

(Constituted in Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

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## ANNOUNCEMENT

2 July 2011

### MAPLETREE INDUSTRIAL TRUST AWARDED TRANCHE 2 OF JTC'S SECOND PHASE DIVESTMENT EXERCISE PORTFOLIO AT S\$400.3 MILLION

#### 1. INTRODUCTION

##### 1.1 Award of Tranche 2 of JTC's Second Phase Divestment Exercise

Mapletree Industrial Trust Management Ltd. (the "**MITM**"), the Manager of Mapletree Industrial Trust ("**MIT**") is pleased to announce that MIT, through DBS Trustee Limited, as trustee of MIT (the "**Trustee**"), has been awarded Tranche 2 of JTC Corporation's ("**JTC**") second phase divestment exercise portfolio of Flatted Factories and Amenity Centres ("**Acquisition Portfolio**") at a price of S\$400.3 million ("**Acquisition**"). The Acquisition Portfolio consists of 11 properties in 5 Property Clusters ("**Property Cluster**"), comprising 8 Flatted Factories and 3 Amenity Centres located at Bedok, Kallang Basin, and Kampong Ubi. The transaction is expected to be completed by August 2011 ("**Completion Date**").

#### 2. INFORMATION ON THE PROPERTIES

##### 2.1 The Acquisition Portfolio

Located within established industrial estates in the Central and Eastern regions of Singapore, the Acquisition Portfolio consists of 11 properties in 5 Property Clusters, comprising 8 Flatted Factories and 3 Amenity Centres with a Net Lettable Area ("**NLA**") of over 196,000 square meters ("**sq m**"). The properties are well-connected by major roads and expressways. As at 31 March 2011, the average occupancy rate of the Acquisition Portfolio is more than 95%. The weighted average land tenure of the Acquisition Portfolio is 46 years.

DBS Bank Ltd. and Goldman Sachs (Singapore) Pte. were the joint global coordinators for the initial public offering ("**IPO**") and listing of Mapletree Industrial Trust. The issue managers for the IPO, were DBS Bank Ltd., Goldman Sachs (Singapore) Pte., Citigroup Global Markets Singapore Pte. Ltd. and Standard Chartered Securities (Singapore) Pte. Limited.

The details of the properties in the Acquisition Portfolio are set out below:

<b>Property Cluster</b>	<b>Land Area (sq m)</b>	<b>Gross Floor Area (sq m)</b>	<b>Net Lettable Area (sq m)</b>	<b>Land Tenure (Years)</b>	<b>No of Properties</b>
Bedok	38,480	90,454	73,314	60	2 Flatted Factories & 1 Amenity Centre
Kallang Basin 1	9,690	17,713	12,388	20	1 Flatted Factory & 1 Amenity Centre
Kallang Basin 2	14,604	34,024	23,357	20	2 Flatted Factories
Kallang Basin 3	17,739	46,852	37,832	30	1 Flatted Factory
Kampong Ubi	29,957	67,208	50,007	60	2 Flatted Factories & 1 Amenity Centre
<b>Total</b>	<b>110,470</b>	<b>256,251</b>	<b>196,898</b>	<b>46*</b>	<b>11</b>

\* Weighted average by Gross Floor Area

## 2.2 Valuation of the Acquisition Portfolio

The Acquisition Portfolio was valued by Knight Frank Pte Ltd who was appointed by the Trustee. The valuation was prepared using the income and discounted cash flow methods as well as the direct comparison method of valuation.

The purchase price, valuation and the date of valuation are set out in the table below:

<b>Purchase Price (S\$ million)</b>	<b>Valuation (S\$ million)</b>	<b>Date of Valuation</b>
\$400.3	\$402.7	1 July 2011

## 3 DETAILS OF ACQUISITION

**3.1 Conditions of Tender:** The Acquisition will be on the terms and conditions as set out in JTC's Tender Documentations.

**3.2 Purchase Price:** The Purchase Price is S\$400.3 million ("**Purchase Price**"). The Purchase Price is the price submitted to JTC in the tender process of JTC's second phase divestment exercise. MIT shall pay the Purchase Price to JTC on the Completion Date. Further details on other transaction costs will be provided in a separate announcement at a later date, when such costs have been determined.

**3.3 Business Continuity Plan:** The Business Continuity Plan formed part of the tender submission to JTC. The renewal rental rates will be subject to a rental escalation cap of 5% per annum on JTC's latest posted rents as at 1 July 2011 ("**Posted Rents**"), for a period of three years after the Completion Date. For long staying tenants who have leased the same premises for more than 10 years at the point of renewal with MIT, these tenants will be offered a 2% discount off the Posted Rents in the first year after the Completion Date for their renewal leases. The renewal rental rates for the long staying tenants would also be subject to a lower rental escalation cap of 3% per annum on the Posted Rents for the subsequent two years.

#### **4. METHOD OF FINANCING AND FINANCIAL EFFECTS**

MITM is in the process of finalising financing options for the Acquisition, including the issuance of units or other debt securities, or any combination of the aforesaid. MITM will take into account Unitholders' interests in determining an optimal capital structure for the Acquisition. Details for the financing structure, which may be a combination of equity and debt, will be provided in due course.

Relevant information relating to the financial effects of the Acquisition, including its impact on the Net Asset Value per Unit, the Distribution per Unit and MIT's aggregate leverage, will also be disclosed in due course.

#### **5. RATIONALE AND BENEFITS OF THE ACQUISITION**

##### **5.1 Synergies with Existing Properties**

Upon completion, the proportion by NLA of Flatted Factories will increase from 57.2% to 63.6% in the enlarged MIT Portfolio. The Properties in the Acquisition Portfolio are located adjacent to or near existing MIT properties and have similar characteristics, thus offering opportunities for improvements in leasing and operational efficiencies. For example, the Acquisition Portfolio's Kallang Basin 1, 2 and 3 Property Clusters are just adjacent to MIT's Kallang Basin 4, 5 and 6 Property Clusters.

##### **5.2 Diversification of MIT's Portfolio**

Upon completion, MIT will own 81 properties valued at S\$2.6 billion. The Acquisition Portfolio will increase the NLA by 17.5% to a total of 1.3 million sq m. MIT's tenant base will increase by about 500 to 2,100 tenants, thus improving the diversification and resilience of the enlarged MIT Portfolio.

### **5.3 Extension of MIT's Organic Growth Proposition**

The passing rent of the Acquisition Portfolio is more than 30% below the latest JTC Posted Rents as at 1 July 2011. The potential for good organic growth is similar to that of MIT's existing portfolio which was acquired from JTC in July 2008.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS**

None of the directors of MITM or controlling Unitholders have an interest, direct or indirect, in the Acquisition.

## **7. OTHER INFORMATION**

### **7.1 Directors' Service Contracts**

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

### **7.2 Disclosure under Rule 1010(13) of the Listing Manual**

7.2.1 Chapter 10 of the Listing Manual classified transactions by MIT 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 MIT's net profits;
- (ii) the aggregate value of the consideration given, compared with MIT's market capitalisation; and
- (iii) the number of Units issued by MIT as consideration for the Acquisition, compared with the number of Units previously in issue.

7.2.2 Based on MITM's estimated net profit attributable to the Acquisition Portfolio and the projected Total Return for Financial Year 2011/12 as disclosed in its Prospectus dated 12 October 2010, the relative figure for the basis of comparison set out in sub-paragraph 7.2.1 (i) is approximately 8.1%.

7.2.3 Based on the Purchase Price of S\$400.3 million and MIT's market capitalisation as at 1 July 2011, the relative figure for the basis of comparison set out in sub-paragraph 7.2.1 (ii) is 23.2%. As the relative figure of 23.2% exceeds 20%, under Rule 1010(13) of the Listing Manual, the Acquisition falls within the classification of a major transaction. However,

as the Acquisition is within the ordinary course of business, approval of Unitholders is not required.

7.2.4 As the Purchase Consideration is to be paid in cash, the relative figure for the basis of comparison set out in sub-paragraph 7.2.1 (iii) is not applicable to this Acquisition.

### **7.3 Documents for Inspection**

A copy of the Tender Acceptance Letter and valuation report by Knight Frank Pte Ltd are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of MITM at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438, for a period of three months commencing from the date of this Announcement.

By Order of the Board  
Wan Kwong Weng  
Joint Company Secretary  
Mapletree Industrial Trust Management Ltd.  
(Company Registration No.201015667D)  
As Manager of Mapletree Industrial Trust

#### **Important Notice**

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for 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 Company, as manager of Mapletree Industrial Trust (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 MITM to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.