

PRESS RELEASE

Mapletree Industrial Trust to Embark on its Largest Redevelopment Project

*Secured pre-commitment for about 24.4% of space for
new high-tech industrial precinct at Kallang Way*

10 July 2019 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT will be redeveloping the Kolam Ayer 2 Cluster in Singapore into a high-tech industrial precinct (the “Proposed Redevelopment”) at a total project cost of about S\$263 million¹. The Proposed Redevelopment will include a build-to-suit facility (the “BTS Facility”) for a global medical device company headquartered in Germany (the “Anchor Tenant”). The BTS facility will account for about 24.4% of the enlarged gross floor area (“GFA”) upon completion of the Proposed Redevelopment.

New High-tech Industrial Precinct

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “This is an opportune time for us to embark on the Proposed Redevelopment after successfully securing significant pre-commitment from the Anchor Tenant. The Proposed Redevelopment will unlock value for MIT’s portfolio by repositioning the Kolam Ayer 2 Flatted Factory Cluster as a high-tech industrial precinct and utilising untapped plot ratio. In addition, the long-term lease commitment from the Anchor Tenant will provide stable income and increase the portfolio’s weighted average lease to expiry. As MIT’s largest redevelopment project to date, this is another strategic step in growing the Hi-Tech Buildings segment.”

Situated on land of approximately 346,270 square feet (“sq ft”), the Kolam Ayer 2 Cluster at 155, 155A and 161 Kallang Way currently comprises two seven-storey Flatted Factories and an amenity centre. With a GFA of about 506,720 sq ft and an utilised plot ratio of 1.5, the

¹ The total project cost of about S\$263 million includes the book value of the Kolam Ayer 2 Cluster at S\$70.2 million as at 31 March 2019 prior to the commencement of the Proposed Redevelopment.

cluster is zoned for Business 2 use with its land lease tenure of 43 years commencing from 1 July 2008. Located within the Kolam Ayer Industrial Estate, the new high-tech industrial precinct at Kallang Way is close to the MacPherson neighbourhood and a short drive to the Central Business District. It is well-served by the Central Expressway, Kallang-Paya Lebar Expressway and Pan Island Expressway as well as the Geylang Bahru Mass Rapid Transit station. It enjoys prominent frontage along the Pan Island Expressway.

The Proposed Redevelopment of the Kolam Ayer 2 Cluster into a high-tech industrial precinct will increase the utilised plot ratio from 1.5 to 2.5. Upon completion of the Proposed Redevelopment, this will increase the total GFA to about 865,600 sq ft. One of the buildings with GFA of about 211,000 sq ft will be developed as a BTS Facility for the Anchor Tenant. Building on the successful leasing of the recently completed greenfield industrial development at 30A Kallang Place, the Manager will target high value-add and knowledge-based businesses from the advanced manufacturing, information and communications technology sectors for the other blocks with total GFA of about 654,600 sq ft.

Mr Tham said, "Given its excellent connectivity to the public transportation network, the new high-tech industrial precinct has the potential to cater to companies seeking build-to-suit solutions. It will be a choice location for firms looking for high-quality industrial space at the city fringe."

The total project cost of the Proposed Redevelopment, including the development cost of the BTS Facility, is expected to be around S\$263 million¹. The Proposed Redevelopment, which is subject to approvals from the relevant authorities, is expected to commence construction in the second half of 2020 and complete in the second half of 2022.

BTS Facility for a Global Medical Device Company

The Anchor Tenant is a global medical device company headquartered in Germany. The seven-storey purpose-built development will serve as the company's new central hub in Asia Pacific, which include facilities for manufacturing as well as research and development. Upon

the completion of the BTS Facility, the Anchor Tenant is committed to fully lease it for 15 years² with annual rental escalations as well as an option to renew for two additional five-year terms.

Support for Existing Tenants at Kolam Ayer 2 Cluster

A comprehensive Tenant Assistance Package has been put together for the existing tenants at the Kolam Ayer 2 Cluster. Tenants will be offered an extended notice period of 12 months at preferential gross rental rates for their remaining leases at the Kolam Ayer 2 Cluster. They will not be required to reinstate their premises and will not need to compensate for early termination if they choose to move out prior to the expiration of their leases.

All tenants at the Kolam Ayer 2 Cluster will be informed of the Proposed Redevelopment and the Manager will actively help them relocate to alternative clusters within MIT’s portfolio. More than 469,200 sq ft of space at Alternative MIT Clusters³ has been set aside for tenants considering relocation. This is equivalent to about 1.6 times of the space presently occupied by the tenants. Premises at Alternative MIT Clusters will be offered at discounted gross rental rates for new three-year leases. These are about 7% to 33% lower than the average rental rates for new leases at the respective clusters. Rent-free periods and longer fit-out periods of up to nine months, as well as cash subsidies of up to 16 months of gross rents at the Alternative MIT Clusters will be given to tenants who choose to relocate to Alternative MIT Clusters. Tenants who do not take-up a new lease at an Alternative MIT Cluster will also be given a cash subsidy equivalent to six months of gross rent based on preferential gross rental rates (see Tenant Assistance Package - Appendix 1).

MIT’s Tenant Assistance Package is put together to offer viable options for tenants planning to relocate their businesses. With a diverse portfolio of properties strategically located across Singapore, MIT has sufficient space to facilitate their relocation.

² This includes a rent-free period of six months distributed over the first six years. The Anchor Tenant will be responsible for the payment of all operating expenses and property tax of the BTS Facility.
³ Shortlisted units within MIT’s portfolio for tenants at the Kolam Ayer 2 Cluster.



An artist's impression of MIT's new high-tech industrial precinct with BTS Facility on the left

For further information, please contact:

Mapletree Industrial Trust Management Ltd.

Melissa TAN

Director, Investor Relations

Tel: +65 6377 6113

Email: melissa.tanhl@mapletree.com.sg

CHENG Mui Lian

Manager, Investor Relations

Tel: +65 6377 4536

Email: cheng.muilian@mapletree.com.sg

Website: www.mapletreeindustrialtrust.com

About Mapletree Industrial Trust

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

MIT’s property portfolio comprises 87 industrial properties in Singapore and 14 data centres in the United States (40% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 31 March 2019, MIT’s total assets under management was S\$4.8 billion.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

About Mapletree Industrial Trust Management Ltd.

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

About Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd (“MIPL”) is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REIT and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

As at 31 March 2019, MIPL owns and manages S\$55.7 billion of office, retail, logistics, industrial, residential and lodging properties.

MIPL’s assets are located across 12 markets globally, namely Singapore, Australia, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.

TENANT ASSISTANCE PACKAGE

Mapletree Industrial Trust (“MIT”) is offering a comprehensive Tenant Assistance Package to tenants affected by the redevelopment at the Kolam Ayer 2 cluster (blocks 155, 155A and 161 Kallang Way). Existing tenants will be given preferential assistance in addition to an extended notice period of 12 months.

1 Preferential Gross Rental Rate for Existing Lease

- MIT will apply a preferential gross rental rate of S\$1.45 psf/mth (2nd to 7th floor) and S\$1.80 psf/mth (Ground floor) for factory units with effect from 1 Aug 2019.
- Tenants will continue to pay their existing gross rental rates if they are lower.
- This applies until the expiration of their leases or termination date, whichever is earlier.

2 Early Termination without Penalty

- Tenants can terminate their leases without penalty if MIT is given at least one month prior notice in writing.

3 Reinstatement Not Required

- Tenants do not need to reinstate the unit to the original bare condition.
- Tenants will only need to remove all movables, furniture, machinery, equipment, hazardous materials and rubbish in the premises.

4 Discounted Gross Rental Rate¹ at Alternative MIT Cluster²

- Tenants will enjoy a discounted gross rental rate at Alternative MIT Cluster for a new 3-year lease. The discount ranges between 7% to 33% from the average rental rates for new leases at the respective clusters.

5 Extended Fit-out and Rent-free Periods¹

- Tenants will enjoy extended fit-out and rent-free periods of up to nine months at an Alternative MIT Cluster.

6 Cash Subsidy

- Tenants who relocate to an Alternative MIT Cluster will enjoy a cash subsidy of up to 16 months of gross rent³.
- Other tenants who do not take-up a new lease at an Alternative MIT Cluster will also benefit from a cash subsidy equivalent to six months of gross rent based on the preferential gross rental rate.

1 Subject to terms and conditions. Applicable only if tenants sign the lease for the Alternative MIT Cluster on or before the expiration of their leases or termination date, whichever is earlier.

2 Refers to the shortlisted units for Tenants at the Kolam Ayer 2 Cluster. .

3 Based on gross rent at the Alternative MIT Cluster and capped at two times of the area of the existing premises at the Kolam Ayer 2 Cluster.