



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

ANNOUNCEMENT

PROPOSED ACQUISITION OF COLES CHILLED DISTRIBUTION CENTRE, NEW SOUTH WALES, AUSTRALIA

1. INTRODUCTION

Mapletree Logistics Trust Management Ltd., as manager (the “**Manager**”) of Mapletree Logistics Trust (“**MLT**”), is pleased to announce the proposed acquisition of a freehold cold store warehouse located at Eastern Creek, New South Wales, Australia (“**Coles CDC**” or the “**Property**”) by MLT at a purchase consideration of A\$253.0 million (approximately S\$261.5 million¹) in cash (the “**Acquisition**”).

A conditional sale and purchase agreement (the “**SPA**”) in relation to the Acquisition has today been entered into between HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT, through WS Asset Trust, an indirect wholly-owned sub-trust², and BGAI Pty Ltd (a 50-50 joint venture between Brickworks Limited and Goodman Australia Industrial Fund), being an unrelated third party vendor. Pursuant to the SPA, WS Asset Trust will acquire Coles CDC from BGAI Pty Ltd.

2. DETAILS OF COLES CDC

Coles CDC is a high-specifications, freehold cold store warehouse located in Eastern Creek, approximately 35 kilometres west of the Sydney central business district (“**CBD**”). It is strategically located at the intersection of the M4 and M7 Motorways, which provides direct access to the Sydney airport and seaports, as well as the Sydney CBD and major suburbs in Northern, Southern and Western Sydney. The Property was purpose-built for Coles Group Limited (“**Coles**”), Australia’s second largest supermarket chain, and has an agreed 20 year lease until June 2034 in place with Coles.

Coles CDC comprises two blocks of single-storey cold store warehousing facilities with a total gross floor area (“**GFA**”) of 55,395 square metres (“**sqm**”). The Property is sited on 165,200 sqm of land, of which 15,000 sqm of reserve land can potentially yield an additional GFA of 7,000 sqm for future expansion. The original block was completed in 2007 with 43,070 sqm GFA, and is designed for frozen and chilled warehousing. The extension block was completed in 2014 with 12,325 sqm GFA, and

¹ Unless otherwise stated, all S\$ equivalent figures are derived based on the exchange rate of A\$1 = S\$1.0337.

² The Property will be acquired through a special purpose Australian trust, MapletreeLog Frontier Trust (“**Head Trust**”). The Property will be held by a sub-trust named WS Asset Trust under the Head Trust. The trusts are established in Australia, pursuant to trust deeds entered into with The Trust Company (Australia) Limited and The Trust Company Limited, being appointed as the respective trustees of the Head Trust and WS Asset Trust.

is designed for chilled warehousing. The Property is equipped with temperature control of 2°C to -23°C, and has a floor loading capacity of 2.5 ton/sqm and floor-to-ceiling height of 10 to 12 metres. There are 167 recessed loading docks with dock levellers and chilled airlocks, and a generous hardstand area for large trucks parking and manoeuvrability.

3. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Manager's investment objective to deliver regular and stable distributions to its Unitholders through the acquisition of yield-accretive quality income-producing assets. The Manager believes that the Acquisition will bring the following key benefits to MLT's Unitholders:

3.1 Strategic expansion into Australia

The Acquisition marks MLT's maiden entry and geographic expansion into Australia. Australia has a large and developed real estate market that offers opportunities for MLT to scale up with quality assets that meet its investment criteria. With its high quality specifications, long lease term and quality tenant, Coles CDC will be a valuable addition to MLT's portfolio, anchoring MLT's expansion into the Australian market.

3.2 Addition of a high-specifications, freehold warehouse to MLT's portfolio

The Acquisition represents an opportunity for MLT to acquire a high-specifications, freehold cold store warehouse with excellent location in Sydney, the most prime logistics sub-market in Australia.

3.3 Long lease term with quality tenant

The Acquisition is expected to benefit Unitholders by providing a stable income stream with organic growth. Coles CDC is 100% leased to Coles, Australia's second largest supermarket chain and a subsidiary of Wesfarmers Group. Wesfarmers Group is among Australia's top 10 listed companies by market capitalization. The lease agreement with Coles has a long weighted average lease expiry ("WALE") (by lettable area) of 19.0 years as at 1 July 2015 with annual rent increments. The Acquisition will extend MLT's portfolio WALE from 4.2 years³ to 4.5 years.

3.4 Geographic and income diversification

The Acquisition is expected to result in greater diversification with income contribution from a new geographic market that reduces the reliance of income from any single country or property.

3.5 Expected accretive acquisition

The Acquisition is expected to be accretive at the distribution level, and to contribute to the stable and steady growth of the MLT portfolio. The pro forma financial impact of the Acquisition on the distribution per unit ("DPU") of MLT for the 12 months ended 31 March 2015 would be approximately 0.04 Singapore cents per unit in MLT ("Unit"). The pro forma financial impact of the Acquisition on the net asset value ("NAV") per

³ As of 31 March 2015 and factoring in the acquisitions of Dakonet Logistics Centre, South Korea (completed on 11 June 2015) and Mapletree Logistics Park Bac Ninh Phase 1, Vietnam (pending completion).

Unit as at 31 March 2015 is not material as the Acquisition is fully debt funded. (Please see paragraph 5 for further details on the financial effects of the Acquisition.)

4. **PURCHASE CONSIDERATION**

The purchase consideration for the Acquisition ("**Purchase Consideration**") of A\$253.0 million (S\$261.5 million) has been arrived at on a willing buyer and willing seller basis, and taking into account the valuation of Coles CDC by Knight Frank Valuations (the "**Valuer**").

Valuation

Coles CDC has been appraised by the Valuer, which is an independent valuer appointed by HSBC Trustee Limited (in its capacity as trustee of MLT), and its valuation of Coles CDC as at 30 June 2015 is A\$253.0 million (S\$261.5 million). The Valuer has estimated the open market value of Coles CDC using the capitalisation approach, discounted cashflow approach and term and reversion approach.

Payment Terms

5% of the Purchase Consideration was paid as deposit upon the execution of the SPA. The deposit is refundable if approval of the Australian Foreign Investment Review Board is not obtained for the Acquisition. The balance 95% of the Purchase Consideration will be paid on completion.

Estimated Acquisition Cost

The current estimated total cost of the Acquisition is A\$269.8 million (S\$278.9 million) ("**Acquisition Cost**") which comprises:

- (i) the Purchase Consideration of A\$253.0 million (S\$261.5 million);
- (ii) the stamp duty for the SPA of approximately A\$13.9 million (S\$14.4 million), computed at 5.5% of the Purchase Consideration;
- (iii) the acquisition fee payable to the Manager of A\$2.5 million (S\$2.6 million); and
- (iv) professional and other fees and expenses of approximately S\$0.4 million.

5. **METHOD OF FUNDING AND FINANCIAL EFFECTS**

5.1 **Method of Funding**

The Acquisition will be fully debt funded by existing and new banking facilities, with a majority in AUD denominated debt facilities and the balance in SGD denominated debt facilities. Upon completion of the Acquisition, which is expected to be by 30 August 2015, the aggregate leverage ratio of MLT will increase from 34.9%⁴ to 38.5%.

5.2 **Financial Effects**

5.2.1 **Assumptions**

The pro forma financial effects of the Acquisition on DPU and NAV per Unit of MLT presented **are strictly for illustrative purposes only**. The following assumptions were made in computing the pro forma financial effects:

⁴ Based on MLT's aggregate leverage ratio as at 31 March 2015 and including the acquisitions of Dakonet Logistics Centre, South Korea (completed on 11 June 2015) and Mapletree Logistics Park Bac Ninh Phase 1, Vietnam (pending completion).

- (i) the Purchase Consideration and transaction costs are funded by external debt;
- (ii) the acquisition fee payable to the Manager for the Acquisition is 100% paid in cash; and
- (iii) 100% of the management fee is paid to the Manager in cash.

The pro forma effects are for illustrative purposes only and do not represent MLT's actual DPU and NAV per Unit following the completion of the Acquisition.

5.2.2 Pro Forma Financial Effects for the 12 months ended 31 March 2015

(i) Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effect of the Acquisition on the DPU for the 12 months ended 31 March 2015, as if MLT had completed the Acquisition on 1 April 2014 and held and operated Coles CDC through to 31 March 2015, is as follows:

	Pro Forma Financial Effects of the Acquisition for the 12 months ended 31 March 2015	
	Before the Acquisition	After the Acquisition
Net Property Income (S\$'000)	277,445	291,965
Distributable Income (S\$'000)	184,909	185,978
DPU (cents)	7.50	7.54
DPU Yield (%) ⁵	6.73%	6.76%

(ii) Pro Forma NAV per Unit

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effect of the Acquisition on NAV per Unit as at 31 March 2015, as if MLT had completed the Acquisition on 31 March 2015, is as follows:

	Pro Forma Financial Effects of the Acquisition as at 31 March 2015	
	Before the Acquisition	After the Acquisition
NAV (S\$'000)	2,538,273	2,538,273
No. of Units ('000)	2,474,102	2,474,102
NAV per Unit (S\$)	1.03	1.03

6. OTHER INFORMATION

6.1 Relative Figures Computed on the Bases Set Out in Rule 1006

The relative figures as computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Securities Exchange Trading Limited ("**SGX-ST**") are as follows:

⁵ Based on MLT's closing price of S\$1.115 on 29 June 2015, the market day preceding the date of the SPA for the Acquisition.

- (i) the net profits attributable to the assets acquired, compared with MLT's net profits; and
- (ii) the aggregate value of the consideration given, compared with MLT's market capitalisation.

Comparison of:	Coles CDC	MLT	Relative Figure
Net Property Income ⁶ (S\$'000)	14,520	277,445	5.2%
Purchase Consideration against MLT's market capitalisation ⁷ (S\$'000)	261,526	2,768,273	9.4%

As the relative figures in relation to the Acquisition for the basis of comparison above exceeds 5.0% but does not exceed 20.0%, the Acquisition is a transaction which requires disclosure under Chapter 10 of the Listing Manual of the SGX-ST.

6.2 Interest of Directors and Controlling Unitholders

None of the directors of the Manager ("**Directors**") has an interest, direct or indirect, in the Acquisition. 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 Acquisition, and have not received any notification of interest in the Acquisition 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 Acquisition or any other transaction contemplated in relation to the Acquisition.

6.4 Completion

The Acquisition is expected to be completed by 30 August 2015 and will be subject to, among other things, the approval of the Australian Foreign Investment Review Board.

6.5 Acquisition Fee

Upon completion of the Acquisition, an acquisition fee of A\$2.5 million (approximately S\$2.6 million), being 1% of the Purchase Consideration, is payable to the Manager pursuant to the Trust Deed dated 5 July 2004 (as amended) constituting MLT, which the Manager has elected to be paid in cash.

⁶ 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.

⁷ Based on the weighted average price of MLT units of S\$1.1189 on 29 June 2015 and for purposes of this computation, the transaction costs of the Acquisition is excluded.

6.6 Documents for Inspection

Copies of the conditional SPA dated 30 June 2015 and the valuation report on Coles CDC by the Valuer dated 30 June 2015 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

30 June 2015

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.