



Proposed Acquisition of 18 Tai Seng, Singapore

13 December 2018

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1 Overview

2 Funding Structure and Valuation

3 Rationale for the Proposed Acquisition

4 Conclusion

OVERVIEW



18 Tai Seng, Singapore

Overview of the Proposed Acquisition

Proposed acquisition of 18 Tai Seng, a unique nine-storey mixed-use development with Business 2 industrial, office and retail spaces

| | |
|---|--|
| Address | 18 Tai Seng Street, Singapore 539775 |
| Agreed property value | S\$268.3 million |
| Total acquisition outlay | S\$271.0 million |
| Vendor | Mapletree Tai Seng Pte. Ltd. |
| Land area | 126,799 sq ft |
| Land tenure | 30 years commencing from 26 Mar 2014 |
| Plot ratio | 3.5 (B2 Industrial: 2.5 & White: 1.0) |
| GFA | 443,810 sq ft |
| NLA | 384,212 sq ft <ul style="list-style-type: none"> - Industrial: 283,703 sq ft - Office: 53,441 sq ft - Retail: 47,068 sq ft |
| Average passing rental rates¹ | S\$4.58 per square foot per month (“psf/mth”) <ul style="list-style-type: none"> - Industrial: S\$4.04 psf/mth - Office: S\$5.15 psf/mth - Retail: S\$7.64 psf/mth |
| WALE¹ | 3.6 years (by gross rental income) |
| Occupancy rate² | 87.4% |

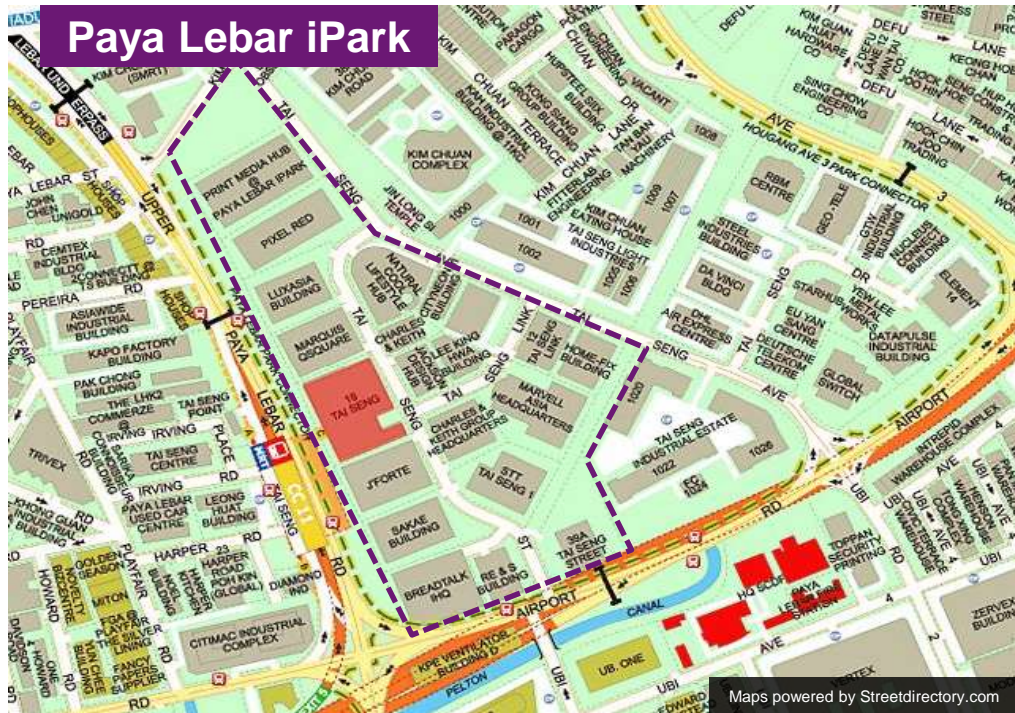


¹ As at 30 Sep 2018.

² As at 30 Sep 2018. As at the Latest Practicable Date, the committed occupancy rate of the Property was 94.3%, with all the committed leases to commence progressively by 1 Mar 2019.

Strategically Located in Paya Lebar iPark

At the Centre of Paya Lebar iPark: Singapore's Modern Industrial Park



Short drive from mature housing estates like Hougang, Bedok and Toa Payoh and Central Business District



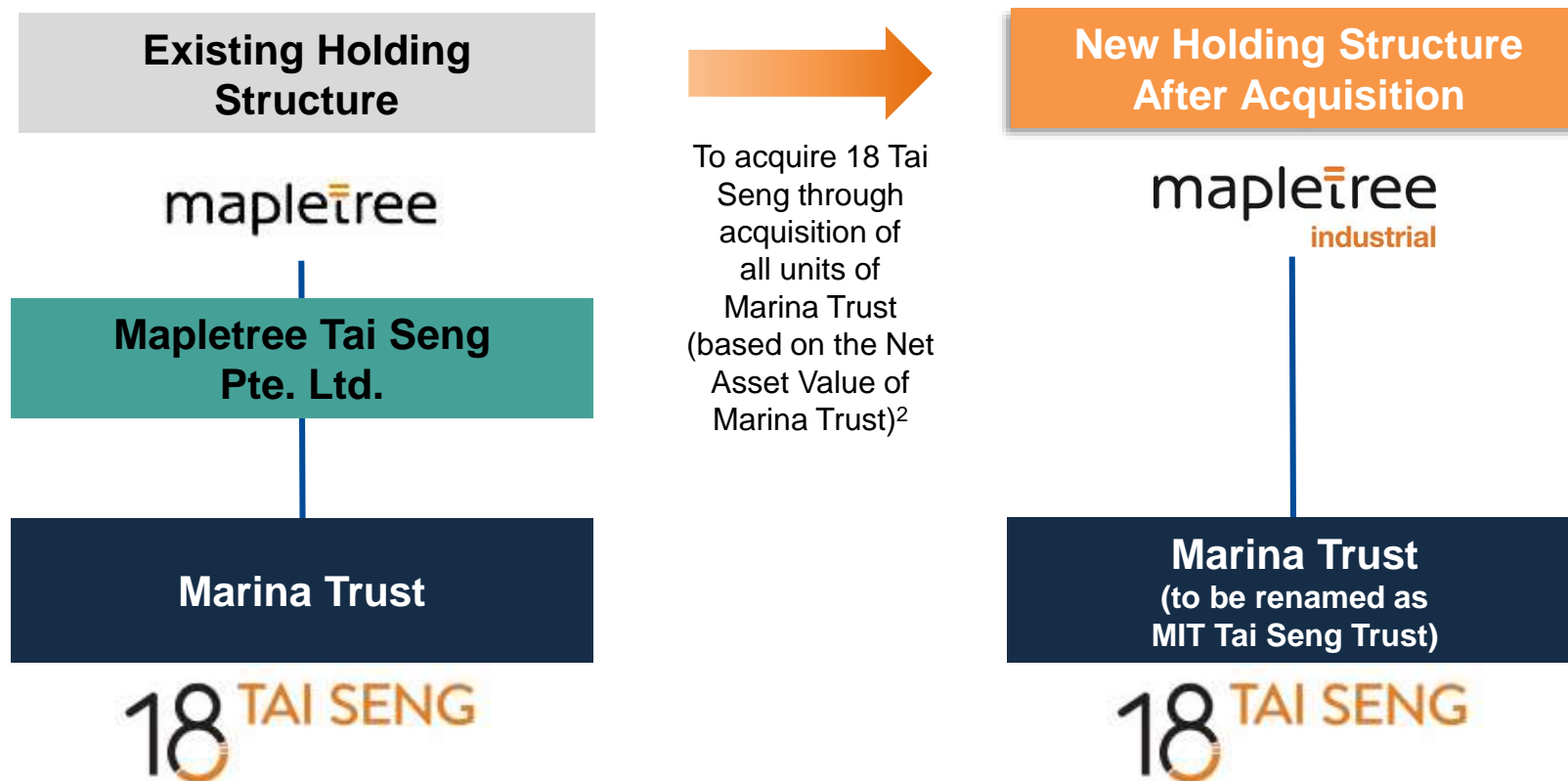
- ✦ Prominent frontage along Upper Paya Lebar Road
- ✦ Easily accessible via major expressways (Kallang-Paya Lebar Expressway, Pan-Island Expressway and Central Expressway)
- ✦ Attractive to companies looking for high quality business space in the city fringe



Directly connected to Tai Seng MRT station (CC11) via an underground pedestrian link

Structure of Proposed Acquisition

Proposed acquisition of 18 Tai Seng from Mapletree Tai Seng Pte. Ltd. (indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd) is subject to Unitholders' approval¹



¹ The Proposed Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

² The Aggregate Consideration for the Proposed Acquisition comprises the consideration payable to Mapletree Tai Seng Pte. Ltd. for all units of Marina Trust based on the Net Asset Value of Marina Trust as at Completion Date. The Net Asset Value shall take into account the Agreed Property Value of S\$268.3 million.

FUNDING STRUCTURE AND VALUATION



Underground Pedestrian Link to Tai Seng MRT Station

Total Acquisition Outlay

| | S\$ million |
|--|--------------|
| Agreed Property Value | 268.3 |
| Intercompany Loan | (156.8) |
| Distribution Payable (for Retained Earnings up to Completion Date) ¹ | (30.4) |
| Other Net Liabilities | (6.1) |
| Aggregate Consideration² | 75.0 |
| Aggregate Consideration ² | 75.0 |
| Trustee's Loan to Marina Trust (for Repayment of Intercompany Loan) | 156.8 |
| Subscription of Additional 35.0 million Units in Marina Trust at S\$1.00 each for: | |
| Distribution Payable ¹ | 30.4 |
| Working Capital ¹ | 4.6 |
| Subtotal | 266.8 |
| Acquisition Fee ³ | 2.7 |
| Professional and Other Fees | 1.5 |
| MIT Total Acquisition Outlay | 271.0 |

About
S\$262.2
million
payable to
the
Vendor

¹ Subject to completion adjustments up to the day immediately preceding the Completion Date.

² The actual amount of the Aggregate Consideration for the Proposed Acquisition will only be determined after the Completion Date.

³ Based on 1% of the Agreed Property Value. As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix issued by the MAS, the Acquisition Fee will be in the form of 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.

Pro Forma Financing

- ✦ Sufficient debt headroom to fund the proposed Acquisition entirely by debt
- ✦ Final decision regarding whether the acquisition will be funded entirely by debt financing or any combination of financing through debt, equity and internal cash resources will depend on market conditions

| For Illustrative Purposes | Total Acquisition Outlay | | |
|--|--------------------------|--------------|--------------|
| Transaction Gearing (“LTV”)¹ | 40.0% | 60.0% | 100.0% |
| Debt (S\$ million) | 107.3 | 161.0 | 268.3 |
| Equity (S\$ million)² | 163.7 | 110.0 | 2.7 |
| Total Acquisition Outlay (S\$ million) | 271.0 | 271.0 | 271.0 |

| For Illustrative Purposes | MIT’s Aggregate Leverage | | |
|--|--------------------------|--------------------|--------------------|
| LTV¹ | 40.0% | 60.0% | 100.0% |
| Before the Proposed Acquisition | 35.1% ³ | 35.1% ³ | 35.1% ³ |
| After the Proposed Acquisition | 35.4% ⁴ | 36.5% ⁴ | 38.7% ⁴ |

¹ The respective LTV scenarios refer to the amount of debt as a percentage of the Total Acquisition Outlay less the Acquisition Fee.

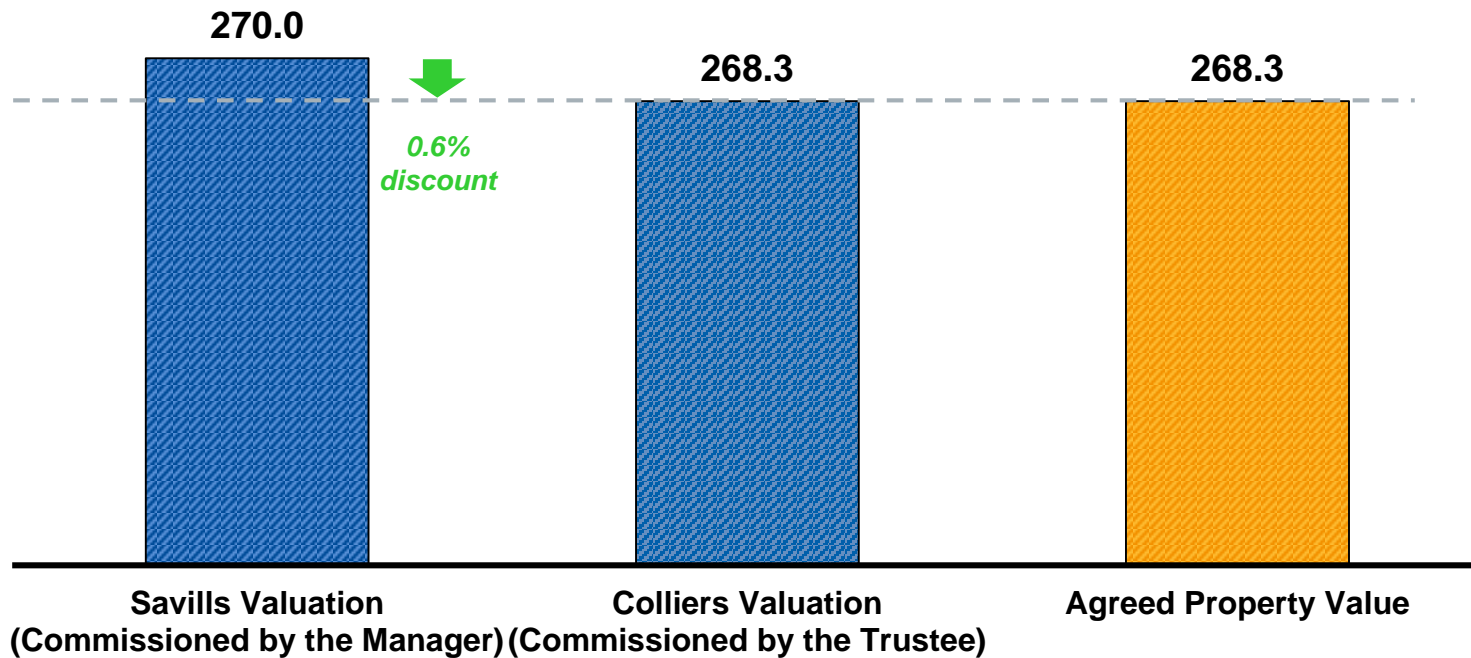
² Includes the Acquisition Fee payable in the form of Units.

³ As at 30 Sep 2018.

⁴ Based on MIT’s aggregate leverage as at 30 Sep 2018, adding the incremental borrowings as a result of the Proposed Acquisition at the respective LTVs, and adding the incremental Deposited Property as a result of the Proposed Acquisition.

Agreed Property Value Relative to Independent Valuations¹

(S\$ million)



¹ Both Colliers and Savills relied on the income capitalisation method and discounted cash flow analysis to conduct the valuation and used the comparison method as a check.

RATIONALE FOR THE PROPOSED ACQUISITION

ZAN
UTURE

kcuts 10周年
SEOUL SINGAPORE

guardian x

huggs
coffee

Rationale for the Proposed Acquisition

1

Unique Integrated High-Specification Industrial Development with Office and Retail Spaces

2

Centrally Located in the Paya Lebar iPark with Underground Pedestrian Link to Tai Seng MRT station

3

Stable and Quality Cash Flows

4

DPU and NAV Accretive to Unitholders

5

Strengthens MIT Portfolio

Unique Integrated High-Specification Industrial Development with Office and Retail Spaces



Established food and beverage outlets with essential amenities

High quality finishes for common areas



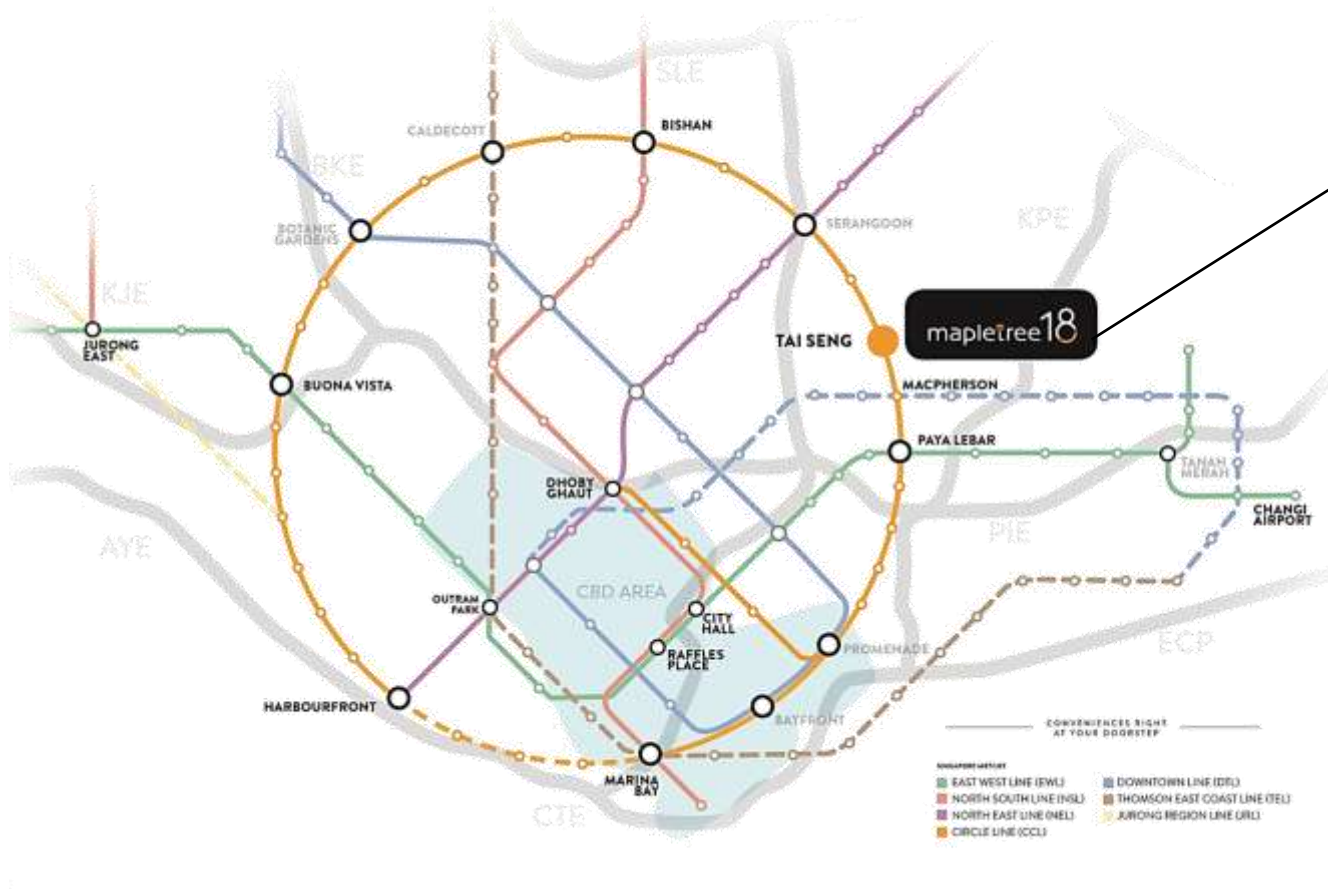
- ✦ Newest mixed-use development (completed on 1 Nov 2016) in Paya Lebar iPark
- ✦ Large column-free floor plates of over 50,000 sq ft with core-to-window depth of 20 m offer businesses flexibility in designing efficient work spaces
- ✦ Full-height windows offer natural lighting with double-glazed windows for insulation against noise and sunlight
- ✦ Obtained BCA Green Mark Gold certification

Increased exposure to Paya Lebar iPark

- ✦ Modern 15ha industrial park nestled in mature Paya Lebar industrial estate
- ✦ Designed to foster close interaction and collaboration between the businesses and talents by creating the urban design concept of pedestrian-space-activity
- ✦ An industrial hub for lifestyle-related and light manufacturing industries
- ✦ Serves as an alternative for businesses to be closer to homes due to proximity to mature housing estates like Hougang, Bedok and Toa Payoh
- ✦ Retail and F&B outlets to enjoy healthy catchment from surrounding industrial buildings



Centrally Located in the Paya Lebar iPark with Underground Pedestrian Link to Tai Seng MRT station



Direct underground pedestrian link to Tai Seng MRT station

- ✦ Sole property with direct underground pedestrian link to Tai Seng MRT station (CC11)
- ✦ Connected to key interchanges via the Circle Line
- ✦ Flanked by major expressways (Kallang-Paya Lebar Expressway, Pan-Island Expressway and Central Expressway)

Strong Tenant Base with Established Tenants

| Top 10 Tenants | % of Gross Rental Income (As at 30 Sep 2018) |
|---|---|
| Sivantos Pte. Ltd. | 36.6% |
| Silicon Laboratories International Pte. Ltd. | 8.7% |
| Schaeffler (Singapore) Pte. Ltd. ¹ | 6.5% |
| AES Global Holdings Pte. Ltd. ² | 5.7% |
| Williams-Sonoma Singapore Pte. Ltd. | 5.2% |
| NTUC Fairprice Co-Operative Ltd | 2.6% |
| Junior Champs Educampus Pte. Ltd. | 2.6% |
| Michael Page International Pte Ltd | 2.6% |
| Hersing F&B Pte. Ltd. | 1.8% |
| Fei Siong Food Management Pte. Ltd. | 1.7% |
| TOTAL | 74.0%⁴ |

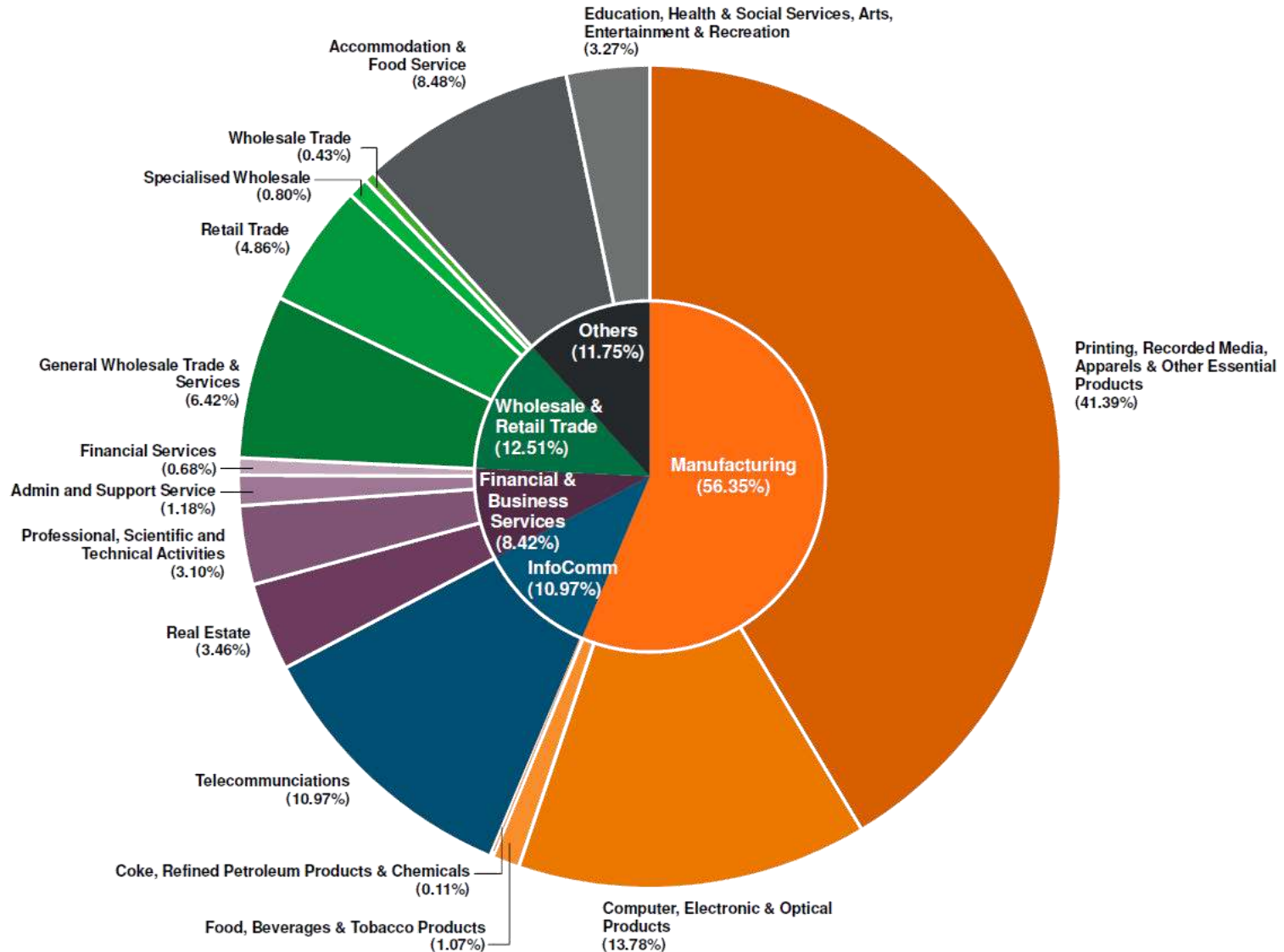
- ✦ Leased to 44 high-quality tenants
- ✦ Enlarges tenant base to include multinational companies in high value-added services such as medical technology, information and communications technology and automotive technology
- ✦ As at 30 Sep 2018, the Property had a high committed occupancy of 94.3%³

¹ On 9 Jul 2018, Schaeffler (Singapore) Pte. Ltd. entered into a lease agreement with the Property Manager to lease certain units of the Property from 1 Mar 2019 for a period of five years. The figure above is based on the committed lease of Schaeffler (Singapore) Pte. Ltd..

² On 23 Oct 2018, AES entered into another lease agreement with the Property Manager to lease certain units of the Property from 1 Jan 2019 for a period of three years and nine months. The figure above is based on the committed lease of AES.

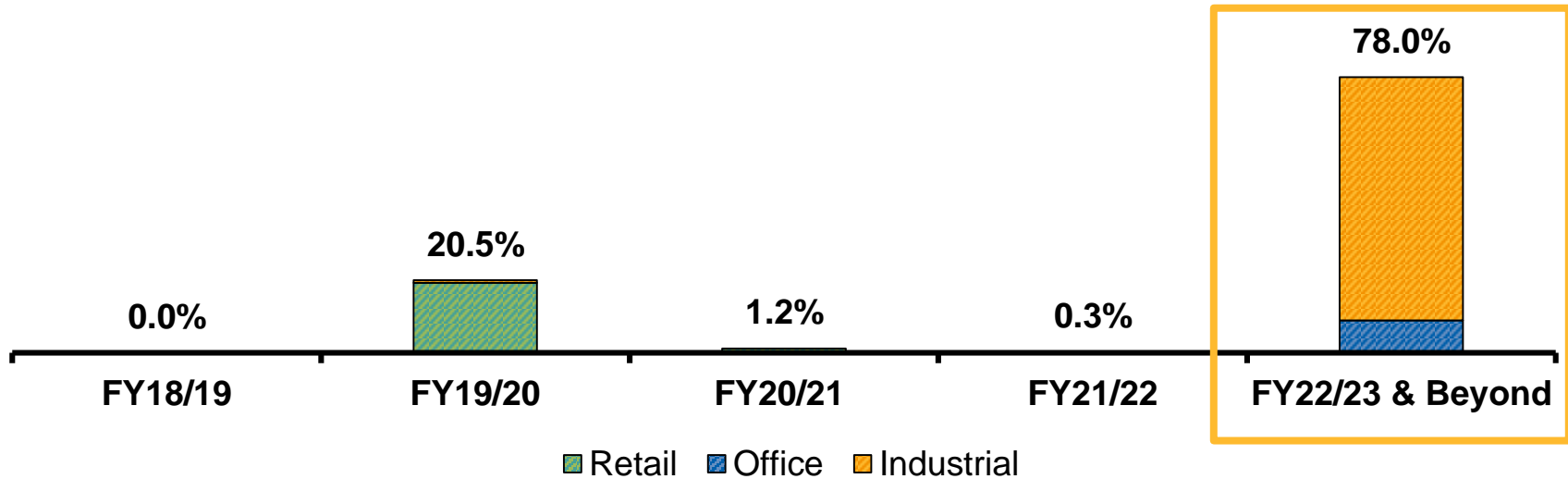
³ The actual occupancy of the Property was 87.4% as at 30 Sep 2018. All committed leases will commence progressively by 1 Mar 2018.

⁴ The table above excludes a telecommunications tenant due to confidentiality.

Diversification across Trade Sectors

*Well-structured Leases with Embedded Organic Growth***LEASE EXPIRY PROFILE OF THE PROPERTY (BY GROSS RENTAL INCOME)**

As at 30 September 2018

78.0% of leases expiring in FY22/23 & beyond,
which enhance income stability**WALE of the Property = 3.6 years**

- ✦ No significant industrial and office expiries in the next 3 years
- ✦ Built-in annual rental escalations are included in 95.7% of the leases

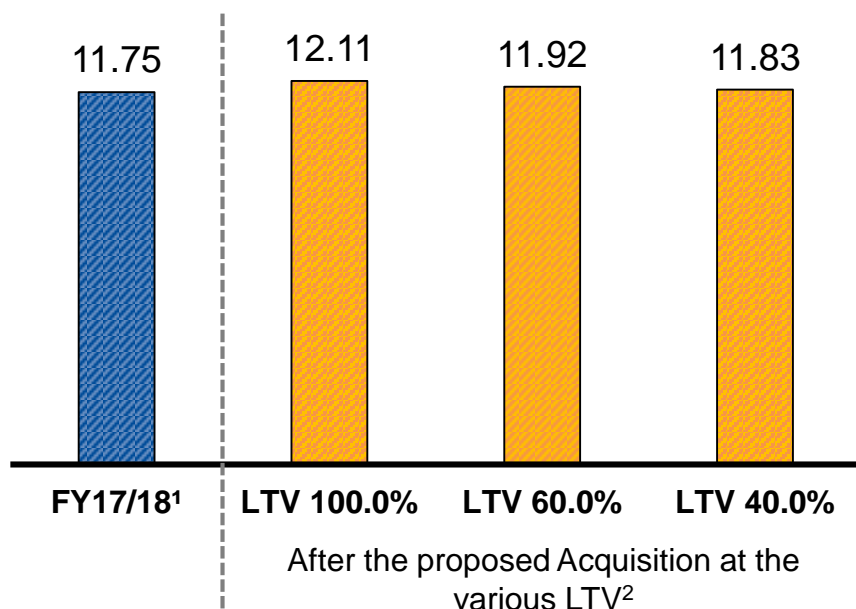
4 DPU and NAV Accretive to Unitholders

Assuming LTV 100.0%, 60.0% and 40.0% for illustrative purposes:

- ✦ Expected to result in pro forma DPU accretion of 3.1%, 1.5% and 0.7% respectively
- ✦ Expected to result in pro forma net asset value per Unit of S\$1.47, S\$1.48 and S\$1.49 respectively

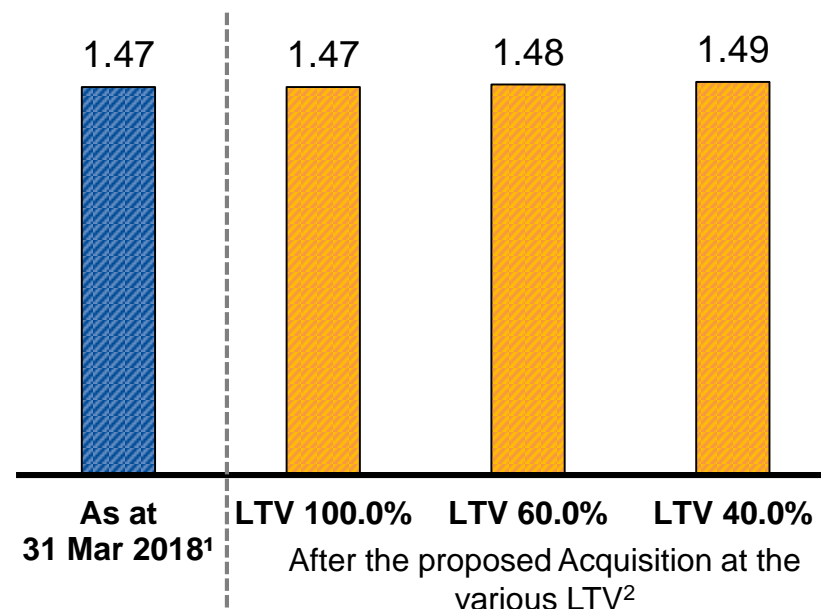
Distribution per Unit

Singapore cents



Net Asset Value per Unit

S\$

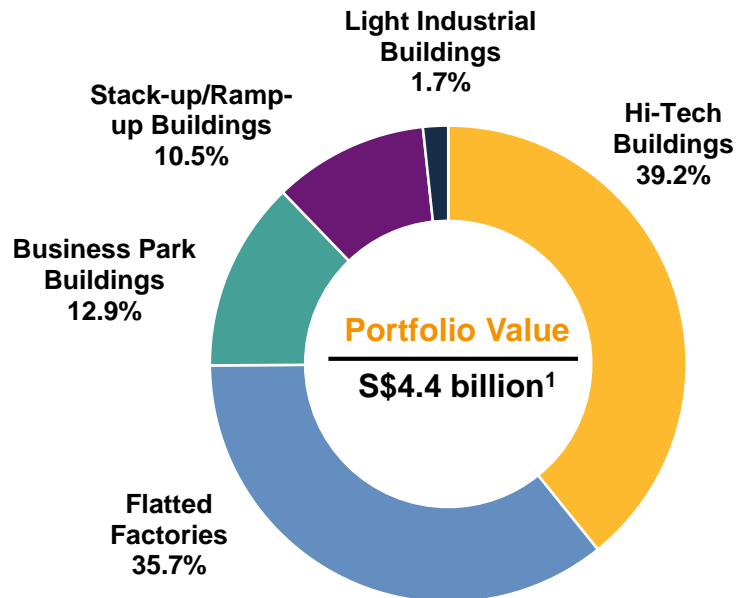


¹ For the financial year ended 31 Mar 2018.

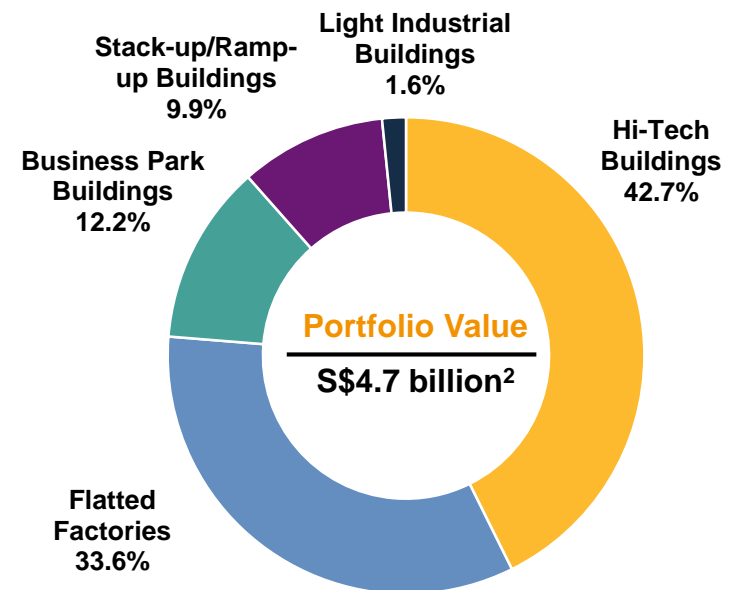
² Assuming that (i) the Property had a portfolio occupancy rate of 94.3% for the entire financial year ended 31 Mar 2018 and all leases, whether existing or committed as at the date of this Announcement, were in place since 1 Apr 2017 and (ii) all tenants were paying their rents in full. MIT's expenses comprising borrowing costs associated with the drawdown of loan to finance the Acquisition, net of proceeds raised, where applicable, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

*In Line with Strategy to Grow Hi-Tech Buildings Segment***Pre-Acquisition¹**

- ✦ 90.3% Singapore, 9.7% United States

**Post-Acquisition²**

- ✦ Hi-Tech Buildings segment expected to increase to 42.7%² of portfolio (from 39.2%)
- ✦ 90.9% Singapore, 9.1% United States



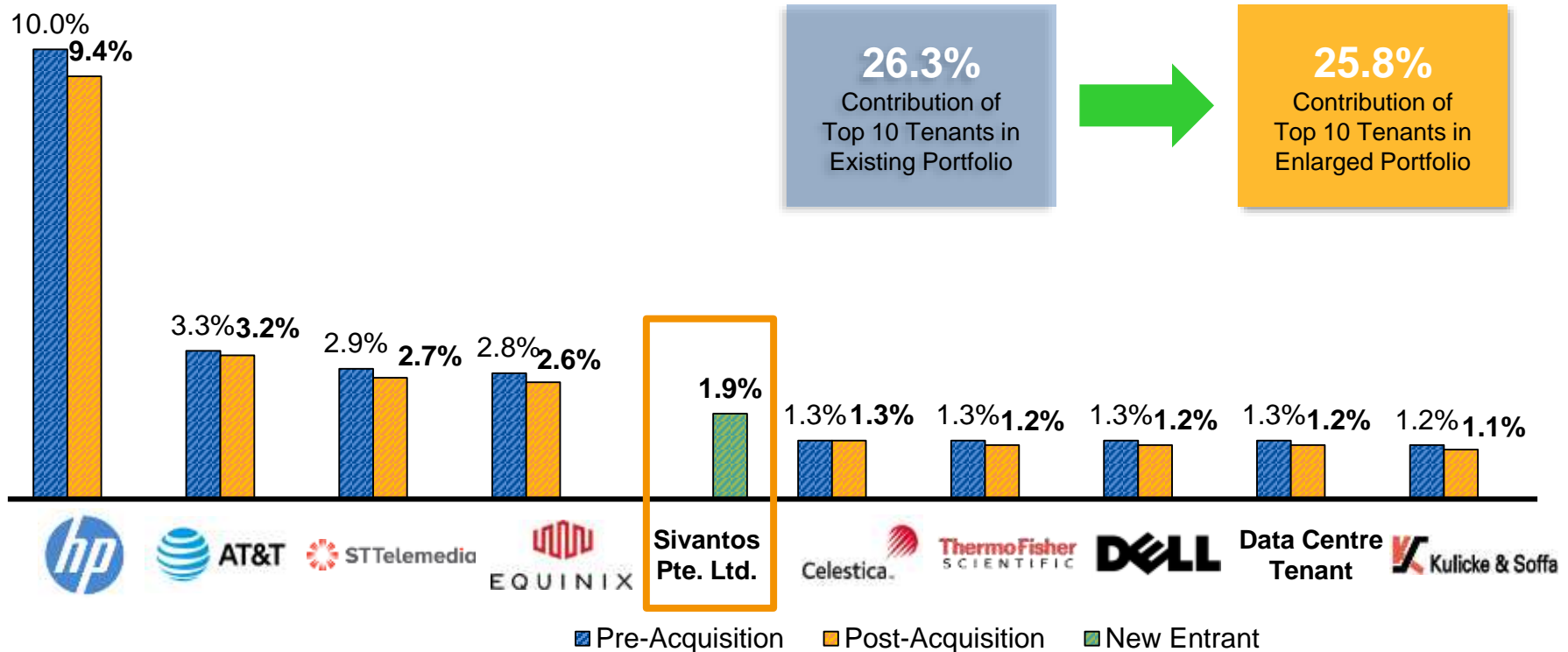
¹ Based on MIT's book value of investment properties and investment properties under development as well as MIT's 40% interest of the joint venture with MIPL in a portfolio of 14 data centres in the United States as at 30 Sep 2018.

² Assumed the Property was acquired as at 30 Sep 2018.

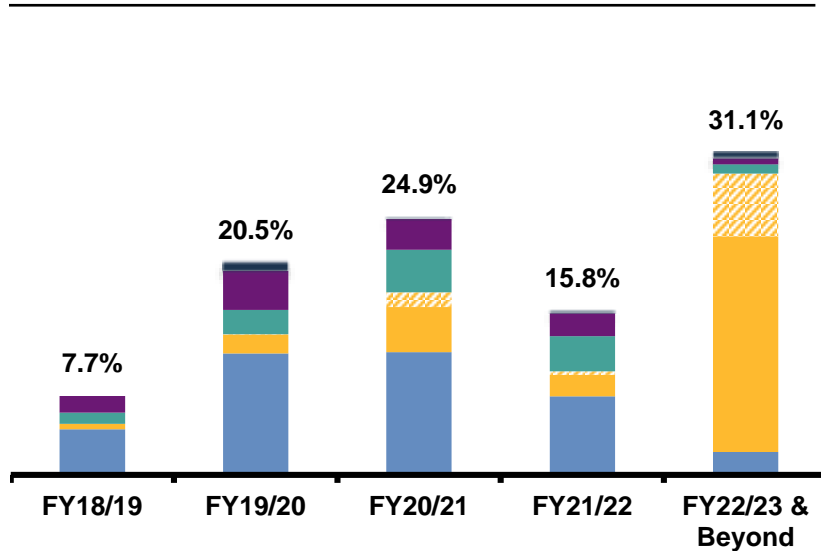
Reduces Maximum Risk Exposure to Any Single Tenant From 10.0% to 9.4%

TOP 10 TENANTS BY GROSS RENTAL INCOME¹

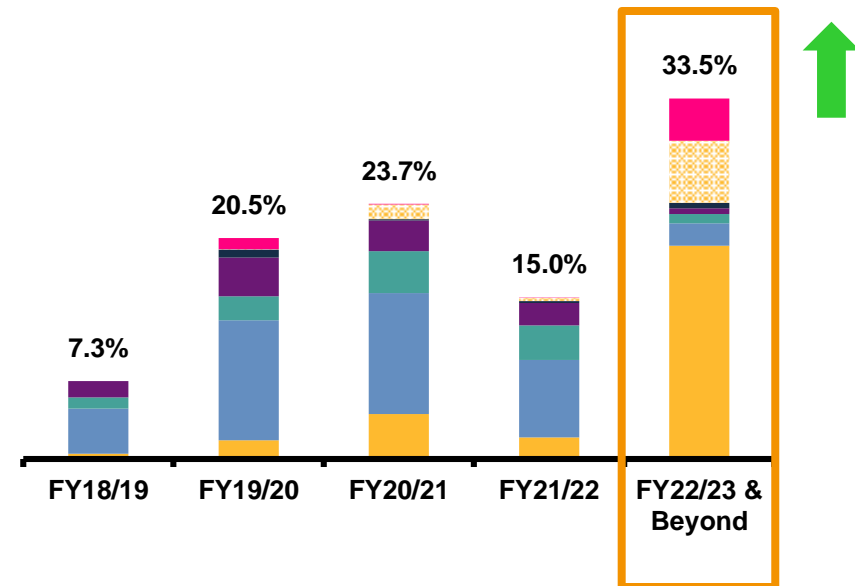
As at 30 September 2018



¹ Based on MIT's 40% interest of the joint venture with MIPL in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

*Improves Lease Expiry Profile for Enlarged Portfolio*Pre-Acquisition: Lease Expiry Profile¹

Portfolio WALE = 3.7 years

Post-Acquisition: Lease Expiry Profile²

Portfolio WALE = 3.7 years

■ Hi-Tech Buildings
 ■ Flatted Factories
 ■ Business Park Buildings
 ■ Stack-up/Ramp-up Buildings
 ■ Light Industrial Buildings
 ▨ US Data Centres
 ■ The Property

¹ Expiring leases by gross rental income as at 30 Sep 2018.

² Expiring leases by gross rental income as at 30 Sep 2018 and assumed the Property was acquired on 30 Sep 2018.



CONCLUSION

18 Tai Seng, Singapore

Strategic Addition of High Quality Asset

- ✦ Unique integrated high-specification industrial development with office and retail spaces
- ✦ Sole property in Paya Lebar iPark with underground pedestrian link to Tai Seng MRT station
- ✦ Centrally located in Paya Lebar iPark with easy accessibility and connectivity

Deepens Presence in Paya Lebar iPark

- ✦ An industrial hub for lifestyle-related and light manufacturing industries
- ✦ Serves as an alternative for businesses to be closer to homes due to proximity to mature housing estates
- ✦ Retail and F&B outlets to enjoy healthy catchment from surrounding industrial buildings

Enhances Quality of MIT Portfolio

- ✦ DPU and NAV accretive to Unitholders
- ✦ Greater income stability and portfolio diversification
- ✦ Continued focus on Hi-Tech Buildings segment



End of Presentation

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