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

ANNOUNCEMENT

PROPOSED ACQUISITION OF PORTFOLIO OF FIVE LOGISTICS PROPERTIES IN SINGAPORE

1.0 INTRODUCTION

Mapletree Logistics Trust Management Ltd., as manager (the "**Manager**") of Mapletree Logistics Trust ("**MLT**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT (the "**Trustee**") has entered into five conditional sale and purchase agreements dated 4 July 2018 (collectively, the "**SPAs**") with CWT Pte. Limited and its subsidiaries (collectively, the "**Vendor Group**" or "**Vendors**" and each, a "**Vendor**") in connection with the proposed acquisition of a portfolio of five logistics properties located in Singapore (the "**Properties**", and the acquisitions of the Properties, collectively the "**Acquisitions**" and each an "**Acquisition**"). The estimated aggregate purchase price of the Acquisitions is approximately S$778.3 million which includes the aggregate purchase consideration of S$730.0 million (the "**Consideration**") and aggregate estimated upfront land premium for the balance lease terms payable to JTC Corporation ("**JTC**") of S$48.3 million.

The Acquisitions are subject to the requisite approvals from JTC and the shareholders of CWT International Limited, the latter being the holding company of the Vendor Group.

Completion of the Acquisitions shall take place on the terms and subject to the conditions set out in the respective SPAs ("**Completion**"). On Completion and as a requirement under the SPAs, each Vendor, as tenant, will enter into a master lease agreement with the Trustee (in its capacity as trustee of MLT), as landlord, (collectively, the "**Master Lease Agreements**" and each a "**Master Lease Agreement**") pursuant to which the Vendor Group shall leaseback the entire space in the respective Properties from MLT for lease terms ranging from 5 years to 10 years, subject to the terms and conditions set out in the respective Master Lease Agreements and JTC's approval.

2.0 INFORMATION ON THE PROPERTIES

2.1 The Properties comprise five ramp-up warehouses located in the western part of Singapore with a total gross floor area ("**GFA**") of approximately 3,212,045 square feet ("**sq ft**") on a combined land area of 1,507,902 sq ft.

2.2 The Properties are purpose-built with good specifications for logistics use, including floor-to-ceiling height of 9 metres to 14 metres and floor loading of 20 KiloNewton per square metre (“**kN psm**”) to 50 kN psm. They are strategically located in key logistics clusters with good connectivity to major transport infrastructure.

2.3 The table below sets out a summary of selected information on the Properties:

Property	Vendor	Type of Warehouse	Land Tenure (1)(2) (years)	GFA (sq ft)	Purchase Consideration (S$ million)	Valuation(3) (S$ million)	Lease back terms under the Master Lease Term Agreements (4) (years)
4 Pandan Avenue	CWT Project Logistics Pte. Ltd.	Chemical & Ambient	30 with effect from (“w.e.f.”) 9 October 2014	638,777	117.0	118.0	5
52 Tanjong Penjuru	SM Integrated Transware Pte. Ltd.	Chemical & Ambient	30 w.e.f. 1 July 2009 + option to renew for 10 years	846,303	179.0	182.0	10
6 Fishery Port Road	CWT Pte. Limited	Temperature-controlled & Food	30 w.e.f. 29 June 2011 + option to renew for 24 years	751,434	244.0	260.0	10
5A Toh Guan Road East	CWT Logistics (S) Pte. Ltd.	Ambient	30 w.e.f 1 March 1991 + option to renew for 21 years	600,301	115.0	117.2	6
38 Tanjong Penjuru	CWT Pte. Limited	Chemical & Ambient	30 w.e.f. 1 November 2005 + option to renew for 14 years	375,230	75.0	78.0	10
Total				**3,212,045**	**730.0**	**755.2**	

Notes:

(1) The weighted average land lease expiry including the periods covered by the relevant options to renew (by net lettable area) is 32.3 years, as at 30 June 2018.

(2) The land tenure including the option to renew (if applicable) as set out in the table above are subject to the respective terms and conditions under the original lease issued by JTC in respect of each Property.

(3) 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.

(4) The lease terms to be granted by MLT as the landlord to the Vendor Group as tenants, are on the terms and subject to the conditions set out in the respective Master Lease Agreements and JTC’s approval.

3.0 RATIONALE FOR THE ACQUISITIONS

The Acquisitions are in line with the Manager’s investment objective to deliver regular and stable distributions to MLT’s unitholders (“**Unitholders**”) through the acquisition of yield-accretive, quality income-producing assets. The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

3.1 Strategic expansion in the attractive Singapore logistics market

(A) Singapore is a key global logistics hub

Singapore has been ranked as Asia's top logistics hub since 2007, according to the World Bank's Logistics Performance Index[1]. Its strategic location along major trading routes at the confluence of the East and the West has established the city-state as an important port in global trade. Singapore's port was the second busiest globally in terms of container traffic[2], while its airport was ranked 12th and 7th place globally in terms of volume of air cargo and international freight handled, respectively[3].

Attracted to Singapore's pro-business environment, world-class infrastructure and excellent connectivity to major Asian markets, the top 25 global logistics firms have established a presence in Singapore[4].

Major upcoming infrastructure projects, including the Tuas mega port which will be the largest container terminal in the world and Changi Industrial Zone which is a new air freight facility, are also expected to enhance Singapore's position as a key transport hub and strengthen its competitive edge in the global logistics business.

(B) Potential recovery of warehouse market in Singapore

In 2018, new supply of warehouse space is projected to decline substantially to 366,000 square metres ("**sqm**"), from the historically high supply of 963,000 sqm in 2017, according to data from JTC[5]. On the other hand, new demand for warehouse space in 2017 was also at an unprecedentedly high level of 799,000 sqm, more than double that of 373,000 sqm in 2016[5].

With tapering supply coming on-stream in 2018 to 2022 and demand supported by continued strength in the local and regional economies, Singapore's warehouse leasing market may start to see a stabilisation in rent and occupancy rates. In the first quarter of 2018, the warehouse rental index declined by 0.3% quarter-on-quarter, which is an improvement from the average of 1.5% quarter-on-quarter decline for the four quarters in 2017[5].

3.2 Addition of five modern ramp-up warehouses strengthens MLT's portfolio and competitive positioning

(A) Strategic locations with excellent connectivity

The Properties are located in three key logistics clusters in the western region of Singapore near to Jurong Port and PSA Terminals and are accessible via the major highways, such as Ayer Rajah Expressway and Pan Island Expressway.

4 Pandan Avenue, 52 Tanjong Penjuru and 38 Tanjong Penjuru are located in the Penjuru/Pandan area which is close to the PSA Terminals, Jurong Port and a majority of the container yards in Singapore. 5A Toh Guan Road East is situated within the Jurong Industrial Estate, approximately 15 kilometres from the city centre and in close

[1] The World Bank, Logistics Performance Index 2016.
[2] World Shipping Council, Top 50 World Container Ports 2016.
[3] Airports Council International media release, 9 April 2018. *ACI World releases preliminary world airport traffic rankings*.
[4] The Singapore Economic Development Board, https://www.edb.gov.sg/en/our-industries/logistics-and-supply-chain-management.html.
[5] JTC Quarterly Market Report Industrial Property, 1Q 2018.

proximity to the Jurong East MRT station. It is adjacent to Mapletree Logistics Hub Toh Guan. 6 Fishery Port Road is located next to the Fishery Port and Jurong Port, and close to the PSA terminals. It is adjacent to Jurong Logistics Hub, an existing property of MLT.

(B) Modern ramp-up warehouses offer efficiency and cost advantages compared to conventional warehouses

The Properties are modern ramp-up warehouses with a weighted average age (by net lettable area) of 4.8 years[6]. 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 and lower operating and maintenance costs. For these reasons, ramp-up warehouses are more resilient to downward pressures on rental and occupancy rates during an industry downturn.

The Properties have high quality building specifications which include floor loading of 20kN psm to 50kN psm and floor-to-ceiling height of 9 metres to 14 metres.

(C) Limited supply of chemical and cold storage warehouses supports higher rental rates

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 facility. The supply of such specialised warehouses in Singapore is limited as they require licensing and are only allowed to operate in approved zones. The asking rental rates for such properties are typically higher than that for standard warehouses, a reflection of the limited supply as well as the significantly higher initial investment costs for these warehouses.

3.3 Acquisitions are in line with the Manager's aim of rejuvenating MLT's portfolio

The Manager believes that the Acquisitions will allow MLT to accelerate the pursuit of other options to rejuvenate its 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.

3.4 Provides stable income stream with organic growth

Post Completion, the Properties will be 100% leased to the Vendor Group for lease terms ranging from 5 years to 10 years on the terms and subject to the conditions set out in the respective Master Lease Agreements and JTC's approval. 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.

[6] As at 30 June 2018.

The Vendor Group will become the top tenant of MLT with a gross revenue contribution of approximately 9.5%[7]. Of this, an estimated 30% are contributed by third party end-users who have sub-lease agreements with the Vendor Group. The remaining 70% include contributions by third party end-users who have service agreements with the Vendor Group. There are over 25 end-users comprising regional and international companies, with operations spanning across diverse trade sectors such as food/wine and cold storage, industrial and telecommunications, chemical, hospitality and logistics services.

The Vendor Group is a leading integrated logistics solutions provider engaged in logistics services, commodity marketing, financial services and engineering services. It operates in more than 90 countries through regional offices and network of service partners. It was privatised in December 2017 following the acquisition by Hong Kong-listed CWT International Limited[8].

3.5 Expected accretive acquisitions

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 comprising the Consideration of S$730.0 million and estimated upfront land premium payable of S$48.3 million. The Manager expects the Acquisitions to be accretive to MLT's distribution per unit ("**DPU**").

4.0 THE PROPOSED ACQUISITIONS

4.1 Consideration

The aggregate Consideration for the Acquisitions of S$730.0 million has been arrived at on a willing buyer and willing seller basis after arm's length negotiations, and represents a discount of approximately 3.3% to the independent aggregate valuation of S$755.2 million as at 27 June 2018 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Valuer**"), which is engaged by the Trustee. In addition to the Consideration, MLT is required to pay an upfront land premium for the balance of the JTC lease terms upon assignment of the respective land leases to MLT.

20% of the aggregate Consideration was paid to the Vendors' solicitors as deposit (the "**Deposit**") upon the execution of the SPAs. The Deposit is refundable if the SPAs are rescinded or terminated pursuant to and in accordance with the terms of the respective SPAs, save as set out under paragraph 4.4 (C) below. The balance of the Consideration together with any goods and services tax payable will be paid to the respective Vendors on Completion save that MLT shall be entitled to deduct a retention sum from the balance of the Consideration payable on Completion, in accordance with and subject to the terms and conditions of the respective SPAs.

4.2 Valuation

[7] Based on MLT's financials as of 31 March 2018 and including the pro forma financial effects of the acquisition of a 50.0% interest in 11 properties in China which was completed on 6 June 2018.
[8] Formerly known as HNA Holding Group Co. Limited.

The Properties have been appraised by the Valuer, which is an independent valuer appointed by the Trustee. The Valuer's aggregate valuation of the Properties as at 27 June 2018 was S$755.2 million, exclusive of upfront land premium payable to JTC for the balance of the lease terms. The Valuer has estimated the open market value of the Properties using the income capitalisation method, discounted cash flow analysis and comparison method.

4.3 Estimated Acquisition Cost

The current estimated total cost of the Acquisitions is S$805.9 million ("**Total Acquisition Cost**") which comprises:

(i) the Consideration of S$730.0 million;

(ii) the estimated upfront land premium of S$48.3 million payable to JTC for the balance lease term;

(iii) acquisition fee payable to the Manager of S$3.7 million; and

(iv) stamp duties, professional and other fees and expenses of approximately S$23.9 million in connection with the Acquisitions.

4.4 Certain Principal Terms and Conditions of the SPAs

The Trustee (in its capacity as trustee of MLT) has entered into five conditional SPAs with the respective Vendors dated 4 July 2018.

Under the terms of the SPAs, the sale and purchase of Properties are on a collective sale and purchase basis and Completion of each Acquisition is conditional on and subject to concurrent completion of the sale and purchase of the rest of the Acquisitions, in accordance with the terms and conditions of the respective SPAs.

The SPAs contain customary provisions relating to the Acquisitions, including representations and warranties and pre-completion covenants, limitations of the Vendor's liabilities and other commercial terms.

The principal terms of each SPA include, among others, the following conditions precedent:

(i) the approval at a duly convened general meeting of the shareholders of CWT International Limited to the sale of the Properties to MLT and leaseback of the Properties by MLT to the Vendors on the terms and conditions of the SPAs and the Master Lease Agreements (the "**Vendor Shareholders Approval**") being obtained;

(ii) the approval of JTC and, where required by JTC, the competent authorities, to (a) the sale of the Properties by the Vendor Group to MLT and (b) the lease of the Properties on Completion by MLT (as landlord) to the respective Vendor(s) (as tenant) for the master lease term(s), being obtained; and

(iii) the Vendors' written confirmation that an existing contractual right of first refusal granted in favour of a real estate investment trust (in which CWT Pte. Limited has prior business dealings with) in relation to the sale of the Properties is not being exercised or has lapsed.

As at the date of this announcement and as set out in the SPAs, the Vendors have confirmed the condition precedent in (iii) above has been satisfied and they have obtained JTC's written confirmation that JTC does not wish to accept the respective Vendors' offers to sell to JTC the Properties.

In addition, the SPAs set out, *inter alia*, the following principal terms:

(A) MLT shall furnish the Vendors a performance bond to guarantee MLT's payment obligations under the respective SPAs.

(B) MLT shall be obliged to provide a bridging loan of at least US$100 million in aggregate to CWT Pte. Limited upon written notice from CWT Pte. Limited and on detailed terms and conditions to be agreed. In this regard, while the terms and conditions of the bridging loan have not been agreed by the parties, it is the intention of MLT to set-off any amount advanced under the bridging loan against the Consideration payable by MLT for the Acquisitions, if any such bridging loan is advanced and remains outstanding as at Completion. Such amount if disbursed shall be refunded to MLT if the Acquisitions are not completed and/or aborted.

(C) In event of a termination of the SPAs arising out of default by MLT, the Deposit shall be forfeited and MLT shall on demand pay a sum equivalent to 10% of the Consideration to the Vendors. In event of a termination of the SPAs arising out of default by the Vendors, the Vendor shall on demand pay a sum equivalent to 10% of the Consideration to MLT.

In addition, CWT Pte. Limited has granted to MLT the right of first refusal to acquire the property at 47 Jalan Buroh, Singapore, which is subject only to the prior right of first refusal to JTC.

Subject to satisfaction and/or waiver (as the case may be) of the conditions precedent as set out in paragraphs 4.4(i) and (ii) above, completion of each Acquisition shall take place on the date falling four (4) weeks from the date of the Vendor Shareholders Approval (or such other date as MLT and the respective Vendors may mutually agree) (the "**Scheduled Completion Date**") provided always that Completion shall take place no later than (i) 28 September 2018, or (ii) the date falling 15 days after the Scheduled Completion Date (whichever is later).

5.0 METHOD OF FUNDING AND FINANCIAL EFFECTS

The Manager intends to finance the Acquisition Cost through the proceeds from an equity fund raising, proceeds from potential divestment(s) and/or debt. As at the date of this announcement, the Manager is still in the process of finalising financing options for the Acquisitions.

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.

As details of the financing structure have not been finalised at this point, the Manager believes that the presentation of any financial effects of the Acquisitions will not be representative and will not serve any meaningful illustrative purposes. Accordingly, the Manager does not propose disclosing the illustrative pro forma financial effect of the Acquisitions, including its impact on the net asset value per Unit of MLT and DPU.

Details for the finalised financing structure, together with the illustrative pro forma financial effect of the Acquisitions, will be disclosed in due course.

6.0 OTHER INFORMATION

6.1 Disclosure under Rule 1010(13) of the Listing Manual

A proposed acquisition by MLT may fall into any of the categories set out in Rule 1004 of the Listing Manual of Singapore Exchange Securities Limited ("**SGX-ST**") depending on the size of the relative figures computed on the following applicable bases of comparison:

(i) the net profits attributable to the assets acquired, compared with MLT's net profits;
(ii) the aggregate value of the consideration given, compared with MLT's market capitalisation; and
(iii) the number of Units issued by MLT as consideration for the Acquisitions, compared with the number of Units previously in issue.

The relative figures for the Acquisitions using the aforesaid bases of comparison are set out in the table below:

Criteria	The Properties (S$ million)	MLT (S$ million)	Relative Figure (%)
<u>Rule 1006(b)</u> Net profits attributable to the assets acquired, compared with MLT's net profits[(1)]	48.0	333.8	14.4
<u>Rule 1006(c)</u> The aggregate value of the consideration[(2)] given, compared with MLT's market capitalisation[(3)]	778.3	3,989.5	19.5

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) The purchase consideration comprises the Consideration of S$730.0 million and estimated upfront land premium of S$48.3 million.

(3) Based on MLT's closing unit price of S$1.23 as at 3 July 2018, being the market day immediately prior to 4 July 2018, the date the SPAs were entered into. For purposes of this computation, the transaction costs of the Acquisitions are excluded.

As the relative figures for the bases of comparison set out in paragraphs 6.1(i) and 6.1(ii) exceed 5.0% but do not exceed 20.0%, the Acquisitions fall within the classification of a "discloseable transaction".

As the Consideration is to be paid in cash, the relative figure for the basis of comparison set out in paragraph 6.1(iii) is not applicable for the Acquisitions.

6.2 Interest of Directors and Controlling Unitholders

None of the directors of the Manager ("**Directors**") has an interest, direct or indirect, in the Acquisitions. The Directors are also not aware of any Controlling Unitholder (as defined in the Listing Manual of the SGX-ST) having any interest, direct or indirect, in the Acquisitions, and have not received any notification of interest in the Acquisitions from any Controlling Unitholder.

6.3 Director's Service Contracts

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

6.4 Acquisition Fee

Pursuant to the Trust Deed dated 5 July 2004 (as amended) constituting MLT, the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Consideration. The Manager has, at its discretion, elected to receive an acquisition fee of S$3.7 million, being 0.5% of the Consideration, to be paid in cash.

6.5 Documents for Inspection

Copies of the SPAs dated 4 July 2018 and the valuation reports on the Properties by the Valuer dated 27 June 2018 are available for inspection by prior appointment during normal business hours at the registered office of the Manager at 10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438 for three months from the date of this announcement.

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

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

5 July 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.