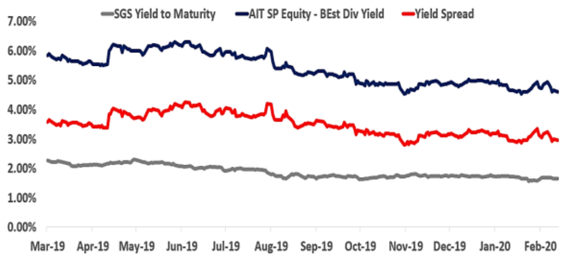
Source: Bloomberg, NUS Investment Society Estimates

Figure 32. Sensitivity Tables

		Terminal Growth Rate				
	1.75	2.50%	2.75%	3.00%	3.25%	3.50%
	7.09%	1.78	1.86	1.96	2.07	2.20
	7.34%	1.68	1.76	1.85	1.95	2.06
Cost of Equity	7.59%	1.60	1.67	1.75	1.84	1.93
	7.84%	1.53	1.59	1.66	1.74	1.82
	8.09%	1.46	1.52	1.58	1.65	1.73

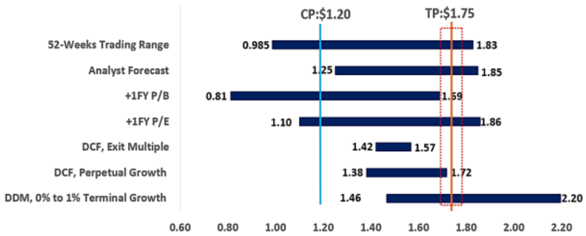
Source: NUS Investment Society Estimates

Figure 33. Yield Spread of AIT vs 1-year SGS



Source: Bloomberg

Figure 34. AIT Relative Valuation and Street Estimates



Source: NUS Investment Society Estimates

Figure 35. Comparable Company Analysis

Relative Valuation		
	+1FY P/E	+1FY P/B
Median	**8.64**	**0.85**
Average	**8.20**	**0.86**
Ascendas India Trust	6.78	1.06
LVGEM China Real Estate Investment Co Ltd	9.16	0.83
CK Asset Holdings Ltd	5.13	0.44
China Resources Land Ltd	8.12	1.30
Peet Ltd	10.38	0.87
Min	5.13	0.44
25th Percentile	5.87	0.54
50th Percentile	8.64	0.85

Source: NUS Investment Society Estimates

We see the increasing adoption and proliferation of such technologies delivering strong and sustained growth for AIT's upcoming property expansions and improvements. With confirmed improvements to many properties not limited to an additional 3.5 million square feet of floor area to *The V* within the coming 5 years as well as the completion of new buildings in ITPB in FY20, we are confident of AIT's ability to capitalize on such favourable developments in India. Moreover, these developments are in addition to AIT's current efforts to reduce tenancy concentration risk in recent years, reducing concentration ratio for 35% in FY17/18 to 33% in FY18/19. Currently, AIT's top 3 tenants include Applied Materials, Arshiya and Bank of America. We believed that Applied Materials will not pose a significant material risk as the top tenant given the current trajectory of the semi-conductor industry and future upcoming developments such as 5G and IoT. Moreover, Arshiya's diversified sub-tenants comprising APMC FZE, DHL Logistics, Huawei Telecommunications, Rolex Logistics (CISCO) and UPL serve to alleviate concerns of revenue concentration. Nonetheless, AIT's 3rd top tenant, Bank of America, may potentially raise concerns but we believe the risk is well managed given AIT's strategic top tenants Applied Materials and Arshiya.

Cost of equity

CAPM was used to estimate Cost of Equity. Risk free rate of 6% was used and is in line with the current yields on 10-year India government bonds. Beta was taken from Bloomberg which stands at 0.51. Equity market risk premium of 9.1% was used. Cost of equity was calculated to be 7.59%.

Terminal growth

In our DDM model, a long-term growth rate of 3% was used. We recognize that India's economic growth has weakened with the 3Q19 GDP growth slowing from 5% to 4.5% currently. Additionally, the construction sector growth has slowed to 3.3% due to sluggish domestic and external demand. According to CBRE, the demand for space in quality developments and planned infrastructure in India are likely to result in marginal increase of 1-2% in rentals. In light of these projections, we expect that India's future economic growth while still positive is likely to be less strong than it is now which may dampen AIT's revenue growth going forward. As such, in our dividend discount model, a conservative terminal growth rate of 3% was used to reflect these considerations.

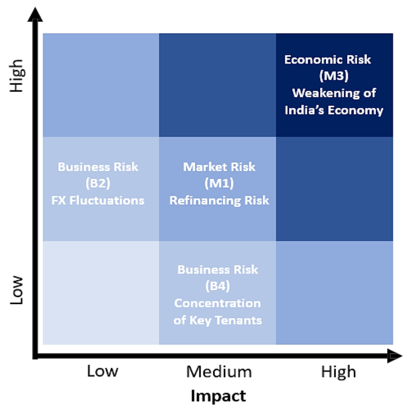
Yield spread analysis

A yield spread analysis of AIT's dividend yield against that of the 10-year SGS yield was performed. The current spread sits at 3.28%, versus a historic average of 3.15%. Thus, we believe that AIT presents a relatively attractive risk reward profile for entry at its current price. Moreover, with AIT's ongoing development and redevelopment pipelines, we forecast an increasing revenue stability. A 1-year lookback period was adopted to account for changes in portfolio composition, which includes its completed construction of Anchor building and the forward purchase agreements for BlueRidge 3 and Arshiya's 7th warehouse.

Relative valuation

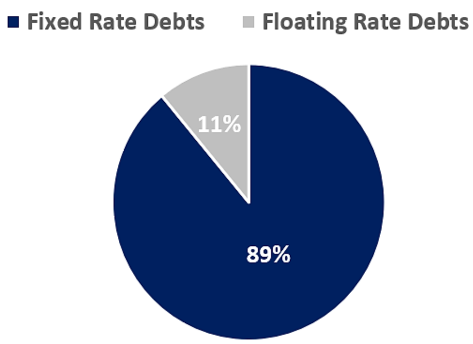
We performed a RV to provide a sanity check on our primary DDM valuations by using a football field. We benchmarked AIT to industry peers with similar size, revenue mix and geographic exposure. This includes LVGEM China Real Estate Investment Co Ltd, CK Asset Holdings Ltd, China Resources Land Ltd and Peet Ltd. Our primary comparable metrics included +1FY P/E and P/B along with DCF (perpetual growth method & exit multiple method), street estimates from various reputable sources. Our target price of S$1.75 was validated as it lies within the 75th-95th Percentile Ranges of both the P/E and P/B price

Figure 36. Investment Risk Matrix



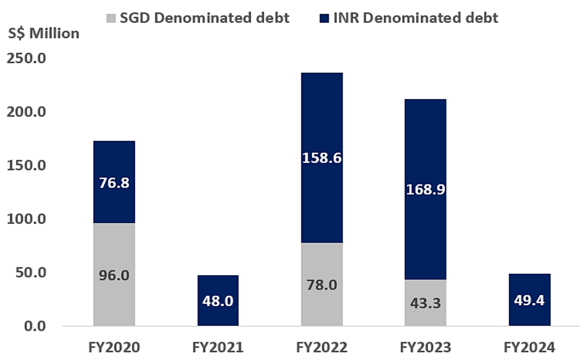
Source: NUS Investment Society Estimates

Figure 37. Debt Profile



Source: Ascendas India Trust 3Q19 Presentation

Figure 38. AIT's Debt Maturity Profile



Source: Ascendas India Trust 3Q19 Presentation

ranges. The intrinsic value of S$1.75 represents a 45.8% upside. We remain confident that this valuation reaffirms our BUY recommendation.

Investment Risks

Market risk (M1)

Refinancing risk: The Covid-19 pandemic has raised refinancing concerns for AIT's debts. Given concerns over various REITs potentially breaching debt covenants as a result of the deterioration of their loan-to-value as well as interest coverage ratios, there exists a possibility that AIT may face difficulty refinancing their debts in the capital markets or may have to do so at less favourable rates. Moreover, bank credit spreads may potentially widen due to loan book deterioration, which may force AIT to refinance credit and loan facilities at higher rates. Nonetheless, only c.30% of AIT's debt will mature over the coming two years, serving to cushion AIT against severe increases in overall borrowing costs.

Business risk (B2)

FX fluctuations: AIT has high FX exposure to Indian Rupee (INR) due to its operations being concentrated in India. Given that AIT reports its results in SGD, any depreciation will affect AIT directly. Hence, AIT faces significant FX risk which may impact its earnings due to negative currency fluctuations arising from the decline in INR due to the weaker domestic economic data coupled with the structural issues in Indian's economy such as the non-bank financial company (NBFC) crisis which has further driven the economic slowdown leading to the threat of stagflation. To mitigate FX risk, AIT has established a mandate which requires at least 50% of its debt to be denominated in INR while hedging 71% of its INR debts and 29% of its SGD borrowings. Additionally, forward contracts are entered on a monthly basis to lock in rental income that is to be repatriated semi-annually from India to Singapore, further reducing the risk of FX fluctuation in its operations.

Economic risk (M3)

Weakening of India's fast-growing economy: In recent years, India's GDP growth rate has seen deceleration with its 2019 GDP growing at its weakest pace of 4.5%. With the declining growth momentum and uncertainty in the global economy outlook resulting from the impact of Covid-19, the protracted virus outbreak has led to a knock-on effect throughout the entire global economy. This may delay AIT's project pipelines along with the decrease in demand for office space, depressing rental growth in the near term. Nonetheless AIT has a diversified tenant base with an average lease term of 6.7 years and a retention rate of 66%. We believe that this may mitigate some of the impact from the weakening GDP growth rate as well as the economic shocks from the impact of Covid-19. While overall, the entire Indian economy may weaken, we are bullish on the IT and logistics sector that will fare far better under the current economic climate.

Tenant risk (B4)

Concentration of key tenants: AIT's top 2 tenants, Applied Materials and Arshiya may appear to have low risk profiles given their nature of business. Applied Materials will remain resilient given the current trajectory of the semiconductor industry and upcoming developments such as 5G and IoT. Likewise, Arshiya comprises of well diversified sub-tenants including APMC FZE, DHL Logistics, Huawei Telecommunications, Rolex Logistics (CISCO) and UPL. However, Bank of America, AIT's 3rd top tenant, may prove to be high-risk given the cyclical nature of banks and their extensive exposure to the global economy. Nonetheless, we believe that management has effectively de-risked its 3rd top tenant via its choice of Applied Materials and Arshiya as the top 2 tenants.

Disclaimer

Appendix

Pro Forma Financial Statements

Ascendas India Trust
Pro-Forma Financial Statements
($ in thousands, except per share data)

Income Statement

Financial year ending 31 March		Historical FY17	Historical FY18	Historical FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24
Consolidated Income Statement									
Property Income									
Base rent		99,041	125,712	134,744					
Amenities income		2,008	2,136	2,221					
Fit-out rental income		1,343	1,600	1,709					
Operations, maintenance and utilities income		46,279	48,975	35,350					
Car park and other operating income		7,994	9,729	7,947					
Total property income		$ 156,665	$ 188,152	$ 181,971	$ 209,766	$ 241,368	$ 285,482	$ 318,644	$ 355,840
Property Expenses									
Operations, maintenance and utilities expenses		(35,067)	(36,005)	(22,343)	(31,135)	(35,826)	(42,374)	(47,296)	(52,817)
Service and property taxes		(3,871)	(5,438)	(5,053)	(4,864)	(5,597)	(6,620)	(7,389)	(8,251)
Property management fees		(7,352)	(8,854)	(9,216)	(8,655)	(9,959)	(11,780)	(13,148)	(14,683)
Other property operating expenses		(6,172)	(9,788)	(9,683)	(8,711)	(10,024)	(11,856)	(13,233)	(14,778)
Total property expenses		(52,462)	(60,085)	(46,295)	(53,366.2)	(61,406.2)	(72,629.1)	(81,065.9)	(90,528.8)
Net Property Income		$ 104,203	$ 128,067	$ 135,676	$ 156,400	$ 179,962	$ 212,853	$ 237,578	$ 265,311
Other Income and Expenses									
Trustee-Manager's fees		(9,716)	(12,480)	(13,874)	(16,781)	(20,034)	(24,266)	(27,403)	(30,602)
Other operating expenses	345,842	(1,698)	(1,669)	(4,163)	(2,978)	(3,426)	(4,053)	(4,523)	(5,051)
Finance costs		(28,699)	(32,754)	(37,046)	(20,820)	(21,501)	(21,758)	(22,031)	(22,313)
Interest income		14,046	4,915	28,661	28,661	28,661	28,661	28,661	28,661
Other income		-	-	45	45	45	45	45	45
Fair value gain on derivative financial instruments – realised		4,926	1,162	7,962	5,997	6,900	8,162	9,110	10,173
Exchange loss-realised		(4,641)	(1,892)	(16,840)	(9,563)	(11,004)	(13,015)	(14,526)	(16,222)
Total other income and expenses		(25,782)	(42,718)	(35,255)	(15,439)	(20,358)	(26,224)	(30,669)	(35,310)
Profit after other income and expenses		$ 78,421	$ 85,349	$ 100,421	$ 140,960	$ 159,604	$ 186,629	$ 206,910	$ 230,001
Changes in Property Fair Value & Gains/Losses on Derivatives and FX									
Fair value (loss)/gain on derivative financial instruments – unrealised		(1,016)	717	(2,272)	(857)	(857)	(857)	(857)	(857)
Exchange gain/(loss) unrealised		5,603	(9,085)	5,634	717	717	717	717	717
Fair value gain/(loss) on investment properties under construction		10,300	(1,288)	100,445	-	-	-	-	-
Fair value gain on investment properties		77,911	213,100	84,443	125,151	137,666	144,550	159,005	166,955
Total changes		92,798	203,444	188,250	125,012	137,527	144,410	158,865	166,815
Profit Before Tax	83	$ 171,219	$ 288,793	$ 288,671	$ 265,972	$ 297,131	$ 331,039	$ 365,775	$ 396,817
Income tax expenses		(22,974)	(87,525)	(84,152)	(81,417)	(90,955)	(101,335)	(111,968)	(121,470)
Net Profit After Tax		$ 148,245	$ 201,268	$ 204,519	$ 184,555	$ 206,176	$ 229,704	$ 253,807	$ 275,346
Attributable To:									
Unitholders of the Trust		139,166	191,312	192,115					
Non-controlling interests		9,079	9,956	12,404					
		148,245	201,268	204,519					
Earnings per unit attributable to Unitholders of the Trust, expressed in cents per unit – basic and diluted		15.0	20.2	18.5					
Consolidated Statement of Comprehensive Income									
Net Income		$ 148,245	$ 201,268	$ 204,519					
Other Comprehensive Income:									
Items that may be reclassified subsequently to profit or loss:									
– Cash flow hedges		(8,842)	5,731	(3,110)					
– Translation differences arising from the conversion of functional currency into presentation currency		34,553	(48,052)	(28,757)					
Other comprehensive income for the year		25,711	(42,321)	(31,867)					
Total Comprehensive Income for the Year		$ 173,956	$ 158,947	$ 172,652					
Total Comprehensive Income Attributable To:									
Unitholders of the Trust		162,100	152,749	162,182					
Non-controlling interests		11,856	6,198	10,470					
Total Comprehensive Income		$ 173,956	$ 158,947	$ 172,652					

Balance Sheet

Financial year ending 31 March	Historical			Projected				
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Assets								
Current Assets								
Cash and cash equivalents	74,997	109,807	108,483	134,325	134,060	139,519	142,664	147,552
Inventories	1,324	479	405	500	576	681	760	849
Other assets	6,079	6,157	437	5,716	6,577	7,779	8,682	9,696
Trade and other receivables	25,788	16,914	28,661	28,808	33,148	39,207	43,761	48,869
Derivative financial instruments	726	5,521	4,138	5,756	6,623	7,834	8,744	9,765
Current income tax recoverable	9,148	7,240	4,931	9,419	10,838	12,819	14,308	15,978
Total Current Assets	$ 118,062	$ 146,118	$ 147,055	$ 184,524	$ 191,822	$ 207,838	$ 218,919	$ 232,708
Non-current Assets								
Other assets	5,827	5,508	5,496	5,496	5,496	5,496	5,496	5,496
Long term receivables	-	-	222,106	222,106	222,106	222,106	222,106	222,106
Investment in joint venture	27,758	-	-	-	-	-	-	-
Derivative financial instruments	1,691	9,555	10,923	11,622	13,373	15,817	17,654	19,715
Equipment	240	385	542	625	719	850	949	1,060
Investment properties under construction	33,619	14,706	206,065	206,065	206,065	206,065	206,065	206,065
Investment properties	1,410,110	1,726,292	1,711,733	1,835,987	1,965,140	2,096,163	2,229,085	2,363,931
Goodwill	16,380	15,461	15,002	15,002	15,002	15,002	15,002	15,002
Investment in subsidiaries	-	-	-	-	-	-	-	-
Total Non-current Assets	$ 1,495,625	$ 1,771,907	$ 2,171,867	$ 2,296,903	$ 2,427,901	$ 2,561,500	$ 2,696,357	$ 2,833,375
Total Assets	$ 1,613,687	$ 1,918,025	$ 2,318,922	$ 2,481,427	$ 2,619,723	$ 2,769,338	$ 2,915,276	$ 3,066,083
Liabilities								
Current Liabilities								
Trade and other payables	77,403	85,042	95,515	88,125	101,401	119,934	133,866	149,492
Borrowings	2,600	135,569	223,445	225,679	228,388	231,585	235,059	238,820
Derivative financial instruments	714	2	29	369	425	502	561	626
Current income tax liabilities	306	-	404	283	316	352	389	422
Total Current Liabilities	$ 81,023	$ 220,613	$ 319,393	$ 314,456	$ 330,529	$ 352,373	$ 369,874	$ 389,359
Non-current Liabilities								
Trade and other payables	55,600	63,835	55,553	59,098	68,001	80,430	89,772	100,252
Borrowings	450,425	376,909	500,833	523,178	529,434	535,690	541,946	548,202
Derivative financial instruments	13,134	3,193	6,979	8,080	9,298	10,997	12,275	13,707
Deferred income tax liabilities	196,322	249,906	299,412	345,145	397,144	469,727	524,292	585,493
Total Non-current Liabilities	$ 715,481	$ 693,843	$ 862,777	$ 935,501	$ 1,003,876	$ 1,096,844	$ 1,168,285	$ 1,247,654
Total Liabilities	$ 796,504	$ 914,456	$ 1,182,170	$ 1,249,957	$ 1,334,406	$ 1,449,216	$ 1,538,158	$ 1,637,013
Net Assets:	$ 817,183	$ 1,003,569	$ 1,136,752	$ 1,231,470	$ 1,285,318	$ 1,320,122	$ 1,377,118	$ 1,429,070
Unitholders' Funds								
Unitholders' Funds								
Units in issue	714,712	818,802	825,284	833,500	843,308	855,189	868,605	883,588
Foreign currency and other translation reserve	(345,255)	(389,549)	(416,372)	(289,817)	(200,140)	(126,039)	(24,769)	75,507
Hedging reserve	(4,903)	828	(2,282)	(2,282)	(2,282)	(2,282)	(2,282)	(2,282)
Other reserves	66,026	67,947	69,726	69,726	69,726	69,726	69,726	69,726
Retained earnings	323,548	436,288	580,673	540,620	494,982	443,804	386,115	322,808
Net assets attributable to Unitholders	$ 754,128	$ 934,316	$ 1,057,029	$ 1,151,747	$ 1,205,595	$ 1,240,399	$ 1,297,395	$ 1,349,347
Non-controlling interests	63,055	69,253	79,723	79,723	79,723	79,723	79,723	79,723
Total Equity	$ 817,183	$ 1,003,569	$ 1,136,752	$ 1,231,470	$ 1,285,318	$ 1,320,122	$ 1,377,118	$ 1,429,070
Balance Check	*balanced*	*balanced*	*balanced*	*balanced*	*balanced*	*balanced*	*balanced*	*balanced*

Cash Flow Statement								
	Historical			Projected				
Financial year ending 31 March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Cash Flows from Operating Activities								
Net Income	$ 148,245	$ 201,268	$ 204,519	184,555	206,176	229,704	253,807	275,346
Adjustments for:								
Income tax expenses	22,974	87,525	84,152	81,417	90,955	101,335	111,968	121,470
Interest income	(14,046)	(4,915)	(28,661)	(28,661)	(28,661)	(28,661)	(28,661)	(28,661)
Finance costs	28,699	32,754	37,046	20,820	21,501	21,758	22,031	22,313
Investment properties written off	-	-	217	-	-	-	-	-
Gain on disposal of investment security	-	-	(45)	(45)	(45)	(45)	(45)	(45)
Depreciation of equipment	80	90	152	177	203	240	268	299
Fair value loss/(gain) on derivative financial instruments – unrealised	1,016	(717)	2,272	857	857	857	857	857
Fair value (gain)/loss on investment properties under construction	(10,300)	1,288	(100,445)	-	-	-	-	-
Fair value gain on investment properties	(77,911)	(213,100)	(84,443)	(125,151)	(137,666)	(144,550)	(159,005)	(166,955)
Allowance for impairment of receivables	(418)	890	33	361	415	491	548	612
Trustee-Manager's fees paid and payable in units	4,779	6,094	6,779	8,216	9,808	11,880	13,417	14,983
Exchange differences	(6,513)	9,993	2,868	2,116	2,116	2,116	2,116	2,116
Others	7,581	(2,320)	8,205	4,489	4,489	4,489	4,489	4,489
Operating cash flows before changes in working capital	104,186	118,850	132,649	177,811	170,148	199,615	221,790	246,825
Changes in working capital								
Inventories	(604)	771	60	(95)	(75)	(105)	(79)	(89)
Other assets	(920)	(420)	5,385	(5,279)	(861)	(1,202)	(904)	(1,013)
Trade and other receivables	(5,808)	9	(2,824)	(147)	(4,340)	(6,058)	(4,554)	(5,108)
Trade and other payables	3,416	20,269	20,804	(7,390)	13,277	18,533	13,932	15,626
Cash flows from operations	100,270	139,479	156,074	164,899	178,148	210,782	230,184	256,240
Interest received	12,624	4,705	17,861	23,686	23,686	23,686	23,686	23,686
Income tax paid (net)	(18,028)	(21,589)	(25,377)	(36,175)	(40,413)	(45,024)	(49,749)	(53,971)
Net cash flows from operating activities	94,866	122,595	148,558	152,410	161,421	189,443	204,121	225,955
Cash Flows from Investing Activities								
Purchase of equipment	-	(253)	(319)	(259)	(297)	(372)	(367)	(410)
Advance payment of expenditure on investment properties	(6,642)	(2,820)	-	(3,882)	(4,156)	(4,433)	(4,714)	(4,999)
Additions to investment properties under construction	(9,309)	(17,753)	(20,113)	(23,964)	(29,376)	(31,442)	(33,539)	(35,665)
Additions to investment properties	(6,811)	(9,081)	(20,690)	-	-	-	-	-
Purchase of investment securities	-	-	(5,597)	-	-	-	-	-
Net cash outflow from acquisition of subsidiaries	(70,284)	(94,814)	-	-	-	-	-	-
Payment towards deferred consideration of investment properties	-	(6,730)	(10,753)	(10,753)	(10,753)	(10,753)	(10,753)	(10,753)
Investment in joint venture	(24,269)	-	-	-	-	-	-	-
Proceeds from disposal of investment securities	-	-	5,450	-	-	-	-	-
Long term receivables	-	-	(224,393)	-	-	-	-	-
Net cash flows used in investing activities	(117,315)	(131,451)	(276,415)	(38,859)	(44,582)	(46,999)	(49,372)	(51,827)
Cash Flows from Financing Activities								
Repayment of borrowings	(45,000)	(101,100)	(271,600)	(446,890)	(288,239)	(290,948)	(294,145)	(297,619)
Distribution to Unitholders	(50,957)	(76,651)	(45,951)	(90,383)	(103,482)	(123,595)	(138,218)	(155,858)
Distribution paid to non-controlling interests	(1,715)	-	-	-	-	-	-	-
Interest paid	(27,510)	(32,663)	(36,889)	(20,820)	(21,501)	(21,758)	(22,031)	(22,313)
Proceeds from borrowings	132,495	159,601	484,234	471,469	297,204	300,401	303,875	307,636
Translation differences	-	-	-	126,555	216,232	290,333	391,603	491,879
Proceeds from issuance of units	-	98,685	-	-	-	-	-	-
Net cash flows from financing activities	7,313	47,872	129,794	(86,625)	(116,018)	(135,900)	(150,520)	(168,155)
Net increase in cash and cash equivalents	(15,136)	39,016	1,937	26,927	821	6,544	4,229	5,973
Effects of exchange rate changes on cash and cash equivalents	4,212	(4,206)	(3,261)	(1,085)	(1,085)	(1,085)	(1,085)	(1,085)
Beginning Cash	85,921	74,997	109,807	108,483	134,325	134,060	139,519	142,664
Ending Cash	$ 74,997	$ 109,807	$ 108,483	$ 134,325	$ 134,060	$ 139,519	$ 142,664	$ 147,552

Financial Statement Drivers

Ascendas India Trust **Financial Statement Drivers**								
		Historical				Projected		
Financial year ending 31 March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Income Statement Drivers								
Property Income Drivers								
Base rent growth		26.9%	7.2%					
Amenities income growth		6.4%	4.0%					
Fit-out rental income growth		19.1%	6.8%					
Operations, maintenance and utilities income growth		5.8%	-27.8%					
Car park and other operating income growth		21.7%	-18.3%					
Property Expense Drivers								
Operations, maintenance and utilities expenses as % of total property expenses	66.8%	59.9%	48.3%	58.3%	58.3%	58.3%	58.3%	58.3%
Service and property taxes as % of total property expenses	7.4%	9.1%	10.9%	9.1%	9.1%	9.1%	9.1%	9.1%
Property management fees as % of total property expenses	14.0%	14.7%	19.9%	16.2%	16.2%	16.2%	16.2%	16.2%
Other property operating expenses as % of total property expenses	11.8%	16.3%	20.9%	16.3%	16.3%	16.3%	16.3%	16.3%
Other Income and Expenses Drivers								
Trustee-Manager's fees as % of total property income	6.2%	6.6%	7.6%	8.0%	8.3%	8.5%	8.6%	8.6%
Other operating expenses as % of total property income	1.1%	0.9%	2.3%	1.4%	1.4%	1.4%	1.4%	1.4%
Finance costs as % of debt	6.3%	6.4%	5.1%					
Interest Income	14,046	4,915	28,661	28,661	28,661	28,661	28,661	28,661
Financial institutions	6,028	4,130	5,522	5,522	5,522	5,522	5,522	5,522
Long term receivables	7,483	-	20,898	20,898	20,898	20,898	20,898	20,898
Others	535	785	2,241	2,241	2,241	2,241	2,241	2,241
Other income	-	-	45	45	45	45	45	45
Fair value gain on derivative financial instruments - realised as % of net property income	4.7%	0.9%	5.9%	3.8%	3.8%	3.8%	3.8%	3.8%
Exchange loss - realised as % of net property income	-4.5%	-1.5%	-12.4%	-6.1%	-6.1%	-6.1%	-6.1%	-6.1%
Property Fair Value & Gains/Losses on Derivatives and FX								
Fair value (loss)/gain on derivative financial instruments – unrealised	(1,016)	717	(2,272)	(857)	(857)	(857)	(857)	(857)
Exchange gain/(loss) unrealised	5,603	(9,085)	5,634	717	717	717	717	717
Fair value gain/(loss) on investment properties under construction	10,300	(1,288)	100,445	-	-	-	-	-
Fair value gain on investment properties	77,911	213,100	84,443	125,151	137,666	144,550	159,005	166,955
Income Tax								
Current income tax expenses	(19,144)	(23,051)	(26,237)	(25,047)	(27,982)	(31,175)	(34,446)	(37,369)
as % of profit before tax	11.2%	8.0%	9.1%	9.4%	9.4%	9.4%	9.4%	9.4%
Deferred income tax expenses	(3,830)	(64,474)	(57,915)	(56,370)	(62,974)	(70,160)	(77,522)	(84,101)
as % of profit before tax	2.2%	22.3%	20.1%	21.2%	21.2%	21.2%	21.2%	21.2%
Balance Sheet Drivers								
Current Assets								
Days sales of inventory	3.1	0.9	0.8	0.9	0.9	0.9	0.9	0.9
Other assets as % of net property income	5.8%	4.8%	0.3%	3.7%	3.7%	3.7%	3.7%	3.7%
Days sales outstanding	60.1	32.8	57.5	50.1	50.1	50.1	50.1	50.1
Derivative financial instruments as % of net property income	0.7%	4.3%	3.0%	3.7%	3.7%	3.7%	3.7%	3.7%
Current income tax recoverable as % of net property income	8.8%	5.7%	3.6%	6.0%	6.0%	6.0%	6.0%	6.0%
Non-current Assets								
Other assets	5,827	5,508	5,496	5,496	5,496	5,496	5,496	5,496
Long term receivables	-	-	222,106	222,106	222,106	222,106	222,106	222,106
Investment in joint venture	27,758	-	-	-	-	-	-	-
Derivative financial instruments as % of total property income	1.1%	5.1%	6.0%	5.5%	5.5%	5.5%	5.5%	5.5%
Equipment as % of total property income	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Investment properties under construction	33,619	14,706	206,065	206,065	206,065	206,065	206,065	206,065
Investment properties	1,410,110	1,726,292	1,711,733	1,835,987	1,965,140	2,096,163	2,229,085	2,363,931
Goodwill	16,380	15,461	15,002	15,002	15,002	15,002	15,002	15,002
Investment in subsidiaries	-	-	-	-	-	-	-	-
Current Liabilities								
Days payable outstanding	539	517	753	603	603	603	603	603
Borrowings	2,600	135,569	223,445	225,679	228,388	231,585	235,059	238,820
Derivative financial instruments as % of net property income	0.7%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%
Current income tax liabilities as % of profit before tax	0.2%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Non-current Liabilities								
Trade and other payables as % of total property expenses	106.0%	106.2%	120.0%	110.7%	110.7%	110.7%	110.7%	110.7%
Borrowings	450,425	376,909	500,833	523,178	529,434	535,690	541,946	548,202
Derivative financial instruments as % of total property expenses	25.0%	5.3%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
Deferred income tax liabilities as % of total property income	125.3%	132.8%	164.5%	164.5%	164.5%	164.5%	164.5%	164.5%
Unitholder's Funds								
Foreign currency translation reserve	(345,255)	(389,549)	(416,372)	(416,372)	(416,372)	(416,372)	(416,372)	(416,372)
Hedging reserve	(4,903)	828	(2,282)	(2,282)	(2,282)	(2,282)	(2,282)	(2,282)
Other reserves	66,026	67,947	69,726	69,726	69,726	69,726	69,726	69,726
Translation reserves								
Non-controlling Interests								
Non-controlling interests	63,055	69,253	79,723	79,723	79,723	79,723	79,723	79,723

Capital Expenditures and PPE								
Investment Properties								
Balance at the beginning of the year	1,077,011	1,410,110	1,726,292	1,711,733	1,835,987	1,965,140	2,096,163	2,229,085
Additions during the year	6,811	18,543	20,690	23,964	29,376	31,442	33,539	35,665
Additions during the year as % of investment properties	0.6%	1.3%	1.2%	1.4%	1.6%	1.6%	1.6%	1.6%
Cost adjustments arising from change in deferred consideration	-	(3,452)	(69)	(2,271)	(2,783)	(2,979)	(3,178)	(3,379)
as % of additions		18.6%	0.3%	9.5%	9.5%	9.5%	9.5%	9.5%
Acquisition of subsidiary	134,801	136,327		-	-	-	-	-
Investment properties written off	-	-	(217)	-	-	-	-	-
Amortisation of marketing fee	531	1,257	(753)	345	345	345	345	345
Straightlining of rent free period	2,350	2,315	2,310	2,325	2,325	2,325	2,325	2,325
Transfer from investment properties under construction	50,923	32,743	(70,059)	-	-	-	-	-
Fair value gain	77,911	213,100	84,443	125,151	125,151	125,151	125,151	125,151
Translation differences	59,772	(84,651)	(50,904)	(25,261)	(25,261)	(25,261)	(25,261)	(25,261)
Balance at the end of the year	1,410,110	1,726,292	1,711,733	1,835,987	1,965,140	2,096,163	2,229,085	2,363,931
Investment Properties under Construction								
Balance at the beginning of the year		33,619	14,706	206,065	206,065	206,065	206,065	206,065
Additions during the year				23,964	29,376	31,442	33,539	35,665
Transfers to Investment Properties				(23,964)	(29,376)	(31,442)	(33,539)	(35,665)
Balance at the end of the year	33,619	14,706	206,065	206,065	206,065	206,065	206,065	206,065
Debt Assumptions								
Current Borrowings								
Beginning current debt balance				223,445	225,679	228,388	231,585	235,059
Additions				225,679	228,388	231,585	235,059	238,820
Repayment				(223,445)	(225,679)	(228,388)	(231,585)	(235,059)
Ending current debt balance	2,600	135,569	223,445	225,679	228,388	231,585	235,059	238,820
growth rate				1.0%	1.2%	1.4%	1.5%	1.6%
Interest rate on current debt				3.2%	3.2%	3.2%	3.2%	3.2%
Current debt interest				(7,173)	(7,244)	(7,331)	(7,434)	(7,545)
Non-current Borrowings								
Beginning non-current debt balance				500,833	523,178	529,434	535,690	541,946
Additions				245,790	68,816	68,816	68,816	68,816
Repayment				(223,445)	(62,560)	(62,560)	(62,560)	(62,560)
Ending non-current debt balance	450,425	376,909	500,833	523,178	529,434	535,690	541,946	548,202
Interest rate on non-current debt				2.7%	2.7%	2.7%	2.7%	2.7%
Non-current debt interest				(13,648)	(14,257)	(14,427)	(14,598)	(14,768)
Distribution Assumptions								
Distributions								
Profit before change in fair value of properties and gains/losses on FX and derivatives	78,421	85,349	100,421	140,960	159,604	186,629	206,910	230,001
Income tax expenses - current	(19,144)	(23,051)	(26,237)	(26,916)	(30,070)	(33,501)	(37,016)	(40,158)
as % of income taxes	83.3%	26.3%	31.2%	33.1%	33.1%	33.1%	33.1%	33.1%
Trustee-manager's fees payable in units	4,779	6,094	6,779	(8,216)	(9,808)	(11,880)	(13,417)	(14,983)
as % of Trustee-manager's fees	49.2%	48.8%	48.9%	49.0%	49.0%	49.0%	49.0%	49.0%
Depreciation of equipment	80	90	152	177	203	240	268	299
Realised exchange loss	(910)	908	8,502	3,181	3,660	4,330	4,832	5,397
as % of net property income	-0.9%	0.7%	6.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Non-controlling interests	(4,500)	(5,159)	(5,084)	(5,084)	(5,084)	(5,084)	(5,084)	(5,084)
Distribution adjustments	(19,695)	(21,118)	(15,888)	(36,859)	(41,098)	(45,896)	(50,416)	(54,528)
Income available for distribution	58,726	64,231	84,533	104,102	118,506	140,733	156,493	175,473
Retention - *10%*	(5,873)	(6,423)	(8,453)	(10,410)	(11,851)	(14,073)	(15,649)	(17,547)
Income to be distributed	52,853	57,808	76,080	93,692	106,655	126,660	140,844	157,925
Income Tax Assumptions								
Deferred income tax liabilities and assets								
Deferred income tax assets to be settled after one year (minimum alternate tax credit)	(26,605)	(26,419)	(37,008)	(35,912)	(41,323)	(48,875)	(54,553)	(60,921)
as % of total property income	17.0%	14.0%	20.3%	17.1%	17.1%	17.1%	17.1%	17.1%
Deferred income tax liabilities to be settled after one year (fair value gains on investment properties)	222,927	276,325	336,420	331,453	381,389	451,094	503,494	562,267
as % of total property income	142.3%	146.9%	184.9%	158.0%	158.0%	158.0%	158.0%	158.0%
Deferred income tax liabilities - net	196,322	249,906	299,412	295,541	340,066	402,218	448,941	501,347

Other Cash Flow Assumptions								
Cash flow from operations								
Investment properties written off	-	-	217	-	-	-	-	-
Gain on disposal of investment security	-	-	(45)	(45)	(45)	(45)	(45)	(45)
Depreciation of equipment as % of equipment	33.3%	23.4%	28.0%	28.3%	28.3%	28.3%	28.3%	28.3%
Allowance for impairment of receivables as % of receivables	1.6%	-5.3%	-0.1%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%
Trustee-Manager's fees paid and payable in units as % of fees	49.2%	48.8%	48.9%	49.0%	49.0%	49.0%	49.0%	49.0%
Exchange differences	(6,513)	9,993	2,868	2,116	2,116	2,116	2,116	2,116
Others	7,581	(2,320)	8,205	4,489	4,489	4,489	4,489	4,489
Interest received as % of interest income	89.9%	95.7%	62.3%	82.6%	82.6%	82.6%	82.6%	82.6%
Income tax paid (net) as % of income tax expense	78.5%	24.7%	30.2%	44.4%	44.4%	44.4%	44.4%	44.4%
Cash flows from investing								
Purchase of equipment	-	(253)	(319)	(259)	(297)	(372)	(367)	(410)
Advance payment of expenditure on investment properties as % of investment properties	0.5%	0.2%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%
Additions to investment properties under construction	-	-	-	23,964	29,376	31,442	33,539	35,665
Additions to investment properties	6,811	18,543	20,690	23,964	29,376	31,442	33,539	35,665
Purchase of investment securities	-	-	(5,597)	-	-	-	-	-
Net cash outflow from acquisition of subsidiaries	(70,284)	(94,814)	-	-	-	-	-	-
Payment towards deferred consideration of investment properties	-	(6,730)	(10,753)	(10,753)	(10,753)	(10,753)	(10,753)	(10,753)
Investment in joint venture	(24,269)	-	-	-	-	-	-	-
Proceeds from disposal of investment securities	-	-	5,450	-	-	-	-	-
Long term receivables	-	-	(224,393)	-	-	-	-	-
Cash flows from financing								
Repayment of borrowings	(45,000)	(101,100)	(271,600)	(446,890)	(288,239)	(290,948)	(294,145)	(297,619)
Distribution to unitholders as % of distributable income	86.8%	119.3%	54.4%	86.8%	87.3%	87.8%	88.3%	88.8%
Distribution paid to non-controlling interests as % of distributable income	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid				(20,820)	(21,501)	(21,758)	(22,031)	(22,313)
Proceeds from borrowings				471,469	297,204	300,401	303,875	307,636
Translation differences	-	-	-	126,555	216,232	290,333	391,603	491,879
Proceeds from issuance of units	-	98,685	-	-	-	-	-	-
Exchange rate effects								
Effects of exchange rate changes on cash and cash equivalents	4,212	(4,206)	(3,261)	(1,085)	(1,085)	(1,085)	(1,085)	(1,085)

Revenue Model

Ascendas India Trust									
Revenue Model									
			Historical				Projected		
Financial year ending 31 March	*Units*	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Income Statement Drivers									
Total property income		156,665	188,152	181,971	209,766	241,368	285,482	318,644	355,840
Total net property income		104,203	128,067	135,676	156,400	179,962	212,853	237,578	265,311
International Tech Park Bangalore (ITPB)									
Site area	*acres*	68.5	68.5	68.5	68.9	69.2	69.2	69.2	69.2
changes			-	-	0.4	0.4	-	-	-
Floor area owned by a-iTrust	*m sq ft*	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
changes			-	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	2.2	2.2	3.2	3.2	3.2	3.2	3.2	3.2
changes			-	1.0	-	-	-	-	-
Number of buildings		10	10	10	10	10	10	10	10
Stake	*Percentage*	93%	93%	93%	93.0%	93.0%	93.0%	93.0%	93.0%
Committed occupancy	*Percentage*	95%	96%	99%	99.0%	99.0%	99.0%	99.0%	99.0%
Valuation	*S$'000s*	535,300	555,800	640,900	702,237	769,444	843,083	923,770	1,012,179
Appreciation rate			3.8%	15.3%	9.6%	9.6%	9.6%	9.6%	9.6%
Property Income		66,801	84,177	65,858	82,477	90,370	99,019	108,495	118,879
Estimated net property income		44,431	57,296	49,103	61,494	67,379	73,827	80,893	88,635
Capitalization rate		8.3%	10.3%	7.7%	8.8%	8.8%	8.8%	8.8%	8.8%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%
International Tech Park Chennai (ITPC)									
Site area	*acres*	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
changes			-	-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
changes			-	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	-	-	-	-	-	-	-	-
changes			-	-	-	-	-	-	-
Number of buildings			3	3	3	3	3	3	3
Stake	*Percentage*	89%	89%	89%	89.0%	89.0%	89.0%	89.0%	89.0%
Committed occupancy	*Percentage*	100%	99%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Valuation	*m S$*	314,900	340,700	363,900	391,197	420,542	452,088	486,001	522,457
Appreciation rate			8.2%	6.8%	7.5%	7.5%	7.5%	7.5%	7.5%
Property Income		34,735	33,557	33,413	36,530	39,270	42,216	45,383	48,787
Estimated net property income		23,103	22,841	24,913	27,236	29,279	31,476	33,837	36,375
Capitalization rate		7.3%	6.7%	6.8%	7.0%	7.0%	7.0%	7.0%	7.0%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%
Cybervale (CV)									
Site area	*acres*	18.2	18.2	18.5	18.5	18.5	18.5	18.5	18.5
changes			-	0.3	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
changes			-	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
changes			-	-	-	-	-	-	-
Number of buildings		3	3	3	3	3	3	3	3
Stake	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Valuation	*m S$*	59,300	71,500	72,400	80,303	89,069	98,792	109,576	121,538
Appreciation rate			20.6%	1.3%	10.9%	10.9%	10.9%	10.9%	10.9%
Property Income		6,984	8,542	8,256	8,784	9,743	10,807	11,987	13,295
Estimated net property income		4,645	5,814	6,156	6,550	7,264	8,057	8,937	9,913
Capitalization rate		7.8%	8.1%	8.5%	8.2%	8.2%	8.2%	8.2%	8.2%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%
Cyberpearl (CP)									
Site area	*acres*	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
changes			-	-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
changes			-	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	-	-	-	-	-	-	-	-
changes			-	-	-	-	-	-	-
Number of buildings		2	2	2	2	2	2	2	2
Stake	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*	100%	99%	96%	96.0%	96.0%	96.0%	96.0%	96.0%
Valuation	*m S$*	55,700	62,200	63,700	68,185	72,986	78,124	83,625	89,512
Appreciation rate			11.7%	2.4%	7.0%	7.0%	7.0%	7.0%	7.0%
Property Income		7,202	7,069	6,764	7,393	7,914	8,471	9,067	9,705
Estimated net property income		4,790	4,812	5,043	5,512	5,900	6,316	6,760	7,236
Capitalization rate		8.6%	7.7%	7.9%	8.1%	8.1%	8.1%	8.1%	8.1%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%

The V

Site area	*acres*	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
changes			-	-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	1.3	1.7	1.5	1.5	2.2	3.3	3.6	4.0
changes			0.4	(0.2)	-	0.7	1.1	0.4	0.4
Development potential of land bank	*m sq ft*	0.4	2.8	3.5	3.5	3.5	3.5	3.5	3.5
changes			2.4	0.7	-	-	-	-	-
Number of buildings		5	6	5	5	6	6	6	6
Stake	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*	99%	93%	99%	99.0%	99.0%	99.0%	99.0%	99.0%
Valuation	*m S$*	200,800	264,700	320,300	353,109	389,279	429,154	473,113	521,575
Appreciation rate			31.8%	21.0%	10.2%	10.2%	10.2%	10.2%	10.2%
Property Income		21,636	21,355	22,579	28,280	45,725	74,468	90,937	109,999
Estimated net property income		14,391	14,535	16,835	21,085	34,092	55,523	67,802	82,014
Capitalization rate		7.2%	5.5%	5.3%	6.0%	6.0%	6.0%	6.0%	6.0%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%

Avance Business Hub (aVance)

Site area	*acres*	25.7	25.7	25.7	25.7	25.7	25.7	25.7	25.7
changes			-	-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
changes			0.4	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	-	-	-	-	-	-	-	-
changes			-	-	-	-	-	-	-
Number of buildings		3	4	4	4	4	4	4	4
Stake	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*	100%	98%	98%	98.0%	98.0%	98.0%	98.0%	98.0%
Valuation	*m S$*	127,500	195,100	198,900	212,066	226,104	241,071	257,029	274,043
Appreciation rate			53.0%	1.9%	6.6%	6.6%	6.6%	6.6%	6.6%
Property Income		17,290	19,545	18,819	21,705	23,141	24,673	26,307	28,048
Estimated net property income		11,500	13,304	14,031	16,183	17,254	18,396	19,614	20,912
Capitalization rate		9.0%	6.8%	7.1%	7.6%	7.6%	7.6%	7.6%	7.6%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%

Blueridge 2

Site area	*acres*	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
changes			-	-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
changes			-	-	-	-	-	-	-
Development potential of land bank	*m sq ft*	-	-	-	-	-	-	-	-
changes			-	-	-	-	-	-	-
Number of buildings		3	3	3	3	3	3	3	3
Stake	*Percentage*	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*	56%	81%	98%	98.0%	98.0%	98.0%	98.0%	98.0%
Valuation	*m S$*	151,100	154,900	160,700	165,729	170,916	176,265	181,781	187,471
Appreciation rate			2.5%	3.7%	3.1%	3.1%	3.1%	3.1%	3.1%
Property Income		2,018	12,182	16,086	14,244	14,690	15,150	15,624	16,113
Estimated net property income		1,342	8,291	11,994	10,620	10,953	11,295	11,649	12,013
Capitalization rate		0.9%	5.4%	7.5%	6.4%	6.4%	6.4%	6.4%	6.4%
Net property income margin		66.5%	68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%

Arshiya Warehouses

Site area	*acres*		24.5	24.5	24.5	24.5	24.5	24.5	24.5
changes				-	-	-	-	-	-
Floor area owned by a-iTrust	*m sq ft*		0.8	0.8	0.8	0.8	0.8	0.8	0.8
changes				-	-	-	-	-	-
Development potential of land bank	*m sq ft*		-	-	-	-	-	-	-
changes				-	-	-	-	-	-
Number of buildings			6	6	6	6	6	6	6
Stake	*Percentage*		100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Committed occupancy	*Percentage*		100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Valuation	*m S$*		96,200	97,700	99,223	100,771	102,342	103,938	105,558
Appreciation rate				1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Property Income			1,725	10,195	10,354	10,515	10,679	10,845	11,015
Estimated net property income			1,174	7,601	7,719	7,840	7,962	8,086	8,212
Capitalization rate			1.2%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Net property income margin			68.1%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%

Discounted Cash Flow Model

Ascendas India Trust
Discounted Cash Flow Valuation
Financial year ending 31 March

Valuation Summary

Date of review	27/3/2020
Current fiscal year end	31/3/2020
Portion of fiscal year passed	0.9999
Portion of fiscal year remaining	0.0001
Price	$ 1.20

Income Projections

Financial year ending 31 March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	Historical			Projected				
Discounted Free Cash Flows								
Total property income				209,766	241,368	285,482	318,644	355,840
Net property income				156,400	179,962	212,853	237,578	265,311
EBIT				258,131	289,971	324,136	359,145	390,469
EBITDA				133,296	152,647	179,967	200,548	223,953
Tax expense				(81,417)	(90,955)	(101,335)	(111,968)	(121,470)
Net operating profit after tax				59,543	68,649	85,294	94,941	108,531
Net capital spending				(38,859)	(44,582)	(46,999)	(49,372)	(51,827)
Changes in net working capital				(18,799)	5,802	8,089	6,091	6,823
Free cash flows				1,885	29,870	46,384	51,660	63,527
Discount period				0.0	1.0	2.0	3.0	4.0
Discount factor				1.0	1.1	1.1	1.2	1.2
Free cash flow to be discounted				0	29,872	92,772	154,985	254,113
Present value of free cash flows				0	28,403	83,870	133,223	207,688

Weighted Average Cost of Capital

Weighted average cost of capital	5.2%
Cost of Debt	
Weighted average cost of debt	6.3%
Tax rate	35.0%
Tax effected cost of debt	4.1%
Proportion of debt in capital structure	29.6%
Cost of Equity	
Equity risk premium	7.1%
Risk free rate	2.0%
Beta	51.2%
Cost of equity	5.6%
Proportion of equity in capital structure	70.4%

Growth to Perpetuity Model

Growth rate in perpetuity	2.0%
Weighted average cost of capital	5.2%
Present value of cash flows	453,183
Present value of terminal value	1,669,140
Cash (most recent quarter)	79,598
Firm value	1,748,738
Shares outstanding	1,150,000
Price per share	**$ 1.52**
Implied upside	**26.7%**

Growth to perpetuity (rows: Cost of equity)

$ 1.52	1.8%	1.9%	2.0%	2.1%	2.2%
5.8%	1.38	1.42	1.46	1.50	1.55
5.7%	1.41	1.45	1.49	1.54	1.59
5.6%	1.43	1.47	1.52	1.57	1.62
5.5%	1.47	1.52	1.57	1.62	1.67
5.4%	1.51	1.56	1.61	1.66	1.72

Exit Multiple Model

Present value of projected free cash flows	453,183
Ending EBITDA	223,953
Exit multiple (EV/EBITDA)	13.7
Implied terminal enterprise value	2,507,617
Cash (most recent quarter)	79,598
Equity value	1,720,471
Shares outstanding	1,150,000
Price per share	**$ 1.50**
Implied upside	**24.7%**

EV/EBITDA (rows: Cost of equity)

$ 1.50	13.3	13.5	13.7	13.9	14.1
5.8%	1.42	1.45	1.49	1.52	1.55
5.7%	1.43	1.46	1.49	1.52	1.56
5.6%	1.43	1.46	1.50	1.53	1.56
5.5%	1.44	1.47	1.50	1.54	1.57
5.4%	1.45	1.48	1.51	1.54	1.57

Dividend Discount Model

Ascendas India Trust
Dividend Discount Model

Valuation Date:	24-Mar-20
Last FY End:	31-Dec-19
Days per Year:	365
Next FY Start:	1-Jan-20

Cost of Equity Derivation

Cost of Equity	**7.59%**
Risk-Free Rate	6.0%
Beta	0.51
Market Risk Premium	9.1%

DDM Calculation

		Historicals		Forecasted Period				
		2018A	2019A	2020E	2021E	2022E	2023E	2024E
Dividend per share	S$ (cents)	0.06	0.07	0.07	0.07	0.08	0.08	0.09
Discount Period				0.75	1.75	2.75	3.75	4.75
Discount Factor				1.05	1.09	1.17	1.25	1.34
Present Value	S$ (cents)			0.065	0.063	0.067	0.063	0.066

DDM Valuation

Gordon Growth Model	
Total PV of projected dividends	**0.32**
Long-term growth rate	3.0%
Final year dividend	0.09
Terminal Value	2.02
PV of terminal value	**1.43**
Implied stock price	**$1.75**

DDM Sensitivity Analysis

		Terminal Growth Rate				
	1.75	**2.50%**	**2.75%**	**3.00%**	**3.25%**	**3.50%**
	7.09%	1.78	1.86	1.96	2.07	2.20
	7.34%	1.68	1.76	1.85	1.95	2.06
Cost of Equity	**7.59%**	1.60	1.67	**1.75**	1.84	1.93
	7.84%	1.53	1.59	1.66	1.74	1.82
	8.09%	1.46	1.52	1.58	1.65	1.73

Relative Valuation

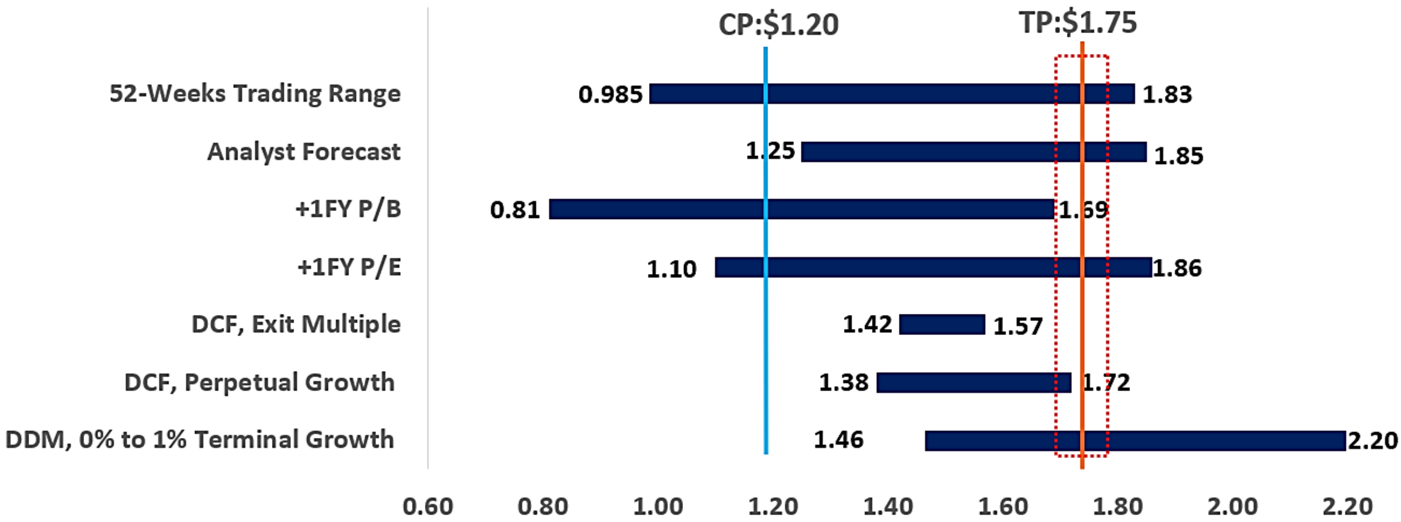
Relative Valuation

	+1FY P/E	+1FY P/B
Median	**8.64**	**0.85**
Average	**8.20**	**0.86**
Ascendas India Trust	6.78	1.06
LVGEM China Real Estate Investment Co Ltd	9.16	0.83
CK Asset Holdings Ltd	5.13	0.44
China Resources Land Ltd	8.12	1.30
Peet Ltd	10.38	0.87
Min	5.13	0.44
25th Percentile	5.87	0.54
50th Percentile	8.64	0.85

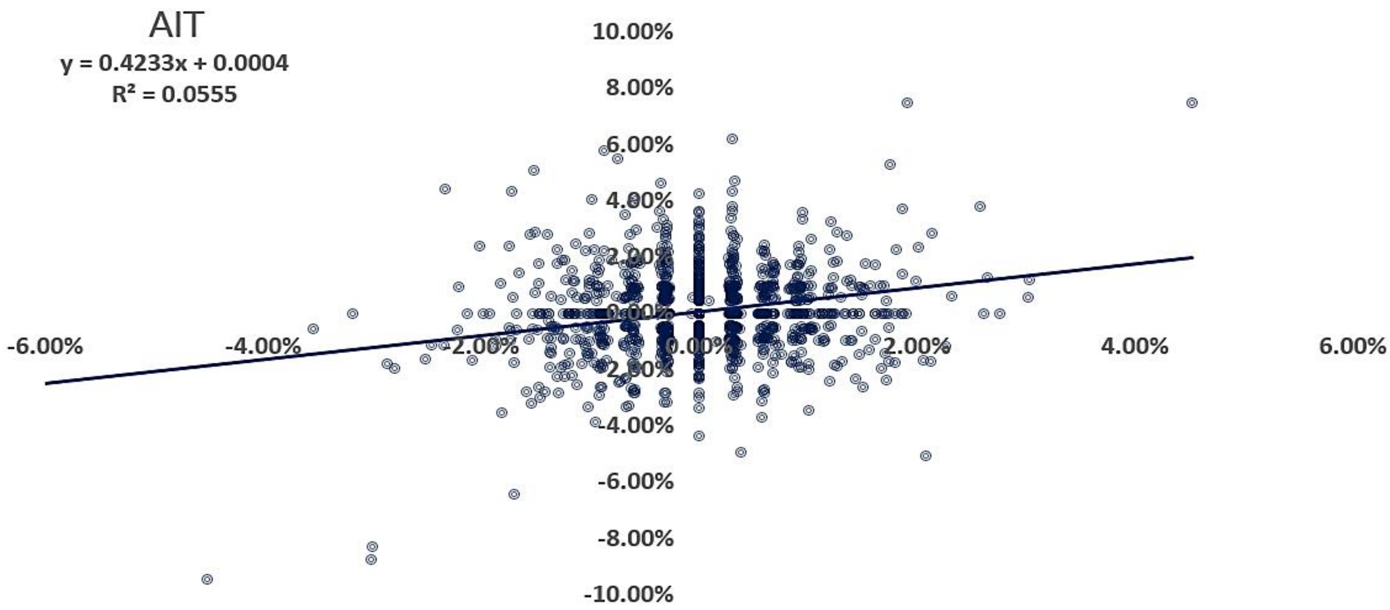
		Min	25th Percentile	50th Percentile	75th Percentile	Max
+1FY P/E		5.13	5.87	8.64	10.08	10.38
Expected EPS (cents)	**6.16**	1.10	1.210	1.360	1.560	1.860
+1FY P/B		0.44	0.54	0.85	1.20	1.30
Expected Book Value per Share	**1.12**	0.81	0.90	1.11	1.40	1.69
Analyst Forecast		1.25	1.3	1.77	1.85	1.85

Football Field Inputs	Min	25th Percentile	50th Percentile	75th Percentile	Max
+1FY P/E	5.13	0.11	0.15	0.20	0.30
+1FY P/B	0.44	0.09	0.21	0.29	0.29
4 Analyst Estimates	1.25				0.60

Football Field



Beta Regression



Financial Ratios

Financial Ratios	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E
Profitability								
EBITDA Margin	58.4%	59.3%	60.6%	64.7%	66.9%	69.5%	70.5%	71.2%
EBIT Margin	58.3%	59.2%	60.5%	64.6%	65.8%	69.2%	70.3%	70.9%
Net Income Margin	72.7%	88.8%	101.7%	105.5%	90.3%	92.7%	96.8%	98.1%
Return on Equity	16.6%	20.0%	22.7%	19.3%	12.4%	12.9%	13.1%	14.3%
Return on Assets	8.0%	9.4%	10.8%	9.1%	9.4%	9.8%	10.7%	11.2%
Return on Invested Capital	4.8%	5.9%	5.0%	4.2%	4.7%	5.0%	5.4%	6.1%
Liquidity								
Current Ratio	1.21	1.46	0.66	0.46	0.57	0.54	0.49	0.51
Quick Ratio	0.89	0.99	0.52	0.36	0.47	0.43	0.37	0.39
Cash Ratio	0.84	0.93	0.50	0.34	0.43	0.41	0.35	0.37
Activity								
Total Asset Turnover	0.11	0.11	0.11	0.09	0.10	0.12	0.12	0.13
Receivables Turnover	25.70	29.61	34.04	28.10	29.36	30.83	31.24	33.19
Payables Period	5.87	2.81	0.19	0.11	0.12	0.11	0.13	0.12
Financial Leverage								
LT Debt to Assets	23.5%	27.9%	19.7%	21.6%	22.5%	23.4%	22.9%	20.9%
LT Debt to Equity	49.8%	59.7%	40.3%	47.4%	46.5%	45.3%	45.8%	43.9%
Debt to Assets	26.9%	28.1%	26.7%	31.2%	30.2%	29.2%	28.7%	27.1%
Debt to Equity	40.0%	46.3%	40.1%	54.2%	42.1%	43.6%	43.2%	42.1%
Interest Coverage	7.95	6.97	9.82	8.79	9.12	9.24	9.87	10.12
Shareholder Returns								
Earnings per Share (cents)	0.11	0.15	0.20	0.19	0.23	0.25	0.28	0.32
Dividend per Share (cents)	0.05	0.06	0.07	0.07	0.08	0.08	0.09	0.09
Dividend Payout Ratio	46.7%	38.4%	36.6%	61.0%	90.0%	90.0%	90.0%	90.0%