

**ANNOUNCEMENT  
ACQUISITION OF SHARES IN MAPLETREE TOPAZ LTD.  
FROM MAPLETREE INVESTMENTS PTE LTD**

1 In relation to the initial public offering of Mapletree Logistics Trust (“MapletreeLog”), the joint financial advisers, underwriters and bookrunners were DBS Bank and UBS AG, acting through its business group, UBS Investment Bank.

**2 INTRODUCTION**

**2.1 The Acquisition**

2.1.1 Mapletree Logistics Trust Management Ltd., as manager of MapletreeLog (the “Manager”), has identified Mapletree Topaz Ltd. (“Topaz”) for acquisition by MapletreeLog at the purchase price of HK\$799.0 million (the “Acquisition”). Topaz wholly owns Mapletree Opal Ltd. (“Opal”), a special purpose vehicle, which in turn holds three logistics properties (the “Properties”) in Hong Kong. Topaz is wholly owned by Mapletree Overseas Holdings Ltd. (“MOH”), a wholly owned subsidiary of Mapletree Investments Pte Ltd (“MIPL”).

2.1.2 In connection with the Acquisition, HSBC Institutional Trust Services (Singapore) Limited, as trustee of MapletreeLog (the “Trustee”), has entered into a share purchase agreement (the “Share Purchase Agreement”), with MOH for the Acquisition.

**2.2 Disclosure Requirements Under the Listing Manual**

The Manager is making this announcement because the Acquisition will constitute a major transaction under Chapter 10 of the Listing Manual of SGX-ST.

**3 INFORMATION ON THE PROPERTIES**

Land Lease	Up to 30 June 2047			
Gross Floor Area (“GFA”) and Description of Properties		Description	GFA (sqm)	
			Owned by Opal	Owned by Third Party Owners
	<b>Tsuen Wan No. 1</b>	16-storey industrial/warehousing building	17,788.4	7,571.5
	<b>Shatin No. 2</b>	9-storey warehouse building	26,900.3	5,500.0
	<b>Shatin No. 3</b>	18-storey purpose designed warehouse and freight handling cargo complex	19,799.5	21,662.8
	Total		64,488.2	34,734.3

Land Area		<b>Land Area (approximate in sqm)</b>
		Tsuen Wan No. 1
	Shatin No. 2	4,582
	Shatin No. 3	3,400
	<b>Total</b>	<b>10,013</b>

#### 4 **VALUE OF THE PROPERTIES**

The Properties were valued at HK\$850.0 million in a valuation report dated 25 November 2005 prepared by DTZ Debenham Tie Leung Limited and at HK\$863.0 million in a valuation report dated 21 November 2005 prepared by Knight Frank Hong Kong Limited in accordance with the instructions issued by the Trustee. The valuations were prepared using the capitalisation approach, discounted cash flow analysis and direct comparison method.

#### 5 **PRINCIPAL TERMS OF THE ACQUISITION**

##### **The Share Purchase Agreement**

The principal terms of the Share Purchase Agreement relating to the Properties are as follows:-

- (i) **Conditions Precedent:** The completion of the Acquisition is conditional upon, amongst other things:-
  - (a) the approval of the shareholders of MOH for the sale of Topaz;
  - (b) the parties having obtained all the licenses, orders, grants, confirmations, consents, permissions, registrations, authorisations, consents and other approvals from third parties (including governmental or official authorities, courts or other regulatory bodies) necessary to perform their respective obligations under the Share Purchase Agreement and complete the Acquisition;
  - (c) the approval of the unitholders of MapletreeLog at an Extraordinary General Meeting to be held on or around 18 January 2006; and
  - (d) all conditions under the Share Purchase Agreement being fulfilled; and
- (ii) **Payment of Purchase Consideration:** The purchase consideration of the Acquisition is HK\$799.0 million (the "Consideration"). Pursuant to the Share Purchase Agreement, MapletreeLog shall pay the Consideration partly in cash and partly in consideration units in MapletreeLog.

#### 6 **RATIONALE AND BENEFIT OF THE ACQUISITION TO MAPLETREELOG**

##### 6.1 **Continued Growth in Key Markets**

The Acquisition is in line with the Manager's objective to grow MapletreeLog based on a yield plus growth investment strategy. Hong Kong is a key market as part of our regional growth strategy.

## 6.2 **Accretive and Stable Rental Streams**

- 6.2.1 The Manager aims to achieve distribution growth and to enhance the value of MapletreeLog's property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager's investment criteria. The Acquisition of the Properties will be immediately accretive to MapletreeLog's distributable income. Based on the purchase price of HK\$799.0 million for the Acquisition, the Properties are expected to deliver a net property yield of about 6.4% in the first year compared to an implied net property income yield of 4.9%<sup>1</sup> based on the S\$0.97 closing price on 21 December 2005.
- 6.2.2 The Properties will allow stable rental streams from the long term leaseback as well as rental escalations which will further add on to the defensiveness and stability of the distributions in the portfolio.
- 6.2.3 Besides the expected accretion and growth potential, the Acquisition also enhances the overall profile of MapletreeLog's portfolio in diversification of tenants' concentration and mix.

## 6.3 **Enhanced Portfolio Diversification**

The Acquisition will further improve MapletreeLog's portfolio of properties and tenant mix as well as improve the overall occupancy rate. The design of the Properties is well suited to meet the needs of third party logistics providers and distribution operators.

## 6.4 **Multi-Tenanted Facilities with Organic Growth Potential**

The Acquisition will allow MapletreeLog to tap into higher rental reversions potential when the current short term leases expire.

## 6.5 **Greater Economies of Scale**

The Acquisition will substantially enlarge the portfolio of MapletreeLog and this could generate possible cost synergies and create economies of scale leading to lower operating costs.

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<sup>1</sup> The Manager is unable to show the effect of the Acquisition on the net tangible asset per Unit and on the distribution per Unit for the most recently completed financial year, assuming that the Acquisition had been effected at the beginning of that financial year, as the relevant historical financial information is not available. The prospectus of MapletreeLog dated 18 July 2005 (the "Prospectus") had set out the reasons why the Manager was unable to prepare pro forma statements of total return, cash flow statements and balance sheets to show the pro forma historical financial performance of MapletreeLog. On the basis of these reasons, MapletreeLog was granted a waiver by the SGX-ST from the requirement to prepare historical pro forma statements of total return, cash flow statements and balance sheets and none were shown in the Prospectus. Further, the net profits attributable to the Property are not available because the Property is being occupied by the vendor prior to the Acquisition by MapletreeLog and will be leased back to the vendor thereafter. The implied net property income yield is computed based on the annualised net property income for 2005 (based on third quarter 2005 financial results) and MapletreeLog's enterprise value as at 21 December 2005.

## 7 **METHOD OF FINANCING AND THE FINANCIAL EFFECTS OF THE ACQUISITION**

The Manager plans to undertake a fund raising exercise comprising of a combination of debt and equity to fund this Acquisition and other recently announced acquisitions. Details of this fund raising exercise and its financial effect will be announced concurrently with this announcement.

## 8 **INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS**

- 8.1 The vendor of the Properties, MOH, being the subsidiary of MIPL, (which is a controlling unitholder of MapletreeLog (“Unitholder”) and of which the Manager is a wholly owned subsidiary), is considered, for the purpose of the Acquisition of the Properties by MapletreeLog, to be an “interested party” under Appendix 2 of the Code on Collective Investments Schemes (the “Property Funds Guidelines”) and an “interested person” under the Listing Manual of Singapore Exchange Securities Trading Limited (the “Listing Manual”).
- 8.2 Save for the above, no directors of the Manager or substantial Unitholders are interested in the Acquisition.

## 9 **STATEMENT FROM THE AUDIT COMMITTEE**

Having considered the terms and conditions of the Share Purchase Agreement, as well as the rationale for the Acquisition of the Properties, the audit committee of the Manager (which comprises the independent directors of the Manager) is of the view that the Acquisition of the Properties is on normal commercial terms and would not be prejudicial to the interests of MapletreeLog and its minority Unitholders.

## 10 **OTHER INFORMATION**

### 10.1 **Directors’ Service Contracts**

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transaction contemplated in relation to the Acquisition.

### 10.2 **Disclosure Under Rule 1010(13) of the Listing Manual**

- 10.2.1 Chapter 10 of the Listing Manual classifies transactions by MapletreeLog into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases:-
- (i) the net profits attributable to the assets acquired or disposed of, compared with MapletreeLog’s net profits;
  - (ii) the aggregate value of the consideration given, compared with MapletreeLog’s market capitalisation; and

- (iii) the number of Units issued by MapletreeLog as consideration for the acquisition of the Properties, compared with the number of Units previously in issue.

10.2.2 Based on the purchase consideration of the Acquisition and MapletreeLog's market capitalisation as at 21 December 2005, the relative figure for the basis of comparison set out in paragraph 10.2.1(ii) in relation to the Acquisition is about 30.0%.

10.2.3 As the relative figure in relation to the Acquisition for the basis of comparison set out in paragraph 10.2.1(ii) exceeds 20.0%, the Acquisition constitutes a "major transaction" under Chapter 10 of the Listing Manual.

### 10.3 Documents for Inspection

Copies of the following documents are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 1 Maritime Square #13-01 HarbourFront Centre Singapore 099253 for a period of 3 months commencing from the date of this Announcement:-

- (i) the Share Purchase Agreement; and
- (ii) the valuation reports on the Properties.

By Order of the Board  
Giam Lay Hoon (Ms)  
Company Secretary  
Mapletree Logistics Trust Management Ltd.  
(Company Registration No. 200500947N)  
As Manager of Mapletree Logistics Trust

22 December 2005

#### Important Notice

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

This Announcement 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events. The past performance of MapletreeLog and the Manager are not necessarily indicative of the future performance of any of them.

The value of Units and the income derived 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 of MapletreeLog may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.