press release

For Immediate Release

PROPOSED ACQUISITION OF THREE HONG KONG PROPERTIES WORTH HK$799M AND EQUITY FUND RAISING

Highlights

- Proposed acquisition by Mapletree Logistics Trust (MapletreeLog) of three properties in Hong Kong worth HK$799 million or S$173.5 million, held erstwhile by the Mapletree Overseas Holdings Ltd (MOHL), a wholly owned subsidiary of the Sponsor Mapletree Investments Pte Ltd (Mapletree). The transaction is therefore deemed an interested party transaction (IPT).

- Equity fund raising (EFR) of up to S$206 million to partially fund nine new properties:

    - The three Hong Kong properties, collectively called the Hong Kong IPT properties.

    - Ouluo Logistics Centre in Shanghai worth S$25.3 million and another five Singapore properties totalling S$93.3 million. Sales and purchase agreements for these six assets were signed in the last two months.

Singapore, 22 December 2005 – Mapletree Logistics Trust Management Ltd. (MLTM), manager of Mapletree Logistics Trust (MapletreeLog), is pleased to announce that its trustee, HSBC Institutional Trust Services (Singapore) Limited, has given its approval for the Hong Kong IPT acquisitions. The Manager has therefore issued a circular dated 22 December to all its existing unitholders setting out the details of the IPT properties and EFR.

Met 58% of the S$500m acquisition target for 1H06
The proposed Hong Kong IPT acquisitions together with the maiden overseas acquisition last month of Ouluo Logistics Centre in Shanghai is a culmination of the Manager's belief in the high-growth of the regional logistics sector and its ability to execute yield accretive acquisitions with organic growth potential outside of the home base. These overseas forays mark MapletreeLog as the first Singapore REIT to have started building a regional platform, an important prerequisite in effectively following and supporting its logistics customers in Asia.

In the 3Q05 results announcement made last month, the Manager indicated its optimism in securing some S$500 million worth of acquisitions by the first half of 2006. The three Hong Kong IPT acquisitions and the other six announced acquisitions amount to S$292.1 million or 58% of the S$500 million target the Manager had set. The Manager is continuing to pursue the S$1 billion worth of assets under various intensities of negotiations.

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A subsidiary of mapletree

Hong Kong IPT properties
Strategic location
The three properties – one in Tsuen Wan and two in Shatin – are well located, within cargo centres and industrial zones within easy access to key transport nodes such as airport and seaport. Hong Kong's Chek Lap Kok Airport was ranked as the second largest international air cargo handler in the world with a throughput of 3.1 million metric tonnes last year and its seaport was ranked the busiest in the world with a throughput of 21.9 million twenty-foot equivalent units (TEUs) in 2004.

Rationale
The three Hong Kong IPT properties are expected to generate a NPI yield of 6.4%, higher than the implied NPI yield of 4.9%[1]. Mr. Chua Tiow Chye, Chief Executive Officer of MLTM, said, "Beyond the initial accretion, we are optimistic that organic growth from the Hong Kong properties will be robust. Property consultants are projecting rental growth of about 10-15% over the next three years. This 3-5% per annum rental growth for Hong Kong is more upbeat compared to the 1-2% yearly rental growth envisaged for the Singapore market."

"As we expand and diversify regionally, we would like to re-shape our portfolio mix to add more organic growth to supplement our otherwise very defensive core home-based assets. Tactically, we want to include more multi-tenanted properties structured on shorter lease terms in markets showing healthy growth potential. This allows us to take better advantage of the rising rents – a tactical approach we have adopted for Hong Kong and China, two markets which are showing significant underlying strength thanks to a happy combination of supply shortage and strong demand for logistics facilities," Mr. Chua added.

Table 1: Hong Kong IPT properties

Property	Independent valuer	Date of valuation	Appraised value (foreign currency)	Appraised value (S$)*	Purchase consideration
Shatin No. 2	DTZ	25-Nov-05	HK$346.0m	S$75.1m	HK$341.0m/
	Knight Frank	21-Nov-05	HK$360.0m	S$78.1m	S$74.0m*
Shatin No. 3	DTZ	25-Nov-05	HK$291.0m	S$63.1m	HK$252.0m/
	Knight Frank	21-Nov-05	HK$290.0m	S$62.9m	S$54.8m*
Tsuen Wan No. 1	DTZ	25-Nov-05	HK$213.0m	S$46.2m	HK$206m/
	Knight Frank	21-Nov-05	HK$213.0m	S$46.2m	S$44.7m*

* Based on an exchange rate of S$1.00 to HK$4.61

[1] Based on the closing unit price of S$0.97 as at Dec 21.

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Independent financial adviser (IFA): fair deal

The three Hong Kong IPT acquisitions are subject to the approval of unitholders at the extraordinary general meeting (EGM) scheduled on 18 January 2006. The IFA, ANZ Singapore Limited (ANZ), in its letter to the independent directors and the trustee, has found the IPT acquisitions to be "on normal commercial terms and is not prejudicial to the interests of MapletreeLog and its minority unitholders"[2]. ANZ based its view on the following:

- The aggregate purchase consideration of the IPT properties of HK$799 million is lower than both the open market property valuations appraised by two independent valuers in Hong Kong - DTZ of HK$850 million and Knight Frank of HK$863 million;
- The IPT properties are expected to generate a NPI yield of 6.4%, which is above the average NPI yield of approximately 5.8% for comparable warehouse transactions in Hong Kong;
- The occupancy rates of the Hong Kong IPT properties of between 99.0% to 100% are above the average occupancy rates for Hong Kong logistics properties of 97.7% for the third quarter of 2005.

Funding of the nine properties

The total estimated cost of acquiring the nine properties amount to S$301.5 million – S$292.1 million in aggregated purchase consideration and the remaining S$9.4 million in associated acquisition costs, fees and expenses relating to the acquisitions and the EFR. Outside of the three Hong Kong IPT properties, MapletreeLog's trustee and the respective vendors have over the last two to three months signed the sales and purchase agreements for the remaining six assets. Details of the nine properties are summarized in Table 2.

It is intended that MapletreeLog will finance all the acquisition costs relating to the above acquisitions from the net proceeds of the EFR and additional borrowings. The Manager is proposing to issue such number of new units via ATM offering and private placement to investors so as to raise up to an aggregate of S$206 million[3] in gross proceeds.

Impact of the proposed IPT acquisitions and EFR

Assuming a weighted average issue price of S$0.95, the forecast distribution per unit (DPU) for FY06 for the enlarged portfolio of 27 properties is estimated at 4.56 cents. This translates into a distribution yield of 4.8% based on a unit price of S$0.95. The forecast of 4.56 cents represents a 8.11% accretion over the FY06 forecast DPU of 4.22 cents for the initial IPO portfolio of 15 properties .

[2] Please refer to Appendix 6 of the circular for the full letter.
[3] Assuming no consideration units are issued.

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Table 2: Information on the 9 properties

	Property Type	Price (S$m)	FY06E NPI yield (%)	Major tenants
Hong Kong IPT Properties				
Shatin No. 2 *	Non-FTZ 3PL	74.0[1]	6.5	Taiun, Zuellig Pharma
Shatin No. 3 *	Non-FTZ 3PL	54.8[1]	6.3	MOL Logistics, Hitachi Transport
Tsuen Wan No. 1 *	Non-FTZ 3PL	44.7[1]	6.5	Yusen Air & Sea Service
China Property				
Ouluo Logistics Centre	Non-FTZ 3PL	25.3[2]	6.5	DHL, Sagawa, Naya Logistics
Singapore Properties				
20 Old Toh Tuck Rd *	Distribution Centre	11.6	7.3	Popular Holdings
4 Tuas Ave 5 *	Distribution Centre	13.0	7.3	Kim Seng Holdings
4 Toh Tuck Link *	Non-FTZ 3PL	11.0	8.0	Markono Logistics
2 Serangoon North Ave 5	Industrial warehousing	45.0	7.1	Fu Yu Corp
Tang Logistics Centre	Non-FTZ 3PL	12.7[3]	7.2	Tang Logistics Centre
Total		**292.1**		

Notes:
* Denotes part of the 11 assets "warehoused" by the Sponsor.
1) Based on an exchange rate of S$1.00 to HK$4.61
2) Based on exchange rate of S$1.00 to RMB4.75
3) Reflects purchase price excluding the existing ASRS warehouse and new warehouse extension.

Capital and risk management

After the acquisition of the nine properties and the EFR, MapletreeLog's aggregate leverage is expected to increase from 24.2% (based on the current existing portfolio of 18 properties[4]) to 27.0% (based on the enlarged portfolio[5]). The Manager believes that this leaves MapletreeLog with a reasonably high level of leverage capacity to enjoy the financial flexibility to acquire additional

[4] The initial 15 properties as at IPO plus another three completed acquisitions since listing - 97 Ubi Avenue 4, 8 Loyang Crescent and APICO Industrial Building
[5] Assuming the existing 18 properties plus the nine new properties were acquired on 30 September 2005.

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properties that arise in the course of business. This objective will be balanced by the Manager's aim to take advantage of any low cost of borrowings to fund the trust's overseas acquisitions, to maximize the natural hedge and to optimize any tax shelters.

Benefits of the nine acquisitions to Unitholders

Yield accretion

The Manager expects the nine acquisitions to improve the DPU enjoyed by unitholders because the properties will be acquired at attractive prices relative to the cashflows they generate. The nine properties will generate a consolidated NPI yield of 6.7% for FY06, higher than the consolidated implied NPI yield of approximately 4.9%[6].

Multi-tenanted facilities with organic growth potential

The four overseas assets out of the nine new properties are multi-tenanted facilities with potential to provide good organic growth to the entire portfolio as rental reversion is expected when the short-term tenancies expire. Such rental growth would complement the more defensive long-term leases that characterize most of the Singapore-based assets.

Enhanced portfolio diversification

In line with MapletreeLog's overall strategy, the acquisitions will further enhance the diversification of the trust's portfolio by geography, asset type and the quality of its tenant base. The new acquisitions have added more multinational third party logistics players to the trust's tenant base, including Zuellig Pharma, MOL Logistics, Hitachi Transport, Yusen Air & Sea Service, DHL Danzas, Sagawa and Naya Logistics. Post acquisitions, the exposure to Pulau Sebarok, the largest single asset in the portfolio, will be reduced from 16.2% to 9.8% in terms of contribution to gross revenue. Tenant concentration is also expected to fall: contribution of the largest tenant, Teckwah Industrial, will decline from 14.1% to 8.5% in terms of gross revenue.

Greater economies of scale

The acquisitions will substantially enlarge the portfolio of MapletreeLog and this could generate possible cost synergies and create economies of scale leading to lower operating costs.

Increased trading liquidity

Post the EFR, the issued share base is expected to increase significantly, by about 34.9%. This will improve the trading liquidity of the units.

Alignment of interests between Sponsor and unitholders

As the manager views the Hong Kong IPT properties as attractive acquisitions for MapletreeLog in terms of accretion and total return, it was agreed that MapletreeLog would, subject to the relevant approvals being obtained, issue the consideration units to MOHL (a wholly-owned subsidiary of the Sponsor) and/or its nominees to further align Mapletree's interest with those of the other minority unitholders.

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[6] Based on the 30 September 2005 annualized NPI for the initial 15 properties and MapletreeLog's enterprise value as at 16 December 2005.

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Subsequent to the issue of the consideration units and EFR, Mapletree is able to restore its stake in MapletreeLog to 30%, its holding as at IPO. Its interest was reduced to 27.6% in November following the private placement. The issue of the consideration units to Mapletree will also help MapletreeLog save fees to the joint financial advisers, lead managers and underwriters estimated at around S$1.8 million.

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About MapletreeLog (www.mapletreelogisticstrust.com)
MapletreeLog, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. Its principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. It has an initial portfolio of 15 logistics assets in Singapore valued at S$422.0 million (as at 30 September 2005). MapletreeLog is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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Important Notice

APPENDIX I

Asset	Occupancy Rate	Lettable Area sqm	% of Lettable Area sqm	Gross Revenue for the month of Sept 05 ($)	% of Total Gross Revenue
FTZ 3rd Party Logistics Properties					
70 Alps	100.0%	21,407.9	2.2%	389,901.0	7.3%
60 Alps	100.0%	12,674.0	1.3%	198,688.8	3.7%
61 Alps	100.0%	12,388.0	1.2%	182,391.0	3.4%
Non-FTZ 3rd Party Logistics Properties					
6 Changi South Lane	100.0%	14,523.9	1.5%	132,083.3	2.5%
TIC Tech Centre	90.5%	30,758.0	3.1%	487,620.9	9.1%
LiFung Centre	100.0%	23,628.6	2.4%	175,354.2	3.3%
4 Toh Tuck Link	100.0%	8,641.0	0.9%	83,710.8	1.6%
Tang Logistics Centre	100.0%	9,573.0	1.0%	85,835.0	1.6%
Ouluo Logistics Centre, Shanghai	100.0%	33,246.4	3.4%	151,631.1	2.9%
Tsuen Wan No 1, HK	99.2%	17,093.8	1.7%	270,341.1	5.1%
Shatin No 2, HK	100.0%	25,852.5	2.6%	430,509.5	8.1%
Shatin No 3, HK	99.4%	19,799.5	2.0%	336,983.2	6.3%
Distribution Centre Properties					
21/23 Benoi Sector	100.0%	22,519.0	2.3%	193,916.7	3.6%
Ban Teck Han Building	100.0%	14,693.7	1.5%	136,264.0	2.6%
Tentat Districentre	100.0%	13,397.0	1.4%	134,833.3	2.5%
APICO Industrial Building	100.0%	7,232.1	0.7%	55,170.0	1.0%
20 Old Toh Tuck Road	100.0%	7,658.0	0.8%	79,316.2	1.5%
4 Tuas Ave 5	100.0%	11,512.4	1.2%	94,107.5	1.8%
Food & Cold Storage Logistics Properties					
CIAS Flight Kitchen	100.0%	22,135.8	2.2%	130,416.8	2.5%
201 Keppel Road	100.0%	58,698.4	5.8%	134,876.9	2.5%
Oil & Chemical Logistics Property					
Pulau Sebarok	93.3%	501,905.9	50.7%	522,438.9	9.8%
Industrial Warehousing Properties					
531 Bt Batok Street 23	100.0%	18,871.0	1.9%	142,166.7	2.7%
KLW Industrial Building	100.0%	14,970.9	1.5%	150,000.0	2.8%
11 Tai Seng Link	100.0%	10,312.5	1.0%	113,304.5	2.1%
97 Ubi Ave 4	100.0%	10,469.2	1.1%	112,666.7	2.1%
8 Loyang Crescent	100.0%	14,521.5	1.5%	108,916.7	2.0%
2 Serangoon North Ave 5	100.0%	30,910.2	3.1%	299,416.7	5.6%
Total/ Weighted Average	**96.3%**	**989,394.2**	**100.0%**	**5,332,861.4**	**100.0%**

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