

*For Immediate Release*

## PROPOSED ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI, HONG KONG SAR

- *Compelling opportunity to acquire prime, modern warehouse in Hong Kong*
- *Major step to strengthen MLT's presence in Hong Kong, an attractive logistics market*
- *Proposed Acquisition is expected to provide 5.7% net property income ("NPI") yield and be distribution per unit ("DPU") accretive*

**Singapore, 28 August 2017** – Mapletree Logistics Trust Management Ltd., as manager (the "Manager") of Mapletree Logistics Trust ("MLT" or the "Trust"), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), in its capacity as trustee of MLT, has entered into a conditional share purchase agreement with Mapletree Overseas Holdings Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd, to acquire Mapletree Logistics Hub Tsing Yi in Hong Kong SAR (the "Property") for a purchase consideration of approximately HK\$4.8 billion (S\$834.8 million<sup>1</sup>) (the "Acquisition").

Ms Ng Kiat, Chief Executive Officer of the Manager, said, "Hong Kong has consistently been one of MLT's best performing markets and continues to show great promise, due to sustained demand and limited supply. This acquisition will increase our net lettable area in Hong Kong by more than 70% to 3.8 million square feet, and strengthen MLT's position as a major player to meet the growing logistics demand in Hong Kong."

"With its prime logistics location, modern specifications and 100% committed occupancy with quality tenants, this acquisition will enhance MLT's income and tenant diversification. It is also expected to provide a NPI yield of 5.7% and be DPU accretive to our Unitholders," added Ms Ng.

### **About the Property**

The Property is an 11-storey modern ramp-up warehouse with a net lettable area of 148,065 square metres. Located at Tsing Yi, the Property is in close proximity to the Kwai Chung – Tsing Yi container terminals, and is also well connected by highways to the city centre, the Hong Kong

<sup>1</sup> Based on the exchange rate of S\$1 = HK\$5.750.

International Airport and the Mainland China boundary. It is a choice location for both local and international distribution.

The Property has high quality building specifications which cater to modern logistics tenant needs. These include large, regular shaped floor plates ranging from 36,000 square feet ("sq ft") to 147,000 sq ft and column-to-column spacing of 12 metres by 11 metres, which allow for an efficient internal set up, a clear height of 5.5 metres for three-pallet storage, and a floor loading of 17.5 kiloNewtons. The Property is designed for operating at a high level of throughput on a 24/7 basis. The Property is also accredited with the LEED Gold Award, the most widely used green building rating system in the world.

As one of only 14 modern warehouses in Hong Kong<sup>2</sup>, the Property enjoys 100% committed occupancy. It is leased to 12 high quality and reputable tenants, including Ever Gain, adidas, HKTV and DKSH. They represent a range of logistics demand, including air/sea freight, third-party logistics, e-commerce and cold storage. The tenants are from diverse trade sectors which are largely consumer-related, such as consumer staples, fashion and apparel, food and beverage, and health care products.

### **Rationale and Benefits of the Acquisition**

Hong Kong is an attractive logistics market underpinned by favourable underlying fundamentals. Its strategic location as the key gateway to China and its position as a key global transport hub have supported demand for warehouse space. The growth of e-commerce in both Hong Kong and Mainland China is providing another new source of demand for logistics space. Savills<sup>2</sup> projects that the Hong Kong logistics market will continue to experience limited supply and low vacancy rates while rental premiums for modern warehouses will be sustained.

The Property is a strategic addition to MLT's existing portfolio. Following the Acquisition, Hong Kong will become the second largest income contributor to MLT accounting for 27% of its NPI, up from 17% previously. In addition, three of the Property's tenants will be amongst the top ten tenants of MLT, further reducing the risk exposure of the Trust to any single tenant and diversifying the Trust's tenant base.

---

<sup>2</sup> Source: Savills, Hong Kong Logistics Market Overview and Individual Asset Analysis.

The agreed property value of HK\$4.8 billion for the Property represents a discount of approximately 3.0% and 2.4% to the independent valuations conducted by Colliers (commissioned by the Manager) and CBRE (commissioned by the Trustee) respectively. Including acquisition-related expenses, the total acquisition cost is expected to be approximately HK\$4.9 billion (S\$847.6 million).

### **Funding for the Acquisition**

The Manager intends to fund the Acquisition with a combination of equity and debt. The final funding structure will be decided by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU accretion to Unitholders while maintaining an optimum level of aggregate leverage.

The Acquisition is subject to approval by Unitholders at an extraordinary general meeting to be held on 13 September 2017 as it constitutes an “interested person transaction” under the Listing Manual of the Singapore Exchange Securities Trading Limited and an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes. For more details, please refer to the Circular to Unitholders dated 28 August 2017.

**= END =**

For enquiries, please contact:  
Ms Lum Yuen May  
Vice President, Investor Relations  
Tel: +65 6659 3671  
Email: lum.yuenmay@mapletree.com.sg

### **About Mapletree Logistics Trust (MLT)**

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST Mainboard on 28 July 2005. MLT’s principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 31 July 2017, it has a portfolio of 125 logistics assets in Singapore, Hong Kong SAR, Japan, China, South Korea, Australia, Malaysia and Vietnam, with a total book value of S\$5.4 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit [www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com).

### **About Mapletree Investments Pte Ltd (Mapletree)**

Mapletree is a leading real estate development, investment and capital 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, the Group has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

Mapletree currently manages four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom (UK) and the United States (US).

As at 31 March 2017, Mapletree owns and manages S\$39.5 billion (~US\$29 billion) of office, retail, logistics, industrial, residential, corporate housing / serviced apartment, and student housing properties.

The Group's assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, Mapletree has established an extensive network of offices in these countries.

For more information, please visit [www.mapletree.com.sg](http://www.mapletree.com.sg).

### Important Notice

The value of units in MLT ("Units") and the income 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 may only deal in their Units through trading on the 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 its future performance.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.