



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 July 2004 (as amended))

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## ANNOUNCEMENT

### THE PROPOSED ACQUISITION OF A 50.0% INTEREST IN EACH OF 11 PROPERTY HOLDING COMPANIES AS AN INTERESTED PERSON TRANSACTION

*For illustrative purposes, certain RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate of S\$1.00 = RMB4.80 on 19 April 2018, being the latest practicable date prior to this announcement (the "**Latest Practicable Date**"). Such translations should not be construed as representations that RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.*

#### 1. INTRODUCTION

Mapletree Logistics Trust Management Ltd., as manager of Mapletree Logistics Trust ("**MLT**", and as manager of MLT, the "**Manager**"), is pleased to announce that following an expression of interest from the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of MLT (the "**Trustee**"), has entered into 11 conditional share purchase agreements (the "**Share Purchase Agreements**") with wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**", its subsidiaries, the "**MIPL Subsidiaries**" and each of the MIPL Subsidiaries, a "**MIPL Subsidiary**") and wholly-owned subsidiaries of Itochu Corporation (the "**Itochu Subsidiaries**") as set out in **Appendix A** (collectively, the "**Vendors**") on 26 April 2018 to acquire a 50.0% interest in each of 11 Hong Kong special purpose vehicles (the "**HK SPVs**", and the acquisition of the interests in the HK SPVs, the "**Acquisition**"). Each HK SPV holds a 100.0% interest in a People's Republic of China ("**PRC**" or "**China**") wholly foreign-owned enterprise ("**PRC WFOE**", and collectively the 11 wholly foreign-owned enterprises, the "**PRC WFOEs**"). In turn, each PRC WFOE holds a property located in the PRC (the "**Property**", and collectively the 11 properties, the "**Properties**").

Three of the HK SPVs are wholly-owned by the MIPL Subsidiaries (the "**Sponsor-owned HK SPVs**") and eight of the HK SPVs are owned by the MIPL Subsidiaries and the Itochu Subsidiaries in the proportion of 80.0% and 20.0% respectively (the "**Co-owned HK SPVs**"). The Acquisition involves, in the case of the Sponsor-owned HK SPVs, an acquisition of 50.0% of the entire ordinary issued share capital from the MIPL Subsidiaries, and in the case of the Co-owned HK SPVs, an acquisition of 30.0% and 20.0% of the entire ordinary issued share capital from the MIPL Subsidiaries and the Itochu Subsidiaries respectively. Following the Acquisition, MLT will hold a 50.0% interest in each of the 11 HK SPVs, with the other 50.0% interest held by the MIPL Subsidiaries.

On the date of completion of the Acquisition ("**Completion**"), it is contemplated that the Trustee will enter into 11 separate shareholders' deeds in relation to each HK SPV (the

"Shareholders' Deeds", and each, a "Shareholders' Deed"), to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the Trustee's relationship with the MIPL Subsidiaries as shareholders of each HK SPV (the Trustee and the relevant MIPL Subsidiary collectively, the "Shareholders", and each a "Shareholder").

For the purposes of this announcement, and unless otherwise stated, the "Existing Portfolio" means the 124<sup>1</sup> properties held by MLT as at 31 March 2018. The "Enlarged Portfolio" comprises the Existing Portfolio and the Properties.

## 2. THE PROPOSED ACQUISITION OF A 50.0% INTEREST IN EACH OF 11 PROPERTY HOLDING COMPANIES

### 2.1 Description of the Properties

The Manager has identified the following Properties as being suitable for acquisition by MLT, namely:

- (i) Mapletree Wuxi New District Logistics Park ("**Mapletree Wuxi**");
- (ii) Mapletree Hangzhou Logistics Park ("**Mapletree Hangzhou**");
- (iii) Mapletree Nantong Chongchuan Logistics Park ("**Mapletree Nantong**");
- (iv) Mapletree Changshu Logistics Park ("**Mapletree Changshu**");
- (v) Mapletree Changsha Logistics Park Phase 1 ("**Mapletree Changsha**");
- (vi) Mapletree Wuhan Yangluo Logistics Park ("**Mapletree Wuhan**");
- (vii) Mapletree Fengdong (Xi'an) Industrial Park ("**Mapletree Xi'an**");
- (viii) Mapletree Tianjin Wuqing Logistics Park ("**Mapletree Tianjin**");
- (ix) Mapletree Jiaxing Logistics Park ("**Mapletree Jiaxing**");
- (x) Mapletree Nanchang Logistics Park ("**Mapletree Nanchang**"); and
- (xi) Mapletree Zhenjiang Logistics Park ("**Mapletree Zhenjiang**").

See **Appendix A** and **Appendix B** to this announcement for further details.

### 2.2 Structure of the Acquisition

Pursuant to the Share Purchase Agreements dated 26 April 2018, the Trustee, on behalf of MLT, will acquire a 50.0% interest in each of the HK SPVs through the Acquisition.

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<sup>1</sup> Includes 7 Tai Seng Drive in Singapore. On 11 August 2017, MLT announced that it has granted an option to purchase to MIPL for the proposed divestment of 7 Tai Seng Drive in Singapore, which is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

Pursuant to the terms of the Share Purchase Agreements, the aggregate purchase consideration payable by the Trustee in connection with the Acquisition (the "**Aggregate Share Consideration**") is 50.0% of the adjusted consolidated net asset value (the "**Adjusted Net Asset Value**") of the 11 HK SPVs (the "**Total Adjusted Net Asset Values**") as at Completion<sup>1</sup>. The Aggregate Share Consideration, to be satisfied fully in cash, is estimated to be RMB120.5 million (S\$25.1 million)<sup>2</sup>, subject to post-Completion adjustments to the Total Adjusted Net Asset Values. The Adjusted Net Asset Value of each HK SPV shall take into account the agreed value of the Property indirectly owned by each HK SPV (the "**Agreed Property Value**") less each HK SPV's existing bank facilities and shareholders' loans, and shall be adjusted based on the agreed line items set out in the pro forma closing balance sheet of each HK SPV and its respective wholly-owned PRC WFOE.

In addition to the payment of the Aggregate Share Consideration to the Vendors, the Trustee will at Completion extend loans of RMB864.8 million (S\$180.2 million) to the HK SPVs (the "**Trustee Shareholders' Loans**"), to enable them to repay and discharge existing shareholders' loans of RMB592.6 million (S\$123.5 million) and RMB272.2 million (S\$56.7 million) owed to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively (the "**Repaid Shareholders' Loans**")<sup>3</sup>. The values of the Trustee Shareholders' Loans and the Repaid Shareholders' Loans are subject to adjustments based on the actual date of Completion to take into account interest accruing up to such date.

The acquisition price payable by the Trustee in respect of the Acquisition (the "**Acquisition Price**") would therefore be the sum of the Aggregate Share Consideration and the value of the Trustee Shareholders' Loans.

The Trustee shall not be obliged to procure the completion of any of the Share Purchase Agreements unless all the Share Purchase Agreements are completed simultaneously.

Following Completion, the Trustee will own 50.0% of the ordinary shares in the issued share capital of each of the 11 HK SPVs. The MIPL Subsidiaries will own the other 50.0% of the ordinary shares in the issued share capital of each of the 11 HK SPVs.

## 2.3 Valuation

The Agreed Property Value of each Property was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of each Property as at 1 March 2018.

In this respect, the Trustee has commissioned an independent property valuer, Colliers International (Hong Kong) Ltd ("**Colliers**"), and the Manager has commissioned another

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<sup>1</sup> See Paragraph 2.7 of this announcement for further details.

<sup>2</sup> This amount comprises the purchase consideration of RMB21.5 million (S\$4.5 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB99.0 million (S\$20.6 million) payable to the MIPL Subsidiaries.

<sup>3</sup> Upon completion of the Acquisition and following the extension of the loan by the Trustee to the HK SPVs and the corresponding discharge of the existing shareholders' loans, the existing shareholders' loans extended by the Itochu Subsidiaries will be fully discharged and the HK SPVs would owe an equal amount to both the Trustee and the MIPL Subsidiaries, as shareholders' loans.

independent property valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**" and together with Colliers, the "**Independent Valuers**"), to value each Property. In arriving at the open market value of each Property, Colliers relied on the discounted cash flow method and the market comparison method while JLL relied on the discounted cash flow method and the income capitalisation method.

The aggregate Agreed Property Value of the Properties is RMB2,846.8 million (S\$593.0 million), representing a discount of approximately 1.7% to Colliers' aggregate valuation of RMB2,895.0 million (S\$603.1 million) and a discount of approximately 3.7% to JLL's aggregate valuation of RMB2,956.0 million (S\$615.8 million).

See **Appendix B** to this announcement for further details.

## **2.4 Certain Terms and Conditions of the Share Purchase Agreements**

The Trustee has entered into conditional Share Purchase Agreements with the Vendors dated 26 April 2018.

The principal terms of each Share Purchase Agreement include, among others, the following conditions precedent:

- (i) the passing at an extraordinary general meeting of the unitholders of MLT (the "**Unitholders**") of a resolution to approve the Acquisition;
- (ii) the receipt of in-principle approval of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the new Units issued pursuant to an equity fund raising (the "**New Units**", and the equity fund raising, the "**Equity Fund Raising**"), and there not having occurred any revocation or withdrawal of such approval;
- (iii) the listing and commencement of trading of the New Units to be issued pursuant to the Equity Fund Raising;
- (iv) the receipt by the Trustee of the proceeds of the Equity Fund Raising and/or external borrowings to fully fund the Acquisition;
- (v) completion of the acquisition of shares of the HK SPVs by the Trustee (save for the shares that are the subject of the relevant Share Purchase Agreement) having taken place on or prior to completion of the acquisition of shares of the Share Purchase Agreement in question;
- (vi) where the terms of the HK SPV's existing bank facilities contain any restrictions on the change in control of the HK SPVs or PRC WFOEs or include any right to terminate as a result of any matter contemplated by the Share Purchase Agreement, written confirmation of the waiver of such restrictions or such right to terminate;
- (vii) there being no compulsory acquisition of the Properties or any part of it, and no notice, demand, direction or order of such intended compulsory acquisition or resumption affecting the Properties or other notice, demand, direction or order materially and adversely affecting the Properties has been given by the government

or other competent authority;

- (viii) no statute, regulation or decision which would prohibit, restrict or have a material adverse effect on the Acquisition or the operation of any of the HK SPVs or PRC WFOEs or the operation of the Properties having been proposed, enacted or taken by any governmental or official authority; and
- (ix) the existing bank facilities granted to the HK SPVs or PRC WFOEs remaining in full force and effect, and not being discharged as a result of the completion of the Acquisition.

In addition, the Share Purchase Agreements set out the following principal terms:

- (i) in respect of five Share Purchase Agreements for the Co-owned HK SPVs<sup>1</sup>, the Vendors shall, at Completion, pay a rent-free reimbursement amount (the "**Rent-Free Reimbursement Amount**") of RMB8.5 million (S\$1.8 million) in aggregate to the Trustee, to reimburse the Trustee for rent-free incentives granted or allowed to tenants within the first two years after Completion;
- (ii) on Completion, the Trustee shall extend the Trustee Shareholders' Loans to each HK SPV;
- (iii) the Shareholders will enter into separate Shareholders' Deeds at Completion;
- (iv) the Trustee is required to provide, or procure the provision of, the Corporate Guarantees (as defined herein) (as guarantor) with effect from Completion in respect of MLT's 50.0% shareholding interest in each of the 11 HK SPVs post-Completion; and
- (v) the Vendors shall procure that applications be made for issuance of the completion certificate and the property title certificate for the relevant Property. The Vendors have undertaken to obtain such certificate(s) within six months (or such period agreed between the parties) after Completion, and have also provided an indemnity to the Trustee from losses sustained from any penalties imposed due to such certificate(s) not being obtained.

## 2.5 Shareholders' Deeds

Pursuant to the terms of the Share Purchase Agreements, the Trustee and each MIPL Subsidiary will enter into separate Shareholders' Deeds at Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV, on terms to be mutually agreed between the Trustee and MIPL. The parties to each Shareholders' Deed will be the Shareholders and the relevant HK SPV.

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<sup>1</sup> Being the Share Purchase Agreements in respect of Wuxi EMZ (HKSAR) Limited, Nantong Development (HKSAR) Limited, Changshu IDZ (HKSAR) Limited, Changsha Development (HKSAR) Limited and Yangluo EDZ (HKSAR) Limited.

Under the terms of each Shareholders' Deed, the board of directors of each HK SPV shall have ultimate responsibility for management and control of the HK SPV. The board of directors shall consist of four directors, two of which shall be appointed by the Trustee and two of which shall be appointed by the relevant MIPL Subsidiary.

Each Shareholders' Deed contains a set of matters in relation to the key operational and management issues affecting the HK SPV, including but not limited to the matters set out in Paragraph 6.5(b) of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"), which require unanimous approval of all the directors of the HK SPV.

In addition, the Trustee has pre-emption rights over the relevant MIPL Subsidiary's shares in the relevant HK SPV, in the event that the relevant MIPL Subsidiary wishes to divest its 50.0% interest in the HK SPV. If the Trustee waives its pre-emption rights, the Trustee has tag along rights in the event of such divestment by the relevant MIPL Subsidiary. If the Trustee wishes to divest its 50.0% interest in the HK SPV, and the relevant MIPL Subsidiary waives its pre-emption rights, the Trustee has drag along rights over the relevant MIPL Subsidiary's interest in the HK SPV. Reciprocal rights are also provided by the Trustee to the relevant MIPL Subsidiary in respect of the above.

In event of any deadlock matters, the parties shall negotiate in good faith with a view to resolution of such matter. If a resolution is not agreed upon, any Shareholder may offer to buy the shares held by the other.

## **2.6 Corporate Guarantees**

The 11 HK SPVs have entered into bank facilities, pursuant to which the Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, corporate guarantees (as guarantor) of an aggregate value of up to approximately RMB505.4 million (S\$105.3 million) (the "**Corporate Guarantees**") with effect from Completion, in place of the existing corporate guarantees provided by the Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's 50.0% shareholding interest in each of the 11 HK SPVs and will depend on the amounts drawn down under the bank facilities (including accrued interest). As at the Latest Practicable Date, an aggregate of RMB944.2 million (S\$196.7 million) has been drawn down under the bank facilities, of which RMB472.1 million (S\$98.4 million) represents the value of the Corporate Guarantees in respect of MLT's 50.0% shareholding interest. The Corporate Guarantees are expected to be on market terms. For the avoidance of doubt, the MIPL Subsidiaries shall also be required to provide similar corporate guarantees to such banks in respect of their respective 50.0% shareholding interest in the 11 HK SPVs.

## 2.7 Total Acquisition Cost

The total acquisition cost is estimated to be approximately RMB1,021.6 million (S\$212.8 million), comprising:

- (i) the Acquisition Price of approximately RMB985.3 million (S\$205.3 million), which comprises (a) the Aggregate Share Consideration, to be satisfied fully in cash, which is estimated to be RMB120.5 million (S\$25.1 million)<sup>1</sup>, subject to post-Completion adjustments to the Total Adjusted Net Asset Values, and (b) the Trustee Shareholders' Loans of RMB864.8 million (S\$180.2 million) to be extended by the Trustee to the HK SPVs, subject to adjustments based on the actual date of Completion to take into account interest accruing up to such date;
- (ii) the acquisition fee payable in Units to the Manager for the Acquisition (the "**Acquisition Fee**") which is estimated to be approximately S\$1.0 million (representing 0.5% of the Acquisition Price); and
- (iii) the estimated professional and other fees and expenses of approximately S\$6.5 million incurred or to be incurred by MLT in connection with the Acquisition and the Equity Fund Raising,

(collectively, the "**Total Acquisition Cost**").

## 2.8 Payment of Acquisition Fee in Units

Pursuant to the deed of trust dated 5 July 2004 constituting MLT (as amended) (the "**Trust Deed**"), the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Acquisition Price (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Acquisition Price.

As the acquisition of the interests of the MIPL Subsidiaries in the HK SPVs (comprising the 30.0% interest in the eight Co-owned HK SPVs and the 50.0% interest in the three Sponsor-owned HK SPVs) will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee payable in respect of the acquisition of interests from the MIPL Subsidiaries will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. While the acquisition of the interests of the Itochu Subsidiaries in the HK SPVs will not constitute an "interested party transaction" under the Property Funds Appendix, the Manager has nevertheless elected to receive the Acquisition Fee payable in respect of the acquisition of interests from the Itochu Subsidiaries in the form of Acquisition Fee Units and not to dispose of such Units within one year from the date of issuance.

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<sup>1</sup> This amount comprises the purchase consideration of RMB21.5 million (S\$4.5 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB99.0 million (S\$20.6 million) payable to the MIPL Subsidiaries.

## 2.9 Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Cost through the proceeds from the Equity Fund Raising and / or a drawdown of MLT's existing credit facilities (the "**Loan Facilities**").

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall distribution per Unit ("**DPU**") accretion to Unitholders on a pro forma basis while maintaining an optimum level of aggregate leverage.

The details and timing of the Equity Fund Raising have not been determined. Further details of the Equity Fund Raising will be announced by the Manager at the appropriate time.

## 3. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

### 3.1 Attractive Logistics Market in China

#### 3.1.1 Strategic expansion in the largest Asia-Pacific economy with a high and sustainable growth profile

According to Colliers International (Hong Kong) Ltd (the "**Independent Market Research Consultant**"), China has the largest economy and population in Asia-Pacific. Its real GDP per capita is forecasted to grow at 5.5% per annum between 2017 and 2022F, making it one of the world's fastest growing economies.

China's economic growth is gradually shifting from investment-driven growth to domestic consumption-driven growth. Domestic consumption accounted for 65% of GDP growth in 2017 as compared to 44% in 2008.

#### 3.1.2 Rising consumption expenditure and rapid expansion of e-commerce in China support strong demand for logistics properties

##### (A) Rising consumption expenditure in China

According to the Independent Market Research Consultant, China's consumption expenditure per capita is significantly lower than major developed economies and is forecasted to grow at a higher compounded annual growth rate ("**CAGR**") of 7.6% per annum between 2017 and 2022F, driven by rising disposable household income.

Non-Tier 1 cities within China are expected to achieve a higher CAGR in disposable household income per capita of 8.2% between 2006 and 2030F compared to 6.5% for Tier 1 cities. Accordingly, the Independent Market Research Consultant expects increasing household income and consumption to generate higher demand for logistics services to move and store physical goods, and correspondingly a greater demand for logistics properties.



## **(B) Rapid expansion of e-commerce in China**

According to the Independent Market Research Consultant, China ranked first in total e-commerce sales volume among selected Asia-Pacific economies at US\$449 billion although e-commerce sales per capita remains relatively low at US\$327 in 2017. E-commerce sales in China is expected to achieve strong growth from US\$449 billion in 2017 to US\$813 billion in 2021F, at a CAGR of 16.0% per annum.

The Independent Market Research Consultant expects increasing emphasis on efficiency and faster deliveries to continue to generate strong demand for warehouses and distribution centres by e-commerce players.

According to the Independent Market Research Consultant, for reasons of cost and efficiency, many consumer goods and e-commerce companies employ third-party logistics ("**3PL**") firms to handle their logistics functions. It is estimated that 3PLs contributed approximately 45.0% of net absorption of Grade A warehouses in 2017 and the 3PL market is expected to grow at a CAGR of 10.2% between 2018F and 2021F.

### **3.1.3 Favourable supply-demand dynamics underpins rental growth of logistics assets**

According to the Independent Market Research Consultant, modern or Grade A warehouse stock comprises only less than 5.0% of total warehouse stock in China in terms of gross floor area. In China, Grade A warehouses are identified by their high specifications, such as a clear ceiling height of 9 metres and floor loading of 20 KiloNewtons per square metre ("**kN psm**") to 40 kN psm.

Despite the growth in recent years of the supply of Grade A warehouses in China, the Independent Market Research Consultant estimates that the supply of Grade A warehouses in China remains low on a per capita basis. China has a stock of 33.0 square metres ("**sq m**") of Grade A warehouse per thousand persons, which is lower compared to markets such as Singapore at 1,346.7, Hong Kong at 681.4 and Japan at 142.9.

As a result of the imbalance in supply compared to demand, occupancy rates for Grade A warehouses are expected to increase to 87.0% in both 2018F and 2019F. In addition, Grade A warehouse average rent is expected to grow by approximately 4.0% in 2018F and 3.8% in 2019F.

### **3.1.4 Beneficiary of the One Belt One Road initiative**

According to the Independent Market Research Consultant, the One Belt One Road ("**OBOR**") initiative aims to boost inter-continental trade and connectivity by land and sea between Europe, Africa and China. The OBOR initiative envisions an interlinked economic zone, stimulating economic growth in the countries and cities along its main routes. As trade flows grow, inland transportation routes (both rail and road) will become viable, boosting inter-continental and intra-China connectivity which will in turn support demand for logistics properties.

The Properties are located near or along the following economic corridors of the OBOR initiative:

- (i) the New Eurasia Land Bridge Economic Corridor ("**NELBEC**");

*Properties along or near the NELBEC: Mapletree Wuxi, Mapletree Hangzhou, Mapletree Nantong, Mapletree Changshu, Mapletree Xi'an, Mapletree Jiaxing, and Mapletree Zhenjiang.*

- (ii) the China-Indochina Peninsula Economic Corridor ("**CICPEC**"); and

*Properties along or near the CICPEC: Mapletree Changsha, Mapletree Wuhan, and Mapletree Nanchang.*

- (iii) the China-Mongolia-Russia Economic Corridor ("**CMREC**").

*Properties along or near the CMREC: Mapletree Tianjin.*

## **3.2 Strategic Addition of a Diversified and Well-Located Portfolio Across China**

### **3.2.1 Located in three clusters with unique economic growth characteristics**

The Properties are located in three clusters with unique economic growth characteristics. Six of the 11 Properties contributing approximately 61.9% to the Properties' Gross Revenue<sup>1</sup> are located in the East China region, which includes Wuxi, Changshu, Zhenjiang, Nantong, Hangzhou and Jiaxing. Four of the 11 Properties contributing approximately 34.7% to the Properties' Gross Revenue are located in the Midwest China region which includes Xi'an, Changsha, Wuhan and Nanchang. The remaining Property is located in Tianjin, a city located in the North China region, contributing approximately 3.4% to the Properties' Gross Revenue.

Due to the favourable location of the Properties, the Independent Market Research Consultant expects rental growth to remain healthy with asking rents for Grade A warehouses in the 11 cities<sup>2</sup> expected to increase between 2.7% and 5.1% from 2017 to 2018 and between 3.5% and 5.9% from 2018F to 2019F.

### **3.2.2 Excellent connectivity**

The Manager believes that the Properties have excellent connectivity, being located in cities which are either transportation hubs or are expected to benefit from the OBOR initiative. In addition, all the properties are located relatively near highways, railway stations, airports and/or sea or river ports.

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<sup>1</sup> "**Gross Revenue**" means the gross revenue of the Property(ies) based on the gross revenue of tenants with existing or committed leases as at the relevant date.

<sup>2</sup> The 11 cities are Wuxi, Hangzhou, Nantong, Changshu, Changsha, Wuhan, Xi'an, Tianjin, Jiaxing, Nanchang and Zhenjiang.

### 3.2.3 Modern Grade A specification assets with long land tenure

The Properties are new and purpose-built logistics assets with modern Grade A specifications. The Properties have a minimum clear ceiling height of 9 metres and floor loading of 20 kN psm to 30 kN psm with efficient column grid. The majority of the Properties have cross-docking features. As at 31 March 2018, the portfolio median age for the Properties is 1.7 years with the oldest Property being 2.3 years. The remaining land tenure of the Properties is approximately 47 years on average.

### 3.3 Strong Tenant Base with Exposure to Businesses Involved in E-Commerce

The top five tenants of the Properties<sup>1</sup> are large e-commerce or e-commerce related players and contribute approximately 54.3% of the Properties' Gross Revenue as at 31 March 2018. The largest tenant, JD.com, Inc., is one of the largest e-commerce companies by market share in China and contributes approximately 20.8% of the Properties' Gross Revenue. The second largest tenant, Cainiao Smart Logistics Network Limited, is the logistics arm of Alibaba and contributes approximately 19.3% of the Properties' Gross Revenue. The other three of the top five tenants – Sinotrans Limited, Best Logistics Technology (China) Co., Ltd. and China Post Group Corporation, are major express delivery companies supporting e-commerce activities and contribute approximately 13.7% of the Properties' Gross Revenue.

The Acquisition, along with its tenants, will enhance MLT's tenant mix in China. The tenant base of the Properties comprises 58 tenants and the majority of these tenants are major e-commerce companies or 3PL companies with strong credit profiles. In addition, certain tenants have also incurred capital expenditure to fit out their logistics facilities to high specifications and the Manager believes that such capital expenditure supports tenant retention and encourages tenants to enter into longer lease terms.

The weighted average lease expiry ("**WALE**") by net lettable area ("**NLA**") as at 31 March 2018 for the nine existing properties in China held by MLT (the "**Existing China Portfolio**") is 2.0 years. WALE by NLA as at 31 March 2018 for the Properties is 3.3 years. Post-Acquisition, WALE by NLA as at 31 March 2018 for the Existing China Portfolio and the Properties (the "**Enlarged China Portfolio**") is expected to extend to 2.7 years<sup>2</sup>.

The Acquisition will also reduce tenant concentration risk. The contribution to Gross Revenue<sup>3</sup> of MLT's top 10 tenants in China as at 31 March 2018 will decrease from approximately 63.5% for the Existing China Portfolio to approximately 53.8% for the Enlarged China Portfolio. The contribution of the largest tenant towards MLT's China portfolio's Gross Revenue as at 31 March 2018 is expected to decrease from approximately 14.5% to approximately 10.4% on a pro forma basis.

Furthermore, the Acquisition will increase the exposure to e-commerce related tenants in MLT's China portfolio from approximately 18.4% to approximately 41.6% on a pro forma basis by Gross Revenue.

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<sup>1</sup> Based on existing and committed leases for the Properties as at the Latest Practicable Date.

<sup>2</sup> Based on MLT's 50.0% indirect interest in the Properties. Based on existing and committed leases for the Properties as at the Latest Practicable Date.

<sup>3</sup> Based on MLT's 50.0% indirect interest in the Properties.

### 3.4 Attractive Value Proposition

The Manager believes that the Properties provide an attractive value proposition in the current market, given the discount to independent valuations and implied valuation metrics compared to MLT's Existing China Portfolio.

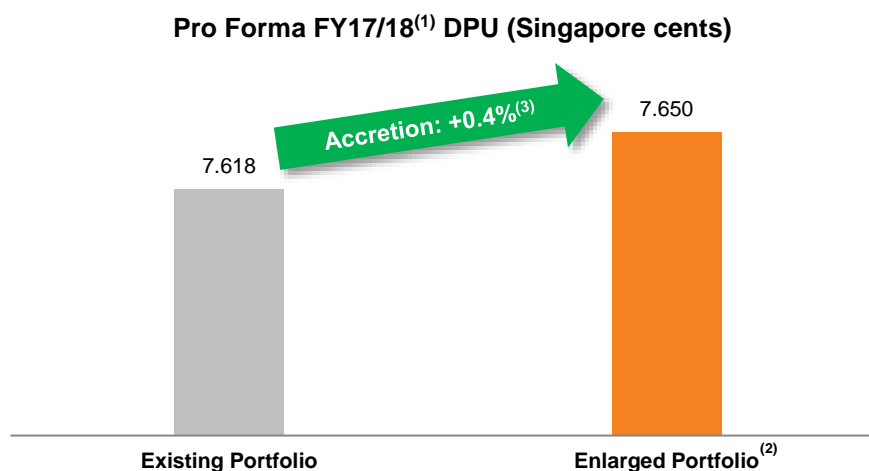
The aggregate Agreed Property Value of the Properties is RMB2,846.8 million (S\$593.0 million), representing a discount of approximately 1.7% to Colliers' aggregate valuation of RMB2,895.0 million (S\$603.1 million) and a discount of approximately 3.7% to JLL's aggregate valuation of RMB2,956.0 million (S\$615.8 million).

In addition, the aggregate Agreed Property Value implies a Net Property Income (as defined in the Trust Deed) yield of approximately 6.4%<sup>1</sup>, which is higher than the average Net Property Income yield of MLT's Existing China Portfolio of approximately 6.2%<sup>2</sup>.

### 3.5 Positive Impact on MLT's Enlarged Portfolio

#### 3.5.1 DPU-Accretive acquisition

Based on the proposed method of financing, the Acquisition is expected to be DPU-accretive on a pro forma basis.



**Notes:**

(1) Financial year from 1 April 2017 to 31 March 2018 ("FY17/18").

<sup>1</sup> Assuming that the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017. All tenants were paying their rents in full. Net Property Income yield is computed based on the aggregate Agreed Property Value.

<sup>2</sup> Based on the Net Property Income of the Existing China Portfolio for FY17/18 divided by its valuation as at 31 March 2018.

(2) Assuming that the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017. All tenants were paying their rents in full. Includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S\$11.8 million from the Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted. The total number of Units at the end of the period used in computing the DPU comprises the weighted average of 2,779.3 million Units in issue for the financial year ended 31 March 2018 as well as (a) approximately 166.7 million New Units issued in connection with the Equity Fund Raising to raise gross proceeds of approximately S\$200.0 million at the Illustrative Issue Price (as defined herein) of S\$1.20, (b) approximately S\$1.0 million Acquisition Fee paid in Acquisition Fee Units at the Illustrative Issue Price of S\$1.20 and (c) approximately 1.3 million new Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) Shanghai Mapletree Management Co., Ltd., which shall be appointed as the property manager for each Property (the "PRC Property Manager"), for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2017, 30 September 2017 and 31 December 2017, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter.

(3) Accretion is based on pro forma numbers and does not take into account the impact from rounding.

### **3.5.2 Increases and Diversifies MLT's Exposure in China**

With the Acquisition, the NLA of MLT's China portfolio will increase by approximately 102.0% from 402,821 sq m to 813,777 sq m<sup>1</sup> as at 31 March 2018. MLT's footprint and presence in China will also increase from five cities to 14 cities following the Acquisition. Post-Acquisition, China will contribute approximately 9.0%<sup>1</sup> and 11.0%<sup>2</sup> to the Enlarged Portfolio's valuation and FY17/18 Net Property Income respectively, on a pro forma basis.

The Acquisition will introduce assets located in non-Tier 1 China cities with higher expected growth in disposable household income, complementing MLT's existing China properties which are primarily located in affluent eastern and southern China cities. In addition, MLT will also establish a presence in Tianjin in the north of China after the Acquisition.

### **3.5.3 Reduces tenant concentration risk**

After the Acquisition<sup>1</sup>, the aggregate exposure to the top 10 tenants, by Gross Revenue as at 31 March 2018, will be reduced from 23.0% to 21.6% on a pro forma basis. In addition, the contribution towards Gross Revenue as at 31 March 2018 by the largest tenant – Wesfarmers Group, will be reduced from 3.7% to 3.5% on a pro forma basis.

### **3.5.4 Demonstration of the Sponsor's commitment and leveraging on its local market experience and resources**

The Sponsor's retention of a 50.0% indirect interest in the Properties demonstrates its commitment to grow and support MLT. The Manager believes that the Acquisition offers MLT the opportunity to participate in the potential rental and capital growth of the Properties at an early stage, deepen its footprint and presence in China and

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<sup>1</sup> Based on MLT's 50.0% indirect interest in the Properties.

<sup>2</sup> Based on MLT's 50.0% indirect interest in the Properties. Assuming that the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017. All tenants were paying their rents in full.

increase its exposure to e-commerce.

In addition, MLT is able to leverage on the Sponsor's local market experience and resources in China to ensure a smooth continuation of operations for the Properties. As at 31 March 2017, the Sponsor owns and manages S\$39.5 billion of assets across Asia-Pacific, the United States of America and Europe, of which S\$5.4 billion of assets are located in China.

In particular, the Properties will continue to be managed by the same local management team, which has been managing the Properties prior to the Acquisition and is indirectly owned by the Sponsor. The PRC Property Manager was established in 2005 and has an established track record in property and lease management. It employs an integrated in-house team with capabilities in property management, with strong local relationships and access to tenants. The Manager believes that PRC Property Manager will provide stability and continuity in the management of the Properties, thus benefitting Unitholders as a whole.

### **3.5.5 Increase in Free Float and Liquidity**

For illustrative purposes, assuming gross proceeds of S\$200.0 million raised from the Equity Fund Raising to partially fund the Total Acquisition Cost, approximately 166.7 million New Units will be issued in connection based on the illustrative issue price per new Unit to be issued under the Equity Fund Raising (the "**Illustrative Issue Price**") of S\$1.20 per new Unit. At an illustrative price of S\$1.20, MLT's free float would increase by 8.5% from S\$2,360.2 million<sup>1</sup> to S\$2,560.2 million<sup>2</sup> following completion of the Equity Fund Raising<sup>3</sup>.

The new Units, when issued, are expected to increase MLT's free float on the SGX-ST and potentially improve trading liquidity. The larger free float and potential improvement in trading liquidity may lead to an improved market index representation and higher demand for MLT's Units.

## **4. REQUIREMENT FOR UNITHOLDERS' APPROVAL**

### **4.1 Relative Figures computed on Bases set out in Rule 1006**

The relative figures for the Properties computed on the bases set out in Rules 1006(b) and 1006(c) listing manual of the SGX-ST (the "**Listing Manual**") are as follows:

- (i) net profits attributable to the assets acquired, compared with MLT's net profits; and

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<sup>1</sup> Based on 3,058,168,591 Units in issue as at the Latest Practicable Date at an illustrative price of S\$1.20 per Unit.

<sup>2</sup> Based on 3,058,168,591 Units in issue as at the Latest Practicable Date and the issue of approximately 166.7 million New Units under the Equity Fund Raising and approximately 0.9 million Acquisition Fee Units at an illustrative price of S\$1.20 per Acquisition Fee Unit.

<sup>3</sup> Assuming for illustrative purposes, the Sponsor's ownership of Units in MLT remained the same before and after the Equity Fund Raising, other than the receipt of Acquisition Fee Units.

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

Comparison of	Properties	MLT	Relative figure
Net Property Income (S\$ million) <sup>(1)</sup>	18.0 <sup>(2)(3)</sup>	333.8 <sup>(4)</sup>	5.4%
Consideration against market capitalisation (S\$ million)	205.3 <sup>(5)</sup>	3,792.1 <sup>(6)</sup>	5.4%

**Notes:**

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Net Property Income on an amortised basis, assuming that the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017, and that all tenants were paying their rents in full throughout the period.
- (3) This figure represents the Net Property Income attributable to MLT for its 50.0% indirect interest in the Properties.
- (4) Based on MLT's unaudited financial statements for the period from 1 April 2017 to 31 March 2018.
- (5) This figure represents the total Acquisition Price of approximately S\$205.3 million, being the sum of the Aggregate Share Consideration and the Trustee Shareholders' Loans. The Aggregate Share Consideration is estimated to be S\$25.1 million (comprising the purchase consideration of S\$4.5 million payable to the Itochu Subsidiaries, the purchase consideration of S\$20.6 million payable to the MIPL Subsidiaries) and the Trustee Shareholders' Loans are estimated to be S\$180.2 million. The actual Aggregate Share Consideration will be determined in the manner set out in Paragraph 2.2 of this announcement.
- (6) This figure is based on the closing price of S\$1.24 per Unit on the SGX-ST as at 25 April 2018, being the market day immediately prior to 26 April 2018, the date the Share Purchase Agreements were entered into.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Acquisition is classified as a discloseable transaction.

The Manager is of the view that the Acquisition is in the ordinary course of MLT's business as the Properties being acquired are within the investment policy of MLT and do not change the risk profile of MLT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual. However, as the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

#### 4.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MLT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MLT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the audited financial statements of MLT for the financial year ended 31 March 2017 (the "**FY16/17 Financial Statements**"), the NTA of MLT was S\$2,588.1 million as at 31 March 2017. Accordingly,

if the value of a transaction which is proposed to be entered into in the current financial year by MLT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$129.4 million, such a transaction would be subject to Unitholders' approval. Given that the Trustee Shareholders' Loans and consideration payable to the MIPL Subsidiaries pursuant to the Acquisition is estimated to be S\$200.8 million<sup>1</sup>, and the Trustee is required to provide, or procure the provision of, Corporate Guarantees (as guarantor) of an aggregate value of up to approximately S\$105.3 million, which in aggregate is 11.8% of the NTA of MLT as at 31 March 2017, such value exceeds the said threshold. Thus, Unitholders' approval is required to be sought pursuant to Rule 906(1)(a) of the Listing Manual.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MLT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of MLT's latest audited net asset value ("**NAV**"). Based on the FY16/17 Financial Statements, the NAV of MLT was S\$2,588.1 million as at 31 March 2017. Accordingly, if the value of a transaction which is proposed to be entered into by MLT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S\$129.4 million, such a transaction would be subject to Unitholders' approval. Given that the Trustee Shareholders' Loans and consideration payable to the MIPL Subsidiaries pursuant to the Acquisition is estimated to be S\$200.8 million<sup>1</sup>, and the Trustee is required to provide, or procure the provision of, Corporate Guarantees (as guarantor) of an aggregate value of up to approximately S\$105.3 million, which in aggregate is 11.8% of the NAV of MLT as at 31 March 2017, such value exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,091,320,707 Units, which is equivalent to approximately 35.7% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MLT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the MIPL Subsidiaries are indirect wholly-owned subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the MIPL Subsidiaries (being a wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

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<sup>1</sup> The consideration payable to the MIPL Subsidiaries is estimated to be S\$20.6 million, subject to post-Completion adjustments to the Total Adjusted Net Asset Values.



Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

By approving the Acquisition, Unitholders will be deemed to have also approved all documents required to be executed by or entered into by the parties in order to give effect to the Acquisition, including the Shareholders' Deeds and the Corporate Guarantees.

In this respect, a Unitholders' circular (the "**Circular**") will be issued and an extraordinary general meeting of MLT will be held in due course.

#### **4.3 Other Interested Person Transactions**

As at the date of this announcement, the value of all interested person transactions entered into between MLT and MIPL and its subsidiaries and associates during the course of the current financial year is approximately S\$563,000, which is approximately 0.02% of the net tangible asset and net asset value of MLT as at 31 March 2018. Save as described above, there were no interested person transactions entered into for the current financial year.

### **5. THE FINANCIAL EFFECTS OF THE ACQUISITION**

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on the unaudited financial statements of MLT for the financial year ended 31 March 2018 (the "**FY17/18 Financial Statements**"), taking into account the Total Acquisition Cost, the Loan Facilities and assuming that:

- (i) the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017. All tenants were paying their rents in full<sup>1</sup>;
- (ii) approximately 166.7 million New Units are issued at the Illustrative Issue Price of S\$1.20 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S\$200.0 million to partially fund the Total Acquisition Cost;
- (iii) the Manager's Acquisition Fee of S\$1.0 million is paid in the form of approximately 0.9 million Acquisition Fee Units at the Illustrative Issue Price of S\$1.20 per Acquisition Fee Unit;
- (iv) S\$11.8 million is drawn down by MLT from the Loan Facilities with an average interest cost of approximately 3.0% per annum to partially fund the Total Acquisition

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<sup>1</sup> The development for four of the Properties was completed during FY17/18. For FY17/18, the average portfolio occupancy rate of the Properties was approximately 60.5% as most of the Properties were still in the process of stabilisation. As at 31 March 2018, the portfolio occupancy rate of the Properties is 83.2% and including committed leases that have been secured as at the Latest Practicable Date, the portfolio occupancy rate of the Properties is 97.7%.

Cost; and

- (v) the HK SPVs have existing bank facilities amounting to RMB944.2 million (approximately S\$196.7 million) in total with an average interest cost of approximately 5.3% per annum. The pro forma financial effects of the Acquisition take into account MLT's 50.0% interest in the existing bank facilities.

## 5.1 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on MLT's DPU for the FY17/18 Financial Statements, as if the Acquisition, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and drawdown of Loan Facilities were completed on 1 April 2017, and as if MLT held the 50.0% indirect interest in the Properties through to 31 March 2018, are as follows:

	Before the Acquisition	After the Acquisition
Total return before tax (S\$'000)	521,345	531,575 <sup>(1)</sup>
Distributable income (S\$'000) attributable to Unitholders	212,947	225,475
Units in issue at the end of the year (million)	3,058.2 <sup>(2)</sup>	3,227.0 <sup>(3)</sup>
DPU (cents)	7.618 <sup>(4)</sup>	7.650
DPU accretion (%)	-	0.4%

### Notes:

- (1) Assuming that the Properties had a portfolio occupancy rate of 97.7% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2017. All tenants were paying their rents in full. Includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S\$11.8 million from the Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.
- (2) Units in issue as at 31 March 2018.
- (3) Includes (a) approximately 166.7 million New Units issued in connection with the Equity Fund Raising at an Illustrative Issue Price of S\$1.20 per New Unit, (b) approximately 0.9 million Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at an Illustrative Issue Price of S\$1.20 per Acquisition Fee Unit and (c) approximately 1.3 million new Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the PRC Property Manager as payment for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2017, 30 September 2017 and 31 December 2017, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter.
- (4) For the financial year ended 31 March 2018.

## 5.2 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 March 2018, as if the Acquisition, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and the drawdown of Loan Facilities were completed on 31 March 2018, are as follows:

	Before the Acquisition	After the Acquisition
NAV represented by Unitholders' funds (S\$ million)	3,376.1	3,573.6
Issued Units (million)	3,058.2 <sup>(1)</sup>	3,225.7 <sup>(2)</sup>
NAV per Unit (S\$)	1.10	1.11

**Notes:**

- (1) Number of Units in issue as at 31 March 2018.
- (2) Includes (a) approximately 166.7 million New Units issued in connection with the Equity Fund Raising at an Illustrative Issue Price of S\$1.20 per New Unit and (b) approximately 0.9 million Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at an Illustrative Issue Price of S\$1.20 per Acquisition Fee Unit.

## 5.3 Aggregate Leverage<sup>1</sup>

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma Aggregate Leverage of MLT as at 31 March 2018, as if the Acquisition, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and drawdown of Loan Facilities were completed on 31 March 2018, is as follows:

	Before the Acquisition	After the Acquisition
<b>Aggregate Leverage (Pro forma as at 31 March 2018)</b>	37.7%	37.5% <sup>(1)</sup>

**Note:**

- (1) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank facilities and Deposited Property of each of the HK SPVs. "**Deposited Property**" refers to the gross assets of MLT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.

<sup>1</sup> "**Aggregate Leverage**" refers to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property.

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 9,981,618 Units. Further details of the interests in Units of the directors of the Manager ("**Directors**") and Substantial Unitholders<sup>1</sup> are set out below.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Lee Chong Kwee	59,400	0.001	-	-	59,400	0.001
Tan Ngiap Joo	-	-	-	-	-	-
Lim Joo Boon	-	-	100,000	0.003	100,000	0.003
Pok Soy Yoong	-	-	844,800	0.027	844,800	0.027
Wee Siew Kim	-	-	-	-	-	-
Tan Wah Yeow	-	-	-	-	-	-
Penny Goh	-	-	200,000	0.006	200,000	0.006
Tarun Kataria	-	-	330,000	0.010	330,000	0.010
Hiew Yoon Khong	1,496,880	0.049	4,351,600	0.142	5,848,480	0.191
Chua Tiow Chye	773,942	0.025	1,687,496	0.055	2,461,438	0.080
Wong Mun Hoong	-	-	-	-	-	-
Ng Kiat	-	-	137,500	0.004	137,500	0.004

**Note:**

- (1) The percentage is based on 3,058,168,591 Units in issue as at the Latest Practicable Date.

<sup>1</sup> "**Substantial Unitholder**" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at 12 October 2017 are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Temasek Holdings (Private) Limited (" <b>Temasek</b> ") <sup>(2)</sup>	-	-	1,106,919,002	36.25	1,106,919,002	36.25
Fullerton Management Pte Ltd <sup>(3)</sup>	-	-	1,086,093,329	35.57	1,086,093,329	35.57
Mapletree Investments Pte Ltd <sup>(4)</sup>	-	-	1,086,093,329	35.57	1,086,093,329	35.57
Mulberry Pte. Ltd. (" <b>Mulberry</b> ")	386,588,072	12.66	-	-	386,588,072	12.66
Meranti Investments Pte. Ltd. (" <b>Meranti</b> ")	350,303,184	11.47	-	-	350,303,184	11.47
Mapletree Logistics Properties Pte. Ltd. (" <b>MLP</b> ")	170,401,077	5.58	-	-	170,401,077	5.58
Mangrove Pte. Ltd. (" <b>Mangrove</b> ")	170,398,998	5.58	-	-	170,398,998	5.58

**Notes:**

- (1) The percentage is based on 3,052,941,213 Units in issue as at 12 October 2017.
- (2) Temasek is deemed to be interested in the 170,401,077 Units held by MLP, 170,398,998 Units held by Mangrove, 350,303,184 Units held by Meranti, 386,588,072 Units held by Mulberry, 7,950,827 Units held by the Manager and 451,171 Units held by Mapletree Property Management Pte. Ltd. ("**MPM**"). MLP, Mangrove, Meranti and Mulberry are wholly-owned subsidiaries of MIPL. The Manager and MPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton Management Pte Ltd which is in turn a wholly-owned subsidiary of Temasek. In addition, Temasek is deemed to be interested in the 20,825,673 Units in which its associated companies have direct or deemed interests.
- (3) Fullerton Management Pte Ltd is deemed to be interested in the 170,401,077 Units held by MLP, 170,398,998 Units held by Mangrove, 350,303,184 Units held by Meranti, 386,588,072 Units held by Mulberry, 7,950,827 Units held by the Manager and 451,171 Units held by MPM.
- (4) MIPL is an indirect holding company of the MIPL Subsidiaries. The MIPL Subsidiaries, together with the Itochu Subsidiaries, are the Vendors pursuant to the Acquisition.

Save as disclosed above and based on information available to the Manager, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisition.

## 7. DIRECTORS' SERVICE CONTRACTS

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

**8. OPINION OF THE INDEPENDENT FINANCIAL ADVISER AND STATEMENT OF THE INDEPENDENT DIRECTORS AND THE AUDIT AND RISK COMMITTEE**

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd (the “**Independent Financial Adviser**”) to advise the independent Directors of the Manager (the “**Independent Directors**”), the Audit and Risk Committee and the Trustee as to whether the Acquisition (including the Shareholders' Deeds and the Corporate Guarantees) is on normal commercial terms and is not prejudicial to the interests of MLT and its minority Unitholders. The Independent Directors and Audit and Risk Committee will form their own views after reviewing the opinion of the Independent Financial Adviser, which will be set out in the Circular.

**9. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager (by prior appointment) at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this announcement up to and including the date falling three months after the date of this announcement:

- (i) the Share Purchase Agreements;
- (ii) the full valuation reports of the Properties dated 1 March 2018 by Colliers; and
- (iii) the full valuation reports of the Properties dated 1 March 2018 by JLL.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MLT is in existence.

**10. FURTHER DETAILS**

Further details of the Acquisition will be contained in the Circular which will be issued by the Manager in due course, together with a notice of extraordinary general meeting for the purpose of seeking Unitholders' approval for the Acquisition. Unitholders are advised to refer to the Circular for any updates to the information contained in this announcement.

By Order of the Board

Wan Kwong Weng  
Joint Company Secretary  
Mapletree Logistics Trust Management Ltd.  
(Company Registration No. 200500947N)  
As Manager of Mapletree Logistics Trust

26 April 2018

**Important Notice**

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MLT ("**Units**"). 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 MLT 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 past performance of MLT is not necessarily indicative of the future performance of MLT.

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.

**APPENDIX A**  
**Ownership of the Properties**

	<b>Property Name</b>	<b>PRC WFOE holding 100.0% of the Property</b>	<b>HK SPV holding 100.0% of the PRC WFOE</b>	<b>Vendors and their interests in the HK SPV before the Acquisition</b>
<b>1.</b>	Mapletree Wuxi	Fengshuo Warehouse Development (Wuxi) Co., Ltd.	Wuxi EMZ (HKSAR) Limited	Mapletree Wuxi (EMZ) Ltd. – 80.0% IRV Investments Limited – 20.0%
<b>2.</b>	Mapletree Hangzhou	Fengzhou Warehouse (Hangzhou) Co., Ltd.	Hangzhou Development (HKSAR) Limited	Mapletree Hangzhou Ltd. – 80.0% ITC Koushu Investment Limited – 20.0%
<b>3.</b>	Mapletree Nantong	Fengrui Logistics (Nantong) Co., Ltd.	Nantong Development (HKSAR) Limited	Mapletree Nantong Ltd. – 80.0% ITC Nantsu Investment Limited – 20.0%
<b>4.</b>	Mapletree Changshu	Changshu Fengjia Warehouse Co., Ltd.	Changshu IDZ (HKSAR) Limited	Mapletree Changshu Ltd. – 80.0% ITC Jyojyuku Investment Limited – 20.0%
<b>5.</b>	Mapletree Changsha	Fengshun Logistics Development (Changsha) Co., Ltd.	Changsha Development (HKSAR) Limited	Mapletree Changsha Ltd. – 80.0% ITC Chousa Investment Limited – 20.0%
<b>6.</b>	Mapletree Wuhan	Fengying Logistics (Wuhan) Co., Ltd.	Yangluo EDZ (HKSAR) Limited	Mapletree Yangluo (EDZ) Ltd. – 80.0% ITC Bukan Investment Limited – 20.0%
<b>7.</b>	Mapletree Xi'an	Fenghang Logistics Development (Xi'an) Co., Ltd.	Mapletree Xi'an Falcon II (HKSAR) Limited	Mapletree Xi'an Falcon II Ltd. – 80.0% ITC Seian Investment Limited – 20.0%
<b>8.</b>	Mapletree Tianjin	Fengquan Warehouse (Tianjin) Co., Ltd.	TWDA (HKSAR) Limited	Mapletree Tianjin (WDA) Ltd. – 80.0% ITC Tenshin Investment Limited – 20.0%
<b>9.</b>	Mapletree Jiaxing	Jiaxing Fengyue Warehouse Co., Ltd.	Jiaxing Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
<b>10.</b>	Mapletree Nanchang	Fengqi Warehouse (Nanchang) Co., Ltd.	Nanchang ETDZ Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
<b>11.</b>	Mapletree Zhenjiang	Fengzhen Logistics (Zhenjiang) Co., Ltd.	Jurong Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%



## APPENDIX B

The following table shows certain key information relating to the Properties, with independent valuations by the Independent Valuers being as at 1 March 2018. Further details will be contained in the Circular which will be issued by the Manager in due course

	Property Name	Location	Independent Valuation by Colliers (million)	Independent Valuation by JLL (million)	Agreed Property Value (million)	Discount of the Agreed Property Value to the Independent Valuation	Approximate Remaining Land Tenure
1.	Mapletree Wuxi	<b>East China</b> Wuxi, Jiangsu Province	RMB421.0 (S\$87.7)	RMB426.0 (S\$88.8)	RMB411.6 (S\$85.8)	Colliers: 2.2% JLL: 3.4%	46 years
2.	Mapletree Hangzhou	<b>East China</b> Hangzhou, Zhejiang Province	RMB399.0 (S\$83.1)	RMB420.0 (S\$87.5)	RMB381.8 (S\$79.5)	Colliers: 4.3% JLL: 9.1%	46 years
3.	Mapletree Nantong	<b>East China</b> Nantong, Jiangsu Province	RMB262.0 (S\$54.6)	RMB268.0 (S\$55.8)	RMB261.7 (S\$54.5)	Colliers: 0.1% JLL: 2.4%	East: 47 years West: 47 years
4.	Mapletree Changshu	<b>East China</b> Changshu, Jiangsu Province	RMB197.0 (S\$41.0)	RMB209.0 (S\$43.5)	RMB191.5 (S\$39.9)	Colliers: 2.8% JLL: 8.4%	47 years
5.	Mapletree Changsha	<b>Midwest China</b> Changsha, Hunan Province	RMB303.0 (S\$63.1)	RMB307.0 (S\$64.0)	RMB301.4 (S\$62.8)	Colliers: 0.5% JLL: 1.8%	46 years
6.	Mapletree Wuhan	<b>Midwest China</b> Wuhan, Hubei Province	RMB243.0 (S\$50.6)	RMB245.0 (S\$51.0)	RMB237.9 (S\$49.6)	Colliers: 2.1% JLL: 2.9%	47 years
7.	Mapletree Xi'an	<b>Midwest China</b> Xi'an, Shaanxi Province	RMB286.0 (S\$59.6)	RMB287.0 (S\$59.8)	RMB284.6 (S\$59.3)	Colliers: 0.5% JLL: 0.8%	46 years
8.	Mapletree Tianjin	<b>North China</b> Tianjin, Municipality	RMB105.0 (S\$21.9)	RMB110.0 (S\$22.9)	RMB104.2 (S\$21.7)	Colliers: 0.8% JLL: 5.3%	47 years
9.	Mapletree Jiaxing	<b>East China</b> Jiaxing, Zhejiang Province	RMB127.0 (S\$26.5)	RMB130.0 (S\$27.1)	RMB125.8 (S\$26.2)	Colliers: 0.9% JLL: 3.2%	48 years
10.	Mapletree Nanchang	<b>Midwest China</b> Nanchang, Jiangxi Province	RMB217.0 (S\$45.2)	RMB224.0 (S\$46.7)	RMB216.5 (S\$45.1)	Colliers: 0.2% JLL: 3.3%	48 years

11.	Mapletree Zhenjiang	<b>East China</b> Zhenjiang, Jiangsu Province	RMB335.0 (S\$69.8)	RMB330.0 (S\$68.8)	RMB329.8 (S\$68.7)	Colliers: 1.6% JLL: 0.1%	49 years
<b>Total</b>		-	RMB2,895.0 (S\$603.1)	RMB2,956.0 (S\$615.8)	RMB2,846.8 (S\$593.0)	Colliers: 1.7% JLL: 3.7%	-