



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

ANNOUNCEMENT

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE EXTRAORDINARY GENERAL MEETING ON 13 JANUARY 2022

Mapletree Logistics Trust Management Ltd., as manager (the “**Manager**”) of Mapletree Logistics Trust (“**MLT**”), wishes to thank all unitholders of MLT who have submitted their questions in advance of the Extraordinary General Meeting of MLT, which will be held on 13 January 2022, 2.30 p.m. (Singapore Time) at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and by way of electronic means via a live audio-visual webcast and live audio-only stream.

Please refer to Annex A for the list of substantial and relevant questions, and the Manager’s responses to these questions.

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

10 January 2022

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The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.

ANNEX A

1	<p>Do we forecast acquisitions in 2022 to be more or less than 2021? Noting that we have acquired quite a bit in 2021. If yes, which countries are we considering?</p> <p>Response As part of our portfolio rejuvenation strategy, we are continually seeking acquisition opportunities of good quality, well-located properties to strengthen our portfolio. However, as acquisitions are dependent on opportunities, it will be difficult to project the future rate of acquisitions and the geographical markets. We will remain focused on the Asia-Pacific markets. We will also remain disciplined and our evaluation criteria for acquisitions include considerations such as expected DPU-accretion, strategic fit and any value creation opportunities.</p>
2	<p>How does the REIT ensure continued NPI and dividend growth?</p> <p>Response Our portfolio rejuvenation strategy, executed through a three-pronged approach of redevelopment, divestment and acquisition, is to ensure that MLT's assets remain relevant to the evolving market requirements and are well-positioned to capture growth opportunities. We remain focused on strengthening MLT's network connectivity so as to be able to offer our customers a broad range of regional leasing options. Through these efforts, we aim to deliver stable and regular distributions and sustainable long-term growth in DPU to Unitholders.</p>
3	<p>Does it really benefit unitholder when there are more shares issued, thereby diluting the shares?</p> <p>Response The Manager expects the proposed acquisitions of the 13 PRC Properties and 3 Vietnam Properties (the "Proposed Acquisitions") to be accretive to Unitholders on a <i>pro forma</i> basis in respect of DPU and NAV per Unit after taking into account the expanded Unit base due to the equity fund raising.</p> <p>The <i>pro forma</i> DPU accretion is estimated to be about 1.1% including Income Support. The <i>pro forma</i> NAV per Unit is estimated to increase to S\$1.37 after the Proposed Acquisitions, from S\$1.33 as at 31 March 2021.</p> <p>Please refer to paragraph 6 of the circular to Unitholders dated 22 December 2021 (the "Circular") for the financial effects of the Proposed Acquisitions.</p>
4	<p>Why is the company considering investing more in the Chinese market considering it is seemingly not an ideal environment given the recent government regulatory clampdown on various sectors? Is Mapletree ready/have a plan with regards to this development?</p> <p>Response Based on our understanding, the Chinese government's recent regulatory clampdown on sectors such as technology, gaming, education and property is prompted by, amongst others, the objectives of curbing monopolistic market activity, enhancing data security and ensuring "common prosperity".</p> <p>The Manager believes that the logistics sector has not been disadvantaged by the government's regulatory tightening actions and that infrastructure and logistics hubs development have always been top priorities on the national agenda. They often receive strong government support as they help promote economic growth and urbanisation, especially for the less developed areas.</p>

	<p>The proposed acquisitions of the 13 PRC Properties, all of which are Grade A logistics facilities, will deepen and expand MLT's presence in China, positioning MLT well to capitalise on the favorable market trends and capture growth opportunities.</p>
<p>5</p>	<p>With China still pursuing Covid-zero, what is the projected growth or future growth strategy and prospects for properties in China?</p> <p><u>Response</u> We believe the long-term fundamentals of the Chinese logistics sector remain compelling, driven by urbanisation and domestic consumption growth, including e-commerce, which underpins the strong demand for Grade A logistics facilities. At the same time, the supply of Grade A facilities in China (and Vietnam) is relatively limited. In addition, the 13 PRC Properties built to Grade A specifications are designed to be modular and versatile to support flexible leasing solutions, enabling them to cater to tenants from a broad range of different industries and enhancing their resilience.</p>
<p>6</p>	<p>What is special about these 13 logistics assets located in the PRC and the 3 assets in Vietnam that has attracted your attention? And how do you see these assets benefitting unit holders?</p> <p><u>Response</u> The 13 PRC Properties and 3 Vietnam Properties are Grade A facilities located in close proximity to large population catchments. The Proposed Acquisitions position MLT well to capture market opportunities driven by positive demand-supply dynamics in these markets, which include increasing urbanisation, consumption growth and a limited supply of Grade A warehouse space.</p> <p>In addition, higher e-commerce adoption and a greater emphasis on supply chain resiliency due to the pandemic have led to stronger demand for modern logistics facilities.</p> <p>The addition of these 16 assets will further strengthen MLT's network connectivity. A growing network enables MLT to offer customers a variety of leasing options in multiple cities, which enhances its competitive advantage. After the Proposed Acquisitions, 57% of MLT's tenants in China will be leasing space in more than one MLT asset in China, up from 44% currently.</p> <p>As mentioned in the response to Question 3 above, the Manager expects the Proposed Acquisitions to be accretive to Unitholders on a <i>pro forma</i> basis in respect of DPU and NAV per Unit after taking into account the expanded Unit base due to the equity fund raising.</p>
<p>7</p>	<ol style="list-style-type: none"> 1) Why is the EGM not conducted before the launch of the Preferential Offering so that unitholders could pose their questions before making their decision on their subscription of the units? 2) The deal's pro forma figures were based on initial assumption that units issued via the Preferential Offering (PO) is priced at S\$1.92. Later, the price range of the PO units was S\$1.82 to \$1.87, which was below S\$1.92 and why is this so? With the PO units fixed at S\$1.84, what is the latest DPU and NAV accretion? 3) What is the background of this acquisition? Did MLT approach the Sponsor or vice versa? 4) What is the due diligence performed for this acquisition. Did the team visit the assets? 5) Which Board Directors did not take part in the Preferential Offering and could they individually shed some light on their decision? 6) Would MLT venture beyond its current markets for future acquisitions such as in USA and Europe as these are areas the Sponsor is in as well

Response

- 1) The purpose of holding the EGM is to seek Unitholders' approval for three resolutions with respect to a) the proposed acquisitions of a 100% interest in 13 PRC Properties and 3 Vietnam Properties as interested person transactions; b) the proposed issue of 106,382,979 new units in MLT as partial consideration for the PRC Acquisitions; and c) the proposed Whitewash Resolution. At the EGM, Unitholders will be able to raise questions with respect to these resolutions and decide if they wish to approve the resolutions.

On the other hand, the Equity Fund Raising ("EFR") exercise was to raise funds to partially finance the proposed acquisitions of the 13 PRC Properties, 3 Vietnam Properties and a Japan Property. The timing of an EFR is dependent on market conditions. The Manager assessed that market conditions were conducive to launch the EFR on 23 November 2021. In the event that MLT did not proceed with the Proposed Acquisitions, proceeds from the EFR shall be re-deployed to fund future investments and/or to pare down debt. To-date, part of the funds raised from the EFR had been utilised for the acquisition of the Japan Property which was completed on 16 December 2021.

- 2) The announcement in respect of the Proposed Acquisitions was issued on 22 November 2021. The announcement in respect of the proposed acquisition of the Japan Property was also issued on the same day.

Both announcements contained the typical pro forma financial effects of the acquisitions. For instance, paragraph 5 of the announcement for the Proposed Acquisitions begins with the following words:

"FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on the FY20/21 Financial Statements, taking into account the Total Acquisition Cost, the Loan Facilities, the Consideration Units and assuming approximately S\$500.0 million from the gross proceeds of the Equity Fund Raising issued at an illustrative issue price of S\$1.92 to partially fund the Total Acquisition Cost ... "

Each of the sub-paragraphs that follow also begin with the words **"FOR ILLUSTRATIVE PURPOSES ONLY"**.

At the time of announcement of the acquisitions on 22 November, there was no certainty on the timing and terms of the EFR, hence an illustrative issue price of S\$1.92 was used. The decision to launch the EFR with the price range was only taken in the morning of 23 November after monitoring overnight US market conditions.

For reference, the illustrative price of \$1.92 compares to MLT's volume weighted average price of \$1.95 on 22 November 2021 (date of announcement of Proposed Acquisitions), \$1.96 for the prior week and \$1.98 for the prior month.

Based on the issue price of S\$1.88 for the private placement and S\$1.84 for the preferential offering, the *pro forma* DPU accretion is estimated to be about 1.1% (including Income Support) for the Proposed Acquisitions. Including the acquisition of the Japan Property, the combined *pro forma* DPU accretion would be 2.0%, assuming that the Japan Property had a stabilised occupancy rate of 100.0%.

The *pro forma* NAV per Unit is estimated to increase from S\$1.33 as at 31 March 2021 to S\$1.37 after the Proposed Acquisitions. Including the acquisition of the Japan Property, the *pro forma* NAV per Unit would be S\$1.38, assuming that the Japan Property had a stabilised occupancy rate of 100.0%.

	<p>Please refer to paragraph 6 of the Circular for the financial effects of the Proposed Acquisitions.</p> <p>3) As part of the portfolio rejuvenation plan, we are continually seeking acquisition opportunities of good quality, well-located properties and we are open to acquire from both the Sponsor, Mapletree Investments Pte Ltd, and third parties. In this case, we had approached the Sponsor for the Proposed Acquisitions.</p> <p>4) Similar to other acquisitions, the due diligence process for the Proposed Acquisitions includes, amongst others, evaluations from the technical, legal, tax, finance and valuation perspectives as required. Site visits would also be conducted where necessary. In particular, the technical consultants and the valuers would be required to undertake physical inspections as they would assess and review the condition of the assets as part of their evaluation works.</p> <p>In addition, as these are interested party transactions, two independent valuations are required for each of the 16 properties. In this regard, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT, and the Manager have each commissioned independent property valuers to value the 16 properties.</p> <p>5) All directors of the Manager holding MLT units at the time of the Preferential Offering (namely Mr Lee Chong Kwee, Mr Tarun Kataria, Mr Lim Joo Boon, Ms Wendy Koh and Ms Ng Kiat) may subscribe for new Units under the Preferential Offering to the extent that they were existing Unitholders. They had each subscribed in full for their respective provisional allotment of the new Units.</p> <p>6) Our mandate is Asia-Pacific and we have no immediate plans to expand it.</p>
<p>8</p>	<p>Post acquisition, the gearing would be little changed (from 39% to 39.1%). Have the manager considered funding the acquisition with more debt and less equity? (A gearing level in the low 40%, perhaps 42%, would still be comfortable given the gearing limit of 50%.) Why did the manager not do so? This is especially given the fact the interest rates would be rising soon and locking in more debt at low interest rates sounds like a good idea. Please comment.</p> <p>Response Consistent with MLT's past practice, in the case of sizeable acquisitions, the Manager has undertaken an equity raising to partially finance the Proposed Acquisitions so that gearing is reset to around or below 40% on a <i>pro forma</i> basis. This will create the debt headroom for the Manager to fund asset enhancement initiatives or to take advantage of attractive third-party acquisition opportunities that may arise.</p>
<p>9</p>	<p>Are there plans to merge MLT and MIT?</p> <p>Response We have no plans to merge MLT and MIT. We believe that there is sufficient differentiation between MLT and MIT in terms of asset type, geography and tenant profile, and they are both operating at a meaningful scale individually with promising growth prospects in their respective sectors. Hence, there is no compelling reason to merge.</p>
<p>10</p>	<p>Please explain the proposed whitewash resolution.</p> <p>Response In support of MLT and to reduce the cash outlay required for the Proposed Acquisitions, the Sponsor has agreed to receive Consideration Units as partial consideration for the PRC Acquisitions.</p>

In this regard, the Manager has proposed to issue approximately S\$200.0 million worth of Consideration Units to an MIPL subsidiary as partial consideration for the PRC Acquisitions. The receipt of the Consideration Units will result in MIPL and its Concert Parties acquiring more than 1.0% of the voting rights of MLT in a six-month period and thereby trigger the requirement for MIPL and its Concert Parties to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for Units not already owned or controlled by MIPL and its Concert Parties.

The proposed Whitewash Resolution refers to a resolution to be approved by Unitholders other than MIPL and its Concert Parties and parties which are not independent of them by way of a poll to waive their rights to receive a general offer from MIPL and its Concert Parties at a general meeting of Unitholders.

Please refer to Paragraph 7 of the Circular for further details of the proposed Whitewash Resolution.