

ANNOUNCEMENT

REUTERS' ARTICLE ON MAPLETREE LOGISTICS TRUST

Mapletree Logistics Trust Management Ltd. (as the manager of Mapletree Logistics Trust) wishes to submit for information, a news article which appeared on Reuters' newswires on 29 March 2007.

Mapletree looks outside crowded Singapore

By Sebastian Tong

SINGAPORE, March 29 (Reuters) - Singapore's Mapletree Logistics Trust expects to make its first acquisitions in South Korea and Vietnam this year as it continues to diversify its portfolio of warehouses and container depots out of the city-state, its chief said on Thursday.

The property trust, which has a market value of S\$1.4 billion (\$943 million) and a portfolio worth about S\$2 billion (\$1.32 billion), also plans to buy its first asset in India next year.

"At the moment, our growth comes from mature markets such as Singapore, Hong Kong and Japan, but in the medium term our growth will be harnessed around bigger emerging markets such as India and China," Mapletree Logistics Chief Executive Officer Chua Tiow Chye told Reuters.

"We don't need to be heavily reliant on Singapore for growth. Singapore has reached a stage where the serious players are not prepared to buy (assets) at all costs. We're not sticking around for a price war," Chua said.

After Singapore, where the trust earns 55 percent of its revenue, Hong Kong is the second-largest contributor to Mapletree Logistics' top line, accounting for 20 percent. Japan accounts for 14 percent following the trust's acquisition last week of five properties there worth S\$350.8 million.

China and Malaysia account for 6 percent and 5 percent of revenue, respectively. The trust -- a third owned by Singapore state investor Temasek Holdings via Mapletree Investments -- faces intense competition for industrial assets in tiny Singapore.

Australian real estate manager MacarthurCook is set to list a property trust based on industrial assets next month, making it the third such REIT in Singapore after Mapletree Logistics and Cambridge Industrial Trust.

Singapore conglomerate Keppel Corp. is also rumoured to be considering spinning off some of its logistics assets into a REIT while government industrial landlord JTC Corp is listing a trust this year.

India Targets

Mapletree's first Indian purchases are likely to come from its privately held parent Mapletree Investments, which has tied up with Bangalore-based developer Embassy Group to build logistics developments there.

"They've identified one site in Chennai and another in Mumbai," Chua said. Mapletree Logistics has said that it plans to make S\$1 billion in acquisitions every year until 2010, when its portfolio size is expected to reach S\$5 billion. About 20 percent of its acquisitions will come from its parent and the remaining coming from other sources, Chua said.

The trust has a remaining S\$400 million worth of investments to make this year, although it could spend more if it spots more acquisition opportunities, Chua said. Mapletree Logistics, which raised S\$250 million in new equity in January, has a Baa1 credit rating from Moody's Investors, allowing it to borrow up to 60 percent of its assets. The trust's debt level now stands at about 40 percent to its assets but it can borrow up to S\$808 million to maintain the gearing limit.

"We will exhaust as much of our debt (capacity) before we go back to the market," Chua said. He said the trust's 2007 forecast dividend yield of 5.71 percent was "conservative" since it was based on its portfolio prior to recent acquisitions in China and Japan.

"We definitely need to beat the 5.71 percent (forecast yield), the question is beyond that how much," he said.

-- END --