mapletree logistics

press release

For Immediate Release

Mapletree Logistics Trust Expands Presence in Singapore with Acquisitions of Five Modern Ramp-up Logistics Facilities

- *Strengthen portfolio quality and competitive positioning with acquisitions of five modern, ramp-up logistics properties in Singapore*
- *Sale-and-leaseback with WALE (by revenue) of over 8 years and built-in annual rent escalation provide stable and growing income streams*
- *Acquisitions are in line with the Manager's portfolio rejuvenation strategy*

Singapore, 5 July 2018 – Mapletree Logistics Trust Management Ltd., as manager (the "Manager") of Mapletree Logistics Trust ("MLT"), is pleased to announce the proposed acquisitions of five modern, ramp-up logistics properties located in Singapore (the "Properties") for an estimated purchase price of S$778.3 million[1] (the "Acquisitions"). The Properties are being acquired from CWT Pte. Limited and its subsidiaries (the "Vendor Group") on a sale-and-leaseback arrangement. The Acquisitions are subject to the requisite approvals from JTC Corporation ("JTC") and the shareholders of CWT International Limited, the latter being the holding company of the Vendor Group.

Brief details of the Properties are set out below:

Property	Type of Warehouse	GFA (sq ft)	Purchase Consideration (S$ million)	Valuation[1] (S$ million)	Master Lease Term (years)
4 Pandan Avenue	Chemical & Ambient	638,777	117.0	118.0	5
52 Tanjong Penjuru	Chemical & Ambient	846,303	179.0	182.0	10
6 Fishery Port Road	Temperature-controlled & Food	751,434	244.0	260.0	10
5A Toh Guan Road East	Ambient	600,301	115.0	117.2	6
38 Tanjong Penjuru	Chemical & Ambient	375,230	75.0	78.0	10
Total		**3,212,045**	**730.0**	**755.2**	

Note (1): Based on independent valuations conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 27 June 2018, excluding upfront land premium payable to JTC for the balance lease terms.

[1] Comprises the purchase consideration of S$730.0 million and estimated upfront land premium payable to JTC for the balance lease terms of S$48.3 million.

Ms Ng Kiat, Chief Executive Officer of the Manager, said: "This acquisition will strengthen MLT's position as one of the largest modern specs warehouse space providers in Singapore. Total gross floor area in our Singapore portfolio will increase by almost 20% to over 20 million square feet, allowing us to benefit from Singapore's continued growth as a global logistics hub. With this accretive acquisition, we will be able to accelerate our rejuvenation programme so as to further enhance the long-term returns to our Unitholders."

About the Properties

The Properties are modern ramp-up warehouses that are purpose-built with good logistics specifications, such as floor loading of 20 to 50 KiloNewton per square metre and floor-to-ceiling height of 9 to 14 metres. They have a weighted average age (by net lettable area) of 4.8 years[2] and a total gross floor area of 3.2 million square feet. Located in three key logistics clusters in the western region of Singapore, they are in close proximity to the Jurong Port and PSA Terminals, and are well-served by major arterial road networks.

Ramp-up warehouses are more attractive to potential tenants as compared to conventional cargo-lift warehouses. They provide direct vehicular access to all levels and offer greater efficiency in the movement of cargo as well as lower operating and maintenance costs.

Three of the properties, namely 4 Pandan Avenue, 52 Tanjong Penjuru and 38 Tanjong Penjuru, are located in a chemical zone and can be used for chemical cargo storage, while 6 Fishery Port Road is located in a food zone and equipped with cold storage facilities. The supply of such specialised warehouses in Singapore is limited as they require licensing and are only allowed to operate in approved zones.

Rationale and Benefits of the Acquisitions

Singapore has been ranked as Asia's top logistics hub since 2007, according to the World Bank's Logistics Performance Index[3]. Attracted to Singapore's pro-business environment, world-class infrastructure and excellent connectivity to major Asian markets, the top 25 global logistics firms

[2] As at 30 June 2018.

[3] The World Bank, Logistics Performance Index 2016.

have established a presence in Singapore[4]. Given their modern specifications and favourable locations, the Properties are well-poised to benefit from Singapore's position as a key logistics hub.

The Acquisitions are in line with the Manager's strategy to rejuvenate MLT's portfolio with the addition of modern logistics facilities via acquisitions and redevelopment. At the same time, the Acquisitions will allow the Manager to accelerate the pursuit of other options to rejuvenate MLT's portfolio. These include, among others, selective divestment of older low-yielding properties with limited redevelopment potential, which is in line with the Manager's aim to protect and enhance the rental yield of MLT's portfolio.

Post completion, the Properties will be 100% leased to the Vendor Group for lease terms ranging from 5 years to 10 years. With a combined weighted average lease expiry ("WALE") (by revenue) of 8.7 years and built-in rent escalation of 1.5% per annum, the Acquisitions are expected to benefit Unitholders by providing a stable income stream with organic growth.

The Acquisitions are expected to generate an initial net property income yield of approximately 6.2% based on the purchase price of S$778.3 million. The Manager expects the Acquisitions to be accretive to MLT's distribution per unit ("DPU").

Funding for the Acquisitions

The Manager is reviewing various financing options for the Acquisitions, including proceeds from an equity fund raising, proceeds from potential divestment(s) and/or debt. The final decision regarding the financing option for the Acquisitions will be made by the Manager at the appropriate time, taking into account, amongst others, the then prevailing market conditions to provide overall DPU accretion to Unitholders on a pro forma basis while maintaining an optimum level of aggregate leverage. Details for the finalised financing structure will be disclosed in due course.

The Acquisition is targeted for completion by September 2018. Upon completion, MLT's total assets under management will increase to approximately S$7.6 billion.

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[4] The Singapore Economic Development Board, https://www.edb.gov.sg/en/our-industries/logistics-and-supply-chain-management.html.

About Mapletree Logistics Trust (www.mapletreelogisticstrust.com)

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST Mainboard on 28 July 2005. MLT's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 31 March 2018, it has a portfolio of 124 logistics assets in Singapore, Hong Kong, Japan, China, South Korea, Australia, Malaysia and Vietnam, with a total book value of S$6.5 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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Important Notice

The value of units in MLT ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MLT is not necessarily indicative of its future performance.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representatives examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and 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 current view of management on future events.