

## ANNOUNCEMENT

### THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN A PROPERTY IN MALAYSIA, (B) A 100.0% INTEREST IN TWO PROPERTIES IN VIETNAM THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES AND (C) A 50.0% INTEREST IN FOUR PROPERTIES IN PRC THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES

*For illustrative purposes, certain MYR/USD/RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations are as at 17 October 2019, being the latest practicable date prior to this announcement (the “**Latest Practicable Date**”), and have been made based on the illustrative exchange rate of S\$1.00 = MYR3.06/USD0.73/RMB5.18. Such translations should not be construed as representations that MYR/USD/RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.*

#### 1. Introduction

Mapletree Logistics Trust Management Ltd., as manager of Mapletree Logistics Trust (“**MLT**”), and as manager of MLT, the “**Manager**”), is pleased to announce that the following sale and purchase agreements have been entered into:

- (i) a conditional sale and purchase agreement (the “**Malaysia Asset Purchase Agreement**”) on 21 October 2019 by Semangkuk 2 Berhad, a bankruptcy-remote special purpose vehicle incorporated in Malaysia (the “**Malaysia SPV**”), to enable MLT to acquire a 100.0% interest in the property known as Mapletree Logistics Hub - Shah Alam located at Lot No. 10003, Jalan Jubli Perak 22/1A, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia (the “**Malaysia Property**”, and the acquisition, the “**Malaysia Acquisition**”) via an asset-backed securitisation structure (the “**Malaysia ABS Structure**”), with Winning Paramount Sdn. Bhd., a company indirectly owned by Mapletree Investments Pte Ltd (“**MIPL**” or the “**Sponsor**”) and Itochu Corporation (“**Itochu**”) in the proportion of 80.0% and 20.0% respectively (the “**Malaysia Vendor**”);
- (ii) two conditional share purchase agreements (the “**Vietnam Share Purchase Agreements**”) on 21 October 2019 by MapletreeLog VSIP 1 Warehouse Pte. Ltd. (the “**Vietnam Purchaser**”), a wholly-owned subsidiary of MLT, with Mapletree Citrine Ltd., a wholly-owned subsidiary of MIPL, (the “**Vietnam Vendor**”) to acquire a 100.0% interest in each of the two Cayman Islands special purpose vehicles (the “**Cayman SPVs**”, and the acquisitions, the “**Vietnam Acquisitions**”) which each holds a 100.0% interest in a Vietnam special purpose vehicle (the “**Vietnam SPVs**”). In turn, each Vietnam SPV holds a property located in Vietnam, namely, Mapletree Bac Ninh 2 located at No 9, Street 6, Vietnam-Singapore Industrial Park Bac Ninh, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam and Mapletree Binh Duong 1 located at 18L2-1, Tao Luc 5 Street, Vietnam-Singapore Industrial Park II (VSIP II), Binh Duong Industry-Service-Urban Complex, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam (the “**Vietnam Properties**”);
- (iii) four conditional share purchase agreements (the “**PRC Share Purchase Agreements**”) on 21 October 2019 by HSBC Institutional Trust Services (Singapore) Limited, as

trustee of MLT (the "**Trustee**"), with wholly-owned subsidiaries of MIPL (the "**MIPL Subsidiaries**") and wholly-owned subsidiaries of Itochu ("**Itochu Subsidiaries**") as set out in Appendix A (collectively, the "**PRC Vendors**") to acquire a 50.0% interest in each of the four Hong Kong SAR special purpose vehicles (the "**HK SPVs**", and the acquisitions, the "**PRC Acquisitions**") which each holds a 100.0% interest in a PRC wholly foreign-owned enterprise ("**PRC WFOE**"). In turn, each PRC WFOE holds a property located in the PRC (the "**PRC Properties**").

For the purposes of this announcement (the "**Announcement**"), and unless otherwise stated, the "**Properties**" refer to the Malaysia Property, the Vietnam Properties and the PRC Properties. The "**Purchase Agreements**" refer to the Malaysia Asset Purchase Agreement, the Vietnam Share Purchase Agreements, and the PRC Share Purchase Agreements. The "**Vendors**" refer to the Malaysia Vendors, the Vietnam Vendor and the PRC Vendors. The "**Acquisitions**" refers to the Malaysia Acquisition, the Vietnam Acquisitions and the PRC Acquisitions. The "**Existing Portfolio**" refers to the 137 properties held by MLT as at 30 September 2019. The "**Enlarged Portfolio**" comprises the Existing Portfolio and the Properties.

## **2. The Proposed Acquisitions**

### **2.1 Description of the Properties**

The Manager has identified the following Properties as being suitable for acquisition by MLT, namely:

#### **Malaysia**

- (i) Mapletree Logistics Hub - Shah Alam ("**Mapletree Shah Alam**");

#### **Vietnam**

- (ii) Mapletree Logistics Park Bac Ninh Phase 2 ("**Mapletree Bac Ninh 2**");
- (iii) Mapletree Logistics Park Phase 1 ("**Mapletree Binh Duong 1**");

#### **PRC**

- (iv) Chengdu DC Logistics Park ("**Mapletree Chengdu**");
- (v) Mapletree Shenyang Logistics Park ("**Mapletree Shenyang**");
- (vi) Mapletree Jinan International Logistics Park ("**Mapletree Jinan**"); and
- (vii) Mapletree Changsha Industrial Park (Phase 2) ("**Mapletree Changsha 2**").

See **Appendix A** and **Appendix B** to this Announcement for further details.

### **2.2 Structure of the Acquisitions**

#### **2.2.1 Malaysia Property**

The Malaysia Acquisition will be made via the Malaysia ABS Structure where the Malaysia SPV has entered into the Malaysia Asset Purchase Agreement to acquire the Malaysia Property from the Malaysia Vendor.

Pursuant to the terms of the Malaysia Asset Purchase Agreement, the aggregate purchase consideration payable by the Malaysia SPV in connection with the Malaysia Acquisition (the "**Malaysia Acquisition Price**") is MYR826.0 million (S\$269.9 million) being the Agreed Malaysia Property Value (as defined herein). The Malaysia Acquisition Price will be paid in cash.

Pursuant to the Malaysia ABS Structure, the Malaysia SPV is established in connection with the securitisation of the Malaysia Property as well as for future properties acquired in Malaysia. The ordinary shares of the Malaysia SPV are being held by a professional trustee on a discretionary trust for the benefit of charitable organisations. Pursuant to a 60-year, asset-backed medium-term note programme of up to MYR5.0 billion (or approximately S\$1.6 billion) (the “**MTN Programme**”), the Malaysia SPV will issue, on a “limited recourse” basis<sup>1</sup>, either (a) bridge medium term notes with an early redemption option (the “**Bridge MTN**”) to, *inter alia*, bridge finance the purchase of the Malaysia Property which will be refinanced by the issuance of the medium term notes comprising multiple tranches of variously-ranked notes (the “**ABS MTN**”) or (b) the junior ranking ABS MTNs (the “**Junior ABS MTN**”) together with the senior ranking ABS MTNs (the “**Senior ABS MTN**”) to, *inter alia*, finance the purchase of the Malaysia Property.

The Bridge MTNs, if issued, shall be subscribed in full by MLT and/or its subsidiaries (the “**MLT Group Entities**”) and shall be freely tradable and transferable, subject to such restrictions on transfer as may be applicable.

The Senior ABS MTN, when issued, will be issued to sophisticated investors<sup>2</sup> and the Junior ABS MTNs, when issued, will be subscribed in full by the MLT Group Entities.

By subscribing for the Bridge MTNs or the Junior ABS MTNs, MLT is investing indirectly in the underlying real estate held by the Malaysia SPV (being the Malaysia Property as at the date of completion of the Malaysia Acquisition) and will be receiving cash flow from such real estate, in the form of interest income from the Bridge MTNs or the Junior ABS MTNs. The Bridge MTNs or the Junior ABS MTNs, would enable MLT (through the Malaysia SPV) to receive any upside or surplus income generated by the Malaysia Property via performance coupon, after netting off payments to the Senior ABS MTN holders (applicable only if issued together with Junior ABS MTNs), fees and expenses in relation to the Malaysia Acquisition and other permitted expenses relating to the Malaysia Property.

Accordingly, the subscription of the Bridge MTN or the Junior ABS MTNs, by MLT is intended to provide MLT with the same economic interest as if it has acquired the Malaysia Property directly.

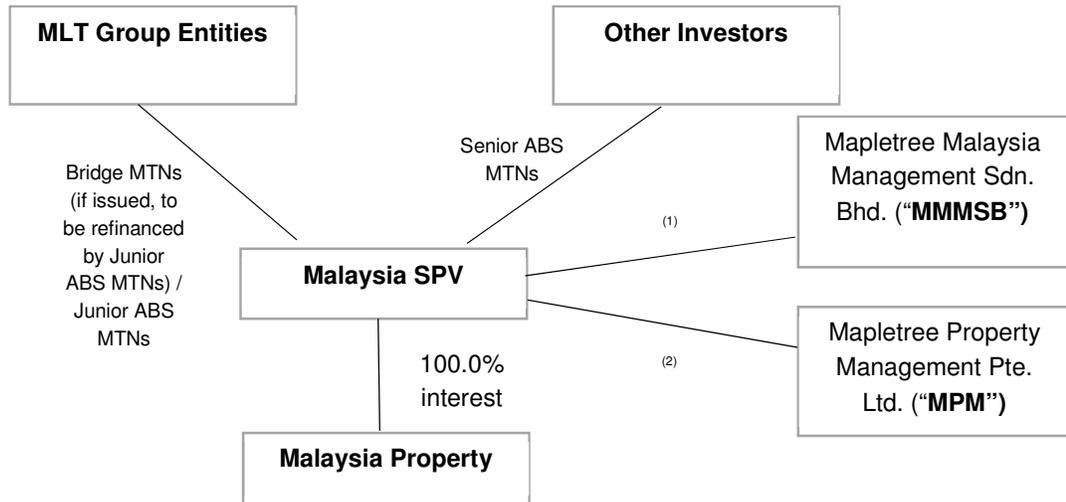
The Manager intends to use the Malaysia ABS Structure and the Malaysia SPV for other acquisitions of properties in Malaysia in the future.

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<sup>1</sup> The recourse of the holders of the medium-term notes to the Malaysia SPV is limited to the assets of the Malaysia SPV and no petition for the winding-up or dissolution of the Malaysia SPV may be made by the medium-term note holders under the terms of the medium-term notes.

<sup>2</sup> As permitted under the Capital Markets and Services Act, 2007 of Malaysia.

The diagram below sets out the relationship between the various parties following completion of the Malaysia Acquisition:



**Notes:**

- 1) The provision of asset management services by MMMSB to the Malaysia SPV in relation to the Malaysia Properties (as defined herein) under the Malaysia Asset Management Agreement.
- 2) The provision of services by MPM to the Malaysia SPV in relation to the Malaysia Properties under the Malaysia Servicer Agreement.

**2.2.2 Vietnam Properties**

Pursuant to the Vietnam Share Purchase Agreements, the Vietnam Purchaser will acquire a 100.0% interest in each of the Cayman SPVs through the Vietnam Acquisitions.

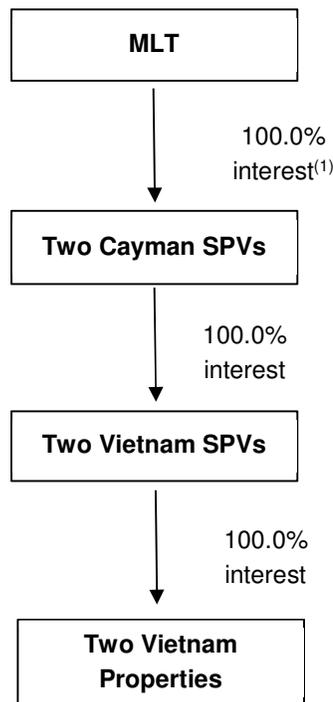
Pursuant to the terms of the Vietnam Share Purchase Agreements, the aggregate purchase consideration payable by the Vietnam Purchaser in connection with the Vietnam Acquisitions (the "**Vietnam Aggregate Share Consideration**") is the adjusted consolidated net asset value (the "**Vietnam Adjusted Net Asset Value**") of the Cayman SPVs (the "**Vietnam Total Adjusted Net Asset Values**") as at the date of completion of the Vietnam Acquisitions (the "**Vietnam Completion**"). The Vietnam Aggregate Share Consideration is estimated to be USD2.2 million (S\$3.0 million), subject to post-Vietnam Completion adjustments to the Vietnam Total Adjusted Net Asset Values. The Vietnam Adjusted Net Asset Value of each Cayman SPV shall take into account the agreed value of the Vietnam Property indirectly owned by each Cayman SPV (the "**Agreed Vietnam Property Value**") and shall be subject to post completion adjustments. For the avoidance of doubt, the Vietnam Aggregate Share Consideration shall have to take into account the existing Cayman SPVs' shareholder's loans of USD36.7 million (S\$50.3 million) owed to the Vietnam Vendor (the "**Vietnam Shareholders' Loans**"). Post-Vietnam Completion, the Vietnam Shareholders' Loans shall be owed by the Cayman SPVs to the Trustee. The values of the Vietnam Shareholders' Loans are subject to adjustments based on the actual date of Vietnam Completion to take into account interest accruing up to such date.

The acquisition price payable by the Trustee in respect of the Vietnam Acquisitions (the "**Vietnam Acquisition Price**") would therefore be the Vietnam Aggregate Share Consideration which takes into account the value of the Vietnam Shareholders' Loans

being USD38.9 million (S\$53.3 million. The Vietnam Acquisition Price will be paid in cash to the Vietnam Vendor on the terms set out in the Vietnam Share Purchase Agreement.

Following Vietnam Completion, MLT will own 100.0% of the ordinary shares in the issued share capital of each of the Cayman SPVs.

The diagram below sets out the relationship between the various parties following Vietnam Completion:



**Note:**

1) MLT will hold the two Cayman SPVs indirectly through a Singapore special purpose vehicle.

**2.2.3 PRC Properties**

Pursuant to the PRC Share Purchase Agreements, the Trustee, on behalf of MLT, will acquire a 50.0% interest in each of the HK SPVs through the PRC Acquisitions.

Two of the HK SPVs (which holds Mapletree Chengdu and Mapletree Shenyang) are wholly-owned by the MIPL Subsidiaries (the "**Sponsor-owned HK SPVs**") and two of the HK SPVs (which holds Mapletree Jinan and Mapletree Changsha 2) are owned by the MIPL Subsidiaries and the Itochu Subsidiaries in the proportion of 80.0% and 20.0% respectively (the "**Co-owned HK SPVs**").

The PRC Acquisitions involve, in the case of the Sponsor-owned HK SPVs, an acquisition of 50.0% of the entire ordinary issued share capital from the MIPL Subsidiaries, and in the case of the Co-owned HK SPVs, an acquisition of 30.0% and 20.0% of the entire ordinary issued share capital from the MIPL Subsidiaries and the Itochu Subsidiaries respectively.

Following the date of completion of the PRC Acquisitions ("**PRC Completion**"), MLT will own 50.0% of the ordinary shares in the issued share capital of each of the four HK

SPVs. The MIPL Subsidiaries will own the other 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs.

On PRC Completion, it is contemplated that the Trustee will, on behalf of MLT, enter into four separate shareholders' deeds in relation to each HK SPV (the "**Shareholders' Deeds**"), to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the Trustee's relationship with the MIPL Subsidiaries as shareholders of each HK SPV (the "**PRC Shareholders**").

Pursuant to the terms of the PRC Share Purchase Agreements, the aggregate purchase consideration payable by the Trustee in connection with the PRC Acquisitions (the "**PRC Aggregate Share Consideration**") is 50.0% of the adjusted consolidated net asset value (the "**PRC Adjusted Net Asset Value**") of the four HK SPVs (the "**PRC Total Adjusted Net Asset Values**") as at PRC Completion. The PRC Aggregate Share Consideration, to be satisfied fully in cash, is estimated to be RMB26.1 million (S\$5.0 million)<sup>1</sup>, subject to post-PRC Completion adjustments to the PRC Total Adjusted Net Asset Values. The PRC Adjusted Net Asset Value of each HK SPV shall take into account the agreed value of the PRC Property indirectly owned by each HK SPV (the "**Agreed PRC Property Value**") less each HK SPV's existing bank loans and shareholders' loans, and shall be subject to post completion adjustments.

In addition to the payment of the PRC Aggregate Share Consideration to the PRC Vendors, the Trustee will at PRC Completion extend loans of RMB288.3 million (S\$55.6 million) to the HK SPVs (the "**Trustee Shareholders' Loans**"), to enable them to repay and discharge existing shareholders' loans of RMB203.6 million (S\$39.3 million) and RMB84.7 million (S\$16.3 million) owed to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively (the "**Repaid Shareholders' Loans**")<sup>2</sup>. The values of the Trustee Shareholders' Loans and the Repaid Shareholders' Loans are subject to adjustments based on the actual date of PRC Completion to take into account interest accruing up to such date. The Trustee Shareholders' Loans shall be for a term of five years (subject to further extension in accordance with the terms of the Trustee Shareholders' Loans provided that both the Trustee and the relevant MIPL Subsidiary provide such loans in the proportion of their shareholdings in the HK SPV) and bear interest at an annual rate of 1.5% above the three-month CNH HIBOR<sup>3</sup>. The Trustee Shareholders' Loans will be extended to the HK SPVs on the same terms as the shareholders' loans extended by the MIPL Subsidiaries to the HK SPVs.

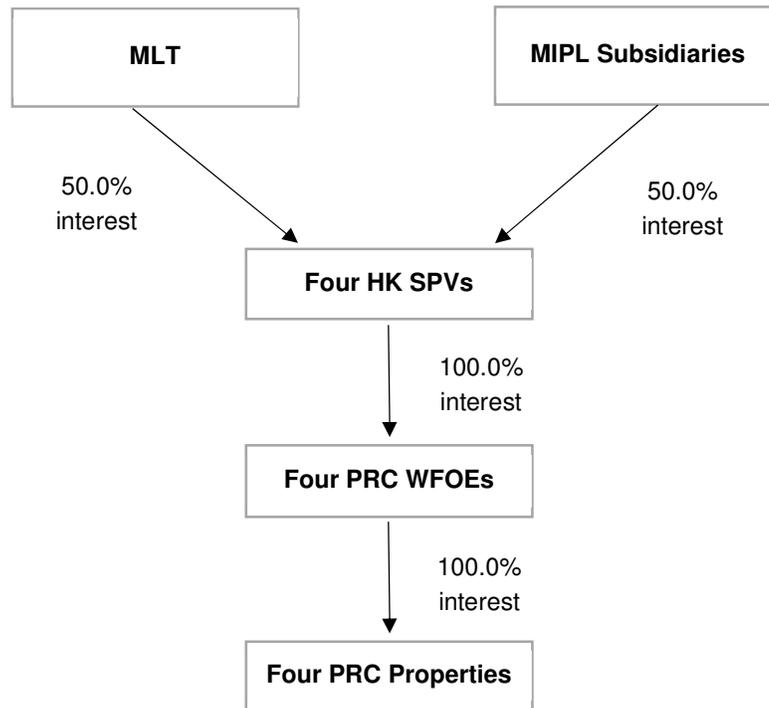
The acquisition price payable by the Trustee in respect of the PRC Acquisitions (the "**PRC Acquisition Price**") would therefore be the sum of the PRC Aggregate Share Consideration and the value of the Trustee Shareholders' Loans being approximately RMB314.3 million (S\$60.7 million).

<sup>1</sup> This amount comprises the purchase consideration of RMB5.0 million (S\$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S\$4.1 million) payable to the MIPL Subsidiaries.

<sup>2</sup> Upon completion of the PRC Acquisitions and following the extension of the loan by the Trustee to the HK SPVs and the corresponding discharge of the existing shareholders' loans, the existing shareholders' loans extended by the Itochu Subsidiaries will be fully discharged and the HK SPVs would owe an equal amount to both the Trustee and the MIPL Subsidiaries, as shareholders' loans.

<sup>3</sup> "**CNH HIBOR**" means the Offshore Chinese Renminbi Hong Kong Interbank Offered Rate.

The diagram below sets out the relationship between the various parties following PRC Completion:



#### 2.2.4 Total Acquisition Price

The total acquisition price payable by the Trustee in respect of the Acquisitions would therefore be the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S\$383.9 million (the “**Total Acquisition Price**”).

## 2.3 Valuation

The agreed property value of each Property (the “**Agreed Property Value**”) was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of each Property as at 30 September 2019.

In this respect, the Trustee and the Manager has each commissioned independent valuers (the “**Independent Valuers**”), to value each of the Properties. In arriving at the open market value of each Property, the Independent Valuers relied on the following valuation methods:

	<b>Independent Valuer appointed by the Trustee</b>	<b>Valuation Method of Independent Valuer appointed by the Trustee</b>	<b>Independent Valuer appointed by the Manager</b>	<b>Valuation Method of Independent Valuer appointed by the Manager</b>
<b>Malaysia Property</b>	Knight Frank Malaysia Sdn Bhd	Discounted Cash Flow Approach and Cost Approach	First Pacific Valuers Property Consultants Sdn Bhd	Discounted Cash Flow Approach, Direct Capitalization Approach and Cost Approach
<b>Vietnam Properties</b>	Jones Lang LaSalle Vietnam Company Limited	Discounted Cash Flow Approach and Direct Capitalization Approach	CBRE (Vietnam) Co., Ltd	Discounted Cash Flow Approach, Direct Capitalization Approach, Sales Comparison Approach and Cost Approach
<b>PRC Properties</b>	Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd	Discounted Cash Flow Approach and Direct Capitalization Approach	Knight Frank Petty Limited	Discounted Cash Flow Approach and Sales Comparison Approach

The Agreed Property Value of the Properties are:

- (i) in relation to the Agreed Property Value of the Malaysia Property, MYR826.0 million (S\$269.9 million), representing a discount of approximately 1.1% to Knight Frank Malaysia Sdn Bhd's aggregate valuation of MYR835.0 million (S\$272.9 million) and a discount of approximately 1.4% to First Pacific Valuers Property Consultants Sdn Bhd's aggregate valuation of MYR838.0 million (S\$273.9 million) (the "**Agreed Malaysia Property Value**");
- (ii) in relation to the Agreed Vietnam Property Value of the Vietnam Properties, USD36.0 million (S\$49.3 million), representing a discount of approximately 3.0% to Jones Lang LaSalle Vietnam Company Limited's aggregate valuation of USD37.1 million (S\$50.8 million) and a discount of approximately 3.4% to CBRE (Vietnam) Co., Ltd's aggregate valuation of USD37.3 million (S\$51.1 million); and
- (iii) in relation to the Agreed PRC Property Value of the PRC Properties, RMB902.0 million (S\$174.1 million), representing a discount of approximately 3.9% to Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd's aggregate valuation of RMB938.5 million (S\$181.2 million) and a discount of approximately 3.7% to Knight Frank Petty Limited's aggregate valuation of RMB937.0 million (S\$180.9 million).

See **Appendix B** to this announcement for further details.

## **2.4 Certain Terms and Conditions of the Purchase Agreements**

### **2.4.1 Malaysia Acquisition**

The principal terms of the Malaysia Asset Purchase Agreement include, among others, the following conditions precedent:

- (i) the Malaysia SPV obtaining the written confirmation of the Ministry of Economic Affairs ("**MEA**") that MEA's approval is not required for the Malaysia SPV's acquisition of the Malaysia Property from the Malaysia Vendor;
- (ii) the Malaysia Vendor obtaining the written approval of the State Authority of Selangor ("**State Authority**") in respect of the transfer of the Malaysia Property by the Malaysia Vendor in favour of the Malaysia SPV;
- (iii) the Malaysia SPV obtaining the written approval of the State Authority in respect of the charging of the Malaysia Property by the Malaysia SPV in favour of the trustee of the MTN Programme;
- (iv) the Malaysia SPV having submitted the lodgement form for the MTN Programme to the Securities Commission Malaysia;
- (v) the Form 14A of the National Land Code 1965, Malaysia duly executed by the Malaysia Vendor and the Malaysia SPV, and endorsed as exempt from stamp duty having been received by the Malaysia SPV's solicitors; and
- (vi) the Malaysia SPV having issued the written request to the facility agent of the MTN Programme for the issuance of the Bridge MTN or the ABS MTN (as the case may be).

In addition, the Malaysia Asset Purchase Agreement sets out the following principal terms:

- (a) the Malaysia Property shall be sold on an "as is where is" basis in the state

and condition it is as at the date of the Malaysia Asset Purchase Agreement, and free from all encumbrances save and except for the registered easement, and subject to all conditions of title and all restrictions in interest whether express or implied in the issue document of title to the Malaysia Property;

- (b) the Malaysia Acquisition Price shall be paid by the Malaysia SPV on the completion date. In the event that the Malaysia SPV requires an extension of time to pay the Malaysia Acquisition Price, an extension of one month from the completion period (the “**Extended Completion Period**”) will be automatically granted by the Malaysia Vendor to the Malaysia SPV; and
- (c) completion will take place on the date falling within 2 months from the date the Malaysia Asset Purchase Agreement ceases to be conditional or the Extended Completion Period, as the case may be.

#### 2.4.2 Vietnam Acquisitions

The principal terms of each Vietnam Share Purchase Agreements include, among others, the following conditions precedent:

- (i) the passing at an extraordinary general meeting (“**EGM**”) of Unitholders of a resolution to approve the Acquisitions;
- (ii) the receipt of in-principle approval of the SGX-ST for the listing of and quotation for the new units of MLT issued pursuant to the Equity Fund Raising (the “**New Units**”), and there not having occurred any revocation or withdrawal of such approval;
- (iii) the listing and commencement of trading of the New Units to be issued pursuant to the Equity Fund Raising;
- (iv) the receipt by the Trustee of the proceeds of the Equity Fund Raising and/or external borrowings to fully fund the Acquisitions;
- (v) there being no compulsory acquisition of the Vietnam Properties or any part of it, and no notice, demand, direction or order of such intended compulsory acquisition or resumption affecting the Vietnam Properties or other notice, demand, direction or order materially and adversely affecting the Vietnam Properties has been given by the government or other competent authority;
- (vi) the obtaining in terms reasonably acceptable to the Vietnam Purchaser, of all consents, approvals, clearances and authorisations of any relevant authorities or other relevant third parties in Singapore, Vietnam or elsewhere as may reasonably be considered necessary by the Vietnam Purchaser for the execution and implementation of this Agreement; and
- (vii) no statute, regulation or decision which would prohibit, restrict or have a material adverse effect on the acquisition of the Vietnam Properties or the operation of any of the Cayman SPVs and/or its subsidiaries or the operation of the Vietnam Properties having been proposed, enacted or taken by any governmental or official authority.

### 2.4.3 PRC Acquisitions

The principal terms of each PRC Share Purchase Agreements include, among others, the following conditions precedent:

- (i) the passing at an EGM of Unitholders of a resolution to approve the Acquisitions;
- (ii) the receipt of in-principle approval of the SGX-ST for the listing of and quotation for the New Units pursuant to the Equity Fund Raising, and there not having occurred any revocation or withdrawal of such approval;
- (iii) the listing and commencement of trading of the New Units to be issued pursuant to the Equity Fund Raising;
- (iv) the receipt by the Trustee of the proceeds of the Equity Fund Raising and/or external borrowings to fully fund the Acquisitions;
- (v) where the terms of the HK SPV's existing bank facilities contain any restrictions on the change in control of the HK SPVs or PRC WFOEs or include any right to terminate as a result of any matter contemplated by the PRC Share Purchase Agreements, written confirmation of the waiver of such restrictions or such right to terminate;
- (vi) there being no compulsory acquisition of the PRC Properties or any part of it, and no notice, demand, direction or order of such intended compulsory acquisition or resumption affecting the PRC Properties or other notice, demand, direction or order materially and adversely affecting the PRC Properties has been given by the government or other competent authority;
- (vii) no statute, regulation or decision which would prohibit, restrict or have a material adverse effect on the PRC Acquisitions or the operation of any of the HK SPVs or PRC WFOEs or the operation of the PRC Properties having been proposed, enacted or taken by any governmental or official authority; and
- (viii) the existing bank facilities granted to the HK SPVs remaining in full force and effect, and not being discharged as a result of the completion of the PRC Acquisitions.

In addition, the PRC Share Purchase Agreements set out the following principal terms:

- (i) on PRC Completion, the Trustee shall extend the Trustee Shareholders' Loans to the HK SPVs;
- (ii) the PRC Shareholders will enter into separate Shareholders' Deeds at Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV;
- (iii) the Trustee is required to provide, or procure the provision of, the Corporate Guarantees (as defined herein) (as guarantor) with effect from PRC Completion in respect of MLT's proportionate shareholding interest (being 50.0% as at PRC Completion) in each of the four HK SPVs; and
- (iv) the PRC Vendors shall procure that applications be made for issuance of the completion certificate and the property title certificate for the relevant PRC Property. The PRC Vendors have undertaken to obtain such certificate(s)

within 12 months (or such period agreed between the parties) after PRC Completion, and have also provided an indemnity to the Trustee from losses sustained from any penalties imposed due to such certificate(s) not being obtained.

## **2.5 Management Agreements in relation to the Malaysia Acquisition**

### **2.5.1 Malaysia Servicer Agreement**

In relation to the Malaysia Acquisition, the Malaysia SPV will appoint MPM (the “**Property Manager**”), the current property manager of MLT, as the servicer to administer the assets of the Malaysia SPV<sup>1</sup> (the “**Servicer**”).

The Servicer will be entitled to receive, among others, a fee of up to 3% of the gross revenue received by the Malaysia SPV in relation to the Malaysia Property, and the various commercial/industrial warehouses and logistics properties located in Malaysia, that may be acquired from time to time, by the Malaysia SPV from vendors to be identified, and funded with the issuance of one or more classes of medium term notes pursuant to the MTN Programme (the “**Malaysia Properties**”) during the relevant period.

The fees payable by the Malaysia SPV to the Servicer are on substantially the same rates as those payable by MLT to the Property Manager under the Overseas Properties Property Management Agreement (as amended and restated) dated 18 January 2006 and entered into between the Trustee, the Manager and the Property Manager (the “**Overseas Properties Property Management Agreement**”). Accordingly, the computation of the Property Manager’s fees payable under the Overseas Properties Property Management Agreement will take into account the fees payable to the Servicer and there will be no double payment for services provided for the Malaysia Properties.

### **2.5.2 Malaysia Asset Management Agreement**

In addition, the Malaysia SPV will appoint MMMSB, a wholly-owned subsidiary of MIPL, as its asset manager.

MMMSB will be entitled to receive, among others (i) a base fee of up to 0.5% per annum of all the Malaysia SPV’s assets (including the Malaysia Properties under management, cash and investments), and (ii) a performance fee of up to 3.6% per annum of the net property income of the Malaysia SPV.

The fees payable to MMMSB are on substantially the same rates as those payable by MLT to the Manager under the deed of trust dated 5 July 2004 constituting MLT (as amended) (the “**Trust Deed**”). Accordingly, the computation of the Manager’s fees payable under the Trust Deed will take into account any asset management fees payable to MMMSB and there will be no double payment for services provided to the Malaysia SPV.

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<sup>1</sup> Under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission of Malaysia, the Malaysia SPV is required to sub-contract to third parties all services that may be required by it in order to maintain the Malaysia SPV and its assets. The Servicer may appoint a licensed property management company to undertake property management services.

## 2.6 Shareholders' Deeds in relation to the PRC Acquisitions

Pursuant to the terms of the PRC Share Purchase Agreements, the PRC Shareholders will enter into separate Shareholders' Deeds at PRC Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV. The parties to each Shareholders' Deed will be the PRC Shareholders and the relevant HK SPV.

Under the terms of each Shareholders' Deed, the board of directors of each HK SPV shall have ultimate responsibility for management and control of the HK SPV. The board of directors shall comprise four directors, two of which shall be appointed by the Trustee and two of which shall be appointed by the relevant MIPL Subsidiary.

Each Shareholders' Deed contains a set of matters in relation to the key operational and management issues affecting the HK SPV, including but not limited to the matters set out in Paragraph 6.5(b) of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"), which require unanimous approval of all the directors of the HK SPV.

In addition, the Trustee has pre-emption rights over the relevant MIPL Subsidiary's shares in the relevant HK SPV, in the event that the relevant MIPL Subsidiary wishes to divest its 50.0% interest in the HK SPV. If the Trustee waives its pre-emption rights, the Trustee has tag along rights in the event of such divestment by the relevant MIPL Subsidiary. If the Trustee wishes to divest its 50.0% interest in the HK SPV, and the relevant MIPL Subsidiary waives its pre-emption rights, the Trustee has drag along rights over the relevant MIPL Subsidiary's interest in the HK SPV. Reciprocal rights are also provided by the Trustee to the relevant MIPL Subsidiary in respect of the above. The price of the shares in the HK SPVs under the drag along rights exercisable by either party shall not be at a price lower than the fair market value of the shares as determined in accordance with the terms and conditions of the Shareholders' Deed.

In the event of any deadlock matters, the PRC Shareholders shall negotiate in good faith with a view to resolution of such matter. If a resolution is not agreed upon, any PRC Shareholder (the "**Initiator**") may serve a notice (the "**Deadlock Notice**") on the other PRC Shareholder (the "**Non-Initiating Shareholder**"). The Deadlock Notice shall constitute an offer by the Initiator to buy for cash all (but not some only) of the shares held by the Non-Initiating Shareholder and an alternate offer by the Initiator to sell for cash all (but not some only) of its own shares at the price set out in the Deadlock Notice. The Non-Initiating Shareholder shall within 14 business days from its receipt of the Deadlock Notice elect to either (i) sell all of its shares to the Initiator; or (ii) buy all of the Initiator's shares, at the price set out in the Deadlock Notice. If the Non-Initiating Shareholder fails to make an election within the 14 business days notice period, the Initiator must buy all the shares held by the Non-Initiating Shareholder at the price set out in the Deadlock Notice.

## 2.7 Corporate Guarantees

The four HK SPVs have entered into bank facilities, pursuant to which the PRC Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, corporate guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S\$33.5 million) (the “**Corporate Guarantees**”) with effect from PRC Completion, in place of the existing corporate guarantees provided by the PRC Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT’s proportionate shareholding interest in each of the four HK SPVs (being 50.0% at PRC Completion) and will depend on the amounts drawn down under the bank facilities (including accrued interest). As at the Latest Practicable Date, an aggregate of RMB288.1 million (S\$55.6 million) has been drawn down under the bank facilities, of which RMB144.0 million (S\$27.8 million) represents the value of the Corporate Guarantees in respect of MLT’s proportionate shareholding interest of 50.0%. The Corporate Guarantees are expected to be on market terms. For the avoidance of doubt, the MIPL Subsidiaries shall also be required to provide similar corporate guarantees to such banks in respect of their respective proportionate shareholding interest in the four HK SPVs. No fee is chargeable for provision of the abovementioned corporate guarantees by each of the Trustee and/or the MIPL Subsidiaries.

## 2.8 Total Acquisition Cost and Total Acquisition Outlay

The total acquisition cost is estimated to be approximately S\$422.0 million, comprising:

- (a) the Malaysia Acquisition Price of approximately MYR826.0 million (S\$269.9 million) which will be paid in cash;
- (b) the Vietnam Acquisition Price of approximately USD38.9 million (S\$53.3 million) which will be paid in cash;
- (c) the PRC Acquisition Price of approximately RMB314.3 million (S\$60.7 million), which comprises (a) the PRC Aggregate Share Consideration<sup>1</sup> and (b) the Trustee Shareholders’ Loans, both of which will be paid in cash;
- (d) in relation to the PRC Acquisitions, the 50.0% pro rata share of the bank loans owed by the HK SPVs to certain financial institutions, being approximately RMB144.0 million (S\$27.8 million) (which will not be discharged by the HK SPVs and will remain after PRC Completion) (the “**PRC Bank Loans**”);
- (e) the acquisition fee payable in Units to the Manager for the Acquisitions (the “**Acquisition Fee**”) which is estimated to be approximately S\$1.9 million (representing 0.5% of the Total Acquisition Price); and
- (f) the estimated professional and other fees and expenses of approximately S\$8.3 million incurred or to be incurred by MLT in connection with the Acquisitions and the Equity Fund Raising,

(collectively, the “**Total Acquisition Cost**”).

The total acquisition outlay is estimated to be approximately S\$394.2 million, comprising the Total Acquisition Cost less the PRC Bank Loans which will not be discharged by the HK SPVs and will remain after PRC Completion (the “**Total Acquisition Outlay**”).

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<sup>1</sup> This amount comprises the purchase consideration of RMB5.0 million (S\$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S\$4.1 million) payable to the MIPL Subsidiaries.

## 2.9 Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Total Acquisition Price (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Total Acquisition Price.

As the Acquisitions will constitute “interested party transactions” under the Property Funds Appendix, the Acquisition Fee payable in respect of the Acquisitions will be in the form of Units (the “**Acquisition Fee Units**”), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

In relation to the PRC Acquisitions, while the acquisition of the interests of the Itochu Subsidiaries in the HK SPVs will not constitute an “interested party transaction” under the Property Funds Appendix, the Manager has nevertheless elected to receive the Acquisition Fee payable in respect of the acquisition of interests from the Itochu Subsidiaries in the form of Acquisition Fee Units and not to dispose of such Units within one year from the date of issuance.

## 2.10 Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Outlay through the proceeds from an equity fund raising (the “**Equity Fund Raising**”) and/or the drawdown of debt facilities<sup>1</sup> (the “**Loan Facilities**”).

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisitions will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall distribution per Unit (“**DPU**”) accretion to Unitholders on a pro forma basis while maintaining an optimum level of Aggregate Leverage<sup>2</sup>.

The details and timing of the Equity Fund Raising have not been determined. Further details of the Equity Fund Raising will be announced by the Manager at the appropriate time.

## 3. Rationale for and Key Benefits of the Acquisitions

The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

### 3.1 Exploit the Positive Demand-Supply Dynamics in Key Logistics Markets

Across the various logistics real estate markets in Malaysia, Vietnam and China, growth in domestic consumption as well as e-commerce have been key demand drivers for logistics properties. In particular, as supply chain modernises and e-commerce grows, there is increasing demand for modern logistics space in prime locations. However, the per capita supply of modern logistics properties in these markets is still relatively low, compared to other developed markets such as the US. The proposed acquisitions of the Properties will enable MLT to exploit the positive demand-supply dynamics in these markets.

#### 3.1.1 Expansion into Malaysia, Vietnam and China – Fast Growing Domestic Consumption Markets

The Acquisitions will increase MLT’s presence in Malaysia, Vietnam and China, which are amongst the highest growing economies in the world with their gross domestic product (“**GDP**”) forecasted to grow at 3.7%, 5.6% and 5.3% from 2018 to 2023

<sup>1</sup> Includes the Senior ABS MTNs.

<sup>2</sup> “**Aggregate Leverage**” means the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the gross assets of MLT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.

respectively. These growth rates are approximately three to four times higher than the average GDP growth rate of developed countries.

These countries are amongst the fastest growing consumer markets in Asia, with strong growth in consumption expenditure per capita underpinned by favorable demographic profiles. According to the Independent Market Research Consultant<sup>1</sup>, 70% of Malaysia's population is of working age, representing a huge pool of productive workforce to drive economic growth and rising domestic consumption. In Vietnam and China, the middle income population, a segment with strong consumption power, is expected to grow rapidly. In Vietnam, the middle income population is expected to rise from 13% to 26% of the country's population by 2026, whereas China's middle class is projected to represent 22% of global consumption in 2030. The growing middle income populations and accompanying rise in household wealth are expected to boost domestic consumption. As of 2018, the average consumption expenditure per capita of Malaysia, Vietnam and China is estimated to be just 14% of the average of developed countries. This suggests significant growth potential in consumption expenditure which is expected to generate higher demand for logistics services to move and store physical goods, and correspondingly greater demand for logistics space.

### **3.1.2 Demand for Logistics Space Underpinned by Strong Growth in E-commerce**

The rapid rise of e-commerce has provided further impetus to the growth in demand for logistics space, particularly modern logistics properties in prime locations. According to the Independent Market Research Consultant, Malaysia, Vietnam and China are amongst the fastest growing e-commerce markets with a forecasted growth of 13.9%, 17.8% and 16.2% respectively, from 2018 to 2023. Meanwhile, China with e-commerce sales of US\$1,300 billion is the world's largest e-commerce market.

E-commerce players typically require logistics facilities with modern Grade A specifications and two to three times as much warehouse space as traditional retailers due to more extensive product offerings, higher inventory levels and greater outbound and reverse logistics space requirements. The advent of online shopping also means consumers demand faster delivery time, which translates to demand for logistics facilities closer to population centres and transportation networks.

Modern Grade A specifications for logistics facilities would encompass features such as high ceilings, large floor plates, strong floor load and ramps for multi-storey warehouses.

### **3.1.3 Limited Supply of Grade A Warehouse Space Presents Opportunity for MLT to Fill the Market Gap**

According to the Independent Market Research Consultants, Malaysia, Vietnam, and China's per capita logistics space currently stand at 0.2 sq m, 0.03 sq m and 0.7 sq m respectively. These are significantly lower than the per capita logistics space available in the US of 3.7 sq m.

In addition, there is a limited supply of Grade A logistics space across Malaysia, Vietnam and China. It is estimated that only 8.1%, 20.0% and 5.0% of the total logistics facilities in these markets consist of modern facilities for lease respectively. Furthermore, supply chain modernisation which drives greater demand for Grade A

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<sup>1</sup> "Independent Market Research Consultants" means Knight Frank Petty Limited, Colliers International Vietnam and Knight Frank Malaysia Sdn Bhd, and "Independent Market Research Consultant" means either one of the above mentioned.

logistics facilities, is exacerbating the current supply constraint. This presents a strategic opportunity for MLT to fill the market gap in these markets.

The scarcity of Grade A warehouses in these select countries has consequently allowed them to command a sizeable rent premium, averaging 20% over traditional warehouses.

### **3.1.4 Augmenting Growth while Maintaining Large Exposure to Developed Markets in Asia Pacific**

The Acquisitions increase the net lettable area (the “**NLA**”) of MLT’s portfolios in Malaysia, Vietnam and China by 65%, 55% and 14% respectively, thus raising MLT’s exposure to these high growth markets.

Nevertheless, post-acquisitions of the Properties, developed markets will continue to account for the majority of MLT’s assets under management and gross revenue contributing approximately 84% and 80% to the enlarged portfolio’s assets under management<sup>1</sup> and Gross Revenue<sup>2,3</sup> respectively, on a pro forma basis.

## **3.2 Strengthen MLT’s Network Connectivity across Key Logistics Nodes**

MLT is a leading logistics space provider in Asia Pacific with 137 existing properties located predominantly in key gateway cities or logistics hubs with direct access to large catchments of growing consumption markets. This extensive network of logistics facilities across eight geographic markets provides a key competitive advantage for MLT. It enables MLT to offer its customers a broad range of regional leasing options as they expand regionally to capture growth opportunities presented by the large consumption markets. Bearing testament to MLT’s growing network effect, tenants who lease space at multiple locations account for a higher 34% of MLT’s leased area, compared to 25% in 2015.

The proposed acquisitions of seven properties located in key logistics hubs or cities of Malaysia, Vietnam and China will increase MLT’s scale as well as enhance its network effect and competitive positioning.

### **3.2.1 Deepen and Expand Coverage across Key Asia Pacific Markets**

The Acquisitions deepen MLT’s presence in four cities (Shah Alam, Bac Ninh, Binh Duong and Changsha), while adding another three new cities (Chengdu, Jinan and Shenyang) to its network. This brings MLT’s regional footprint to a total of 45 cities with access to an aggregate population base of over 150 million people.

### **3.2.2 Excellent Connectivity to Transport Infrastructure and Key Population Catchments**

The Properties are strategically located within the major logistics clusters in the respective markets with excellent connectivity to key transport infrastructure. A majority are also located near city centres (within 40 minutes of travel time), making them suitable for last-mile delivery. Proximity to large population catchments is an important consideration for tenants engaged in last-mile delivery as it brings about operational

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<sup>1</sup> Based on MLT’s annualised consolidated accounts for the half year ended 30 September 2019 and the aggregate Agreed Property Value of the Properties, taking into account MLT’s 50.0% interest in the PRC Properties and any capitalised costs.

<sup>2</sup> “**Gross Revenue**” means gross revenue of the property(ies) based on the gross revenue of tenants with existing or committed leases as at the relevant date.

<sup>3</sup> Based on MLT’s annualised consolidated accounts for the half year ended 30 September 2019 and assuming that the Acquisitions had a portfolio occupancy rate of 100% for the entire financial year ended 31 March 2019, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018, and that all tenants were paying their rents in full throughout the period.

and cost efficiencies, a key competitive advantage especially for e-commerce players. Warehouse space located near key population catchments would typically enjoy relatively high demand.

### 3.2.3 Expand Footprint in Shah Alam, the Prime Logistics Hub of Malaysia

Mapletree Shah Alam is located in Shah Alam, the prime logistics hub in Malaysia serving the largest and most affluent consumer market in Malaysia, Klang Valley, as well as the needs of key e-commerce players such as Lazada, Shopee and Zalora. According to the Independent Market Research Consultant, demand for logistics functions will continue to rise to keep pace with the country's anticipated growth in household income and e-commerce.

Shah Alam is a preferred destination for e-commerce players due to its close proximity to the city centre as well as other key transport infrastructure; it is readily accessible to Kuala Lumpur City Centre, Kuala Lumpur International Airport as well as Port Klang, the largest port in Malaysia and second largest port in Southeast Asia for container handling. Its strategic position is further enhanced by the following recent government initiatives:

- (i) the launch of a Digital Free Trade Zone (“**DFTZ**”), a partnership between the Malaysia government and Alibaba with multiple key strategic partners. The DFTZ aims to increase exports of small and medium enterprises via e-commerce as well as establish Malaysia as a regional e-commerce hub of Southeast Asia.
- (ii) the officiation of Kuala Lumpur International Airport Aeropolis, the site for the initial phase of DFTZ. Otherwise recognised as the world's first e-world trade platform, the government is looking to increase its cargo volume from 0.7 million tonnes to 2.5 to 3.0 million tonnes by 2050; and
- (iii) the enhancement of Westport and development of a third port in Port Klang on Carey Island. The former aims to raise Westport's capacity to 16 million twenty-foot equivalent units (“**TEUs**”). The latter, while still in the works, is a long-term project which is expected to have a maximum capacity of 30 million TEUs to accommodate Malaysia's increased trade flow.

Collectively, these initiatives will improve the ease of doing business, increase trade flow and expand last-mile delivery opportunities, thereby benefitting the logistics players and anchoring demand for logistics properties in Malaysia.

### 3.2.4 Deepen Presence in Thriving Logistics Hubs of Vietnam

Mapletree Bac Ninh 2 is located in Bac Ninh, an important economic centre of northern Vietnam, situated in the key economic triangle area of Hanoi – Hai Phong – Quang Ninh. Bac Ninh's close proximity to Hanoi, the largest consumption market in the north, allows it to serve as the logistics and distribution hub for domestic consumption. It is well-connected to key transportation infrastructure such as major highways, the Hai Phong Port and Noi Bai Airport, which facilitates the flow of goods, thereby further contributing to the growth of the local logistics industry. As a result of its strategic location, the government has invested heavily in its infrastructure which has led to a strong inflow of foreign direct investment (“**FDI**”) into Bac Ninh. In 2018, Bac Ninh recorded the second highest newly registered FDI in 2018. The strong demand for warehouse space is driven by growth in retail and e-commerce as well as the growing presence of third-party logistics firms (“**3PLs**”).

Mapletree Binh Duong 1 is located in Binh Duong, the largest logistics hub in the southern part of Vietnam, and is in close proximity to Ho Chi Minh City which is the largest consumption market in Vietnam. Binh Duong, a major manufacturing province in southern Vietnam, is home to the country's largest southern industrial zones and remains the preferred location for multinational corporations looking to set up their manufacturing base in Vietnam. The strong growth in industrial activities has underpinned demand for modern warehousing facilities. In addition, Binh Duong, a magnet for foreign investment in the southern region, registered the highest newly registered FDI in 2018. Demand for warehouse space is underpinned by rising local consumption, growth in e-commerce as well as expansion of retailers and 3PLs.

### **3.2.5 Increase Exposure to Key Provinces of China with Strong Consumer Markets**

The acquisitions of the four PRC Properties which are located in Chengdu, Shenyang, Jinan and Changsha will expand MLT's market presence in China from 14 cities to 17 cities. The new cities are Chengdu, Shenyang and Jinan. As capitals of their respective provinces, these cities are fast-growing, densely populated and have in place established infrastructure and transport networks to support logistics functions.

According to the Independent Market Research Consultant, the Tier 1 and non-Tier 1 cities are expected to grow at a CAGR of 8.6% and 9.4% respectively between 2009 to 2030. Entry into these cities would enable MLT to capitalise on the growing demand for logistics space, underpinned by per capita disposable household income growth and large consumer markets.

### **3.2.6 Potential Positive Spillover Effects from the US-China Trade Conflict**

Against the backdrop of the US-China trade conflict, some countries in Southeast Asia stand out as potential beneficiaries of the re-configuration in global supply chains that has emerged in response to the trade conflict. Multinational corporations, daunted by the US tariffs on China goods, are relocating their supply chains from China to countries such as Vietnam and Malaysia due to their lower labor cost, presence of established manufacturing ecosystems as well as pro-investment policies.

According to the Independent Market Research Consultants, Vietnam and Malaysia are amongst the prime beneficiaries, with Vietnam being the largest beneficiary, gaining 7.9% of GDP from trade diversion, based on recent data.

In Malaysia, there was a notable increase in manufacturing investments from the US in recent months. According to the Independent Market Research Consultant, manufacturing investments in the first quarter of 2019 alone had eclipsed that of 2018 by 3.6 times. The increase in foreign direct investment and growth in the manufacturing sector, coupled with the positive knock-on effect on the economy as well as domestic consumption, are expected to strengthen the demand for logistics facilities.

## **3.3 High Quality Portfolio with a Strong and Diversified Tenant Base**

### **3.3.1 High-Quality Modern Facilities with Long Land Tenure**

Apart from their strategic locations, the Properties are high-quality and modern logistics facilities with an average age of approximately 2.8 years<sup>1</sup>. The Properties are built to high specifications, including strong floor load, high ceilings, large floor plates and dock-levellers, to cater to the modern requirements of 3PLs and e-commerce tenants. In addition, the multi-storey property, Mapletree Shah Alam, has a wide ramp to provide

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<sup>1</sup> Weighted by the NLA of individual properties as at 30 September 2019.

convenient access to every floor. The Properties have a weighted average land tenure by NLA of 57 years<sup>1</sup>.

### **3.3.2 Strong and Diversified Tenant Base**

Given the scarcity of modern Grade A logistics facilities, the Properties have attracted a strong and diversified tenant base comprising primarily tenants serving domestic consumption, which account for approximately 90% of the Properties' Gross Revenue<sup>1</sup>. These include strong consumer brands such as Watsons and Ashley Furniture; 3PLs serving household names (including a hypermarket chain in Malaysia and a major consumer electronics and furniture retailer); as well as Lazada eLogistics and Shopee, leading e-commerce players in Southeast Asia. In aggregate, e-commerce companies account for approximately 45% of the Properties' Gross Revenue.

As at the Latest Practicable Date, the Properties have 100% occupancy with a weighted average lease expiry (by NLA) of approximately 1.9 years.

The top 10 tenants account for a combined 51.1% of the Properties' Gross Revenue, with no more than 6.7% attributable to a single tenant.

The acquisition will further diversify MLT's tenant base and reduce concentration risks with the addition of new tenants to MLT's portfolio (69% and 70% of the tenants by NLA and Gross Revenue, respectively, are new to MLT), while at the same time, strengthen its relationships with existing tenants.

## **3.4 Attractive Value Proposition**

### **3.4.1 Discount to Independent Valuations**

The Manager believes that the Properties provide an attractive value proposition in the current market, given the discount to independent valuations.

The aggregate Agreed Property Value of the Properties is S\$493.4 million<sup>2</sup>, representing a discount of approximately 2.3% to the aggregate valuation of S\$504.9 million by the Independent Valuers appointed by Trustee and a discount of approximately 2.5% to the aggregate valuation of S\$505.8 million by the Independent Valuers appointed by Manager.

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<sup>1</sup> As at the Latest Practicable Date.

<sup>2</sup> Based on 50.0% interest in the PRC Properties, the aggregate Agreed Property Value is S\$406.3 million. The implied net property income yield of the Properties is 6.1%.

### 3.4.2 DPU and NAV Accretive Acquisitions

Unitholders can expect to benefit from the higher DPU and NAV per Unit as a result of the Acquisitions. On a historical pro forma basis and based on the proposed method of financing, the DPU and NAV per Unit will increase by approximately 1.0%<sup>1</sup> and 1.2%<sup>1</sup> respectively.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The table set out below illustrates the expected DPU accretion and DPU based on various Equity Fund Raising sizes and illustrative issue prices for the New Units.<sup>1</sup> There is no assurance that the actual issue price of the New Units and the Equity Fund Raising size will be within the range as set out in the table.

Illustrative Issue Price (S\$)	Equity Fund Raising Size (S\$m)					
	200.0	225.0	250.0	275.0	300.0	325.0
1.50	1.2% 8.041	1.1% 8.029	0.9% 8.012	0.6% 7.993	0.4% 7.973	0.1% 7.953
1.52	1.3% 8.045	1.2% 8.034	0.9% 8.017	0.7% 7.998	0.5% 7.979	0.2% 7.960
1.53	1.3% 8.047	1.2% 8.036	1.0% 8.019	0.7% 8.001	0.5% 7.982	0.3% 7.963
1.54	1.3% 8.049	1.2% 8.038	1.0% 8.022	0.8% 8.003	0.5% 7.985	0.3% 7.966
1.56	1.4% 8.053	1.3% 8.043	1.1% 8.027	0.8% 8.009	0.6% 7.990	0.4% 7.972
1.58	1.4% 8.056	1.3% 8.047	1.1% 8.031	0.9% 8.014	0.7% 7.996	0.5% 7.978
1.60	1.5% 8.060	1.4% 8.051	1.2% 8.036	1.0% 8.018	0.7% 8.001	0.5% 7.983
1.62	1.5% 8.064	1.4% 8.055	1.2% 8.040	1.0% 8.023	0.8% 8.006	0.6% 7.989
1.64	1.6% 8.067	1.5% 8.059	1.3% 8.044	1.1% 8.028	0.9% 8.011	0.7% 7.995
1.66	1.6% 8.071	1.5% 8.063	1.3% 8.049	1.1% 8.033	0.9% 8.016	0.7% 8.000
1.68	1.7% 8.074	1.6% 8.066	1.4% 8.053	1.2% 8.037	1.0% 8.021	0.8% 8.005

Source: Company information.

**Note:**

- 1) On a historical pro forma basis for the financial year ended 31 March 2019, assuming that the Acquisitions had a portfolio occupancy rate of 100% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full. In relation to the PRC Acquisitions, it includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the PRC Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S\$170.0 million from the Loan Facilities and PRC Bank Loans, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

<sup>1</sup> Assuming an issue price of S\$1.53 per New Unit. (Please see paragraph 5.1 for details)

### 3.4.3 Increase in Free Float and Liquidity

For illustrative purposes, assuming gross proceeds of approximately S\$250.0 million raised from the Equity Fund Raising to partially fund the Total Acquisition Outlay, approximately 164.7 million New Units will be issued in connection with the Acquisitions (comprising approximately 163.4 million New Units to be issued in relation to the Equity Fund Raising and 1.3 million Acquisition Fee Units) based on the illustrative issue price of S\$1.53 per Unit. At an illustrative issue price of S\$1.53 per Unit, MLT's free float would increase by 6.6% from S\$3,810.1 million<sup>1</sup> to S\$4,060.1 million<sup>2</sup> following completion of the Equity Fund Raising.

The New Units, when issued, are expected to increase MLT's free float on the SGX-ST and potentially improve trading liquidity. The larger free float and potential improvement in trading liquidity may lead to an improved market index representation and higher demand for MLT's Units.

## 4. Requirement for Unitholders' Approval

### 4.1 Relative Figures Computed on Bases set out in Rule 1006

The relative figures for the Properties computed on the bases set out in Rules 1006(b) and 1006(c) of the listing manual of the SGX-ST (the "**Listing Manual**") are as follows:

- (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	Properties	MLT	Relative figure
Net Property Income (S\$ million) <sup>(1)</sup>	24.9 <sup>(2)(3)</sup>	448.4 <sup>(4)</sup>	5.5%
Consideration against market capitalisation (S\$ million)	383.9 <sup>(5)</sup>	6,078.8 <sup>(6)</sup>	6.3%

**Notes:**

- 1) 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.
- 2) Assuming that the Acquisitions had a portfolio occupancy rate of 100% for the entire financial year ended 31 March 2019, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018, and that all tenants were paying their rents in full throughout the period.
- 3) In relation to the PRC Properties, this figure includes the net property income attributable to MLT for its 50.0% indirect interest.
- 4) Based on MLT's annualised consolidated accounts for the half year ending 30 September 2019.
- 5) This figure represents the Total Acquisition Price.
- 6) This figure is based on the closing price of S\$1.67 per Unit on the SGX-ST as at 18 October 2019, being the market day immediately prior to 21 October 2019, the date the Purchase Agreements were entered into.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Acquisitions are classified as discloseable transactions.

<sup>1</sup> Based on 3,640,028,680 Units in issue as at the Latest Practicable Date and the illustrative price of S\$1.53 per Unit.  
<sup>2</sup> Based on 3,640,028,680 Units in issue as at the Latest Practicable Date and the issue of approximately 163.4 million new Units under the Equity Fund Raising, 1.3 million Acquisition Fee Units and the illustrative price of S\$1.53.

However, as the Acquisitions constitute "interested person transactions" under Chapter 9 of the Listing Manual and "interested party transactions" under the Property Funds Appendix, the Acquisitions will still be subject to the specific approval of Unitholders.

#### **4.2 Interested Person Transactions and Interested Party Transactions**

Under Chapter 9 of the Listing Manual, where MLT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MLT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the audited financial statements of MLT for FY18/19 (the "**FY18/19 Financial Statements**"), the NTA of MLT was S\$4,231.7 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MLT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S\$411.7 million, which in aggregate is 9.7% of the NTA of MLT as at 31 March 2019, such value exceeds the said threshold. Thus, Unitholders' approval is required to be sought pursuant to Rule 906(1)(a) of the Listing Manual.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MLT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of MLT's latest audited NAV. Based on the FY18/19 Financial Statements, the NAV of MLT was S\$4,231.7 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into by MLT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S\$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S\$411.7 million, which in aggregate is 9.7% of the NAV of MLT as at 31 March 2019, such value exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,149,798,268 Units, which is equivalent to approximately 31.59% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MLT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

In relation to the Malaysia Acquisition, as the Malaysia Vendor is a subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Malaysia Vendor (being a subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

In relation to the Vietnam Acquisitions, as the Vietnam Vendor is a wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property

Funds Appendix, the Vietnam Vendor (being a wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

In relation to the PRC Acquisitions, as the MIPL Subsidiaries are wholly-owned subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the MIPL Subsidiaries (being a wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

Therefore, the Acquisitions will constitute "interested person transactions" under Chapter 9 of the Listing Manual as well as "interested party transactions" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In relation to the PRC Acquisitions, each of the Shareholders' Deeds will be entered into with the MIPL Subsidiaries, which are wholly-owned subsidiaries of MIPL. Each of the Corporate Guarantees will be provided to guarantee the bank facilities entered into by the four HK SPVs, which will be jointly controlled by MLT and the MIPL Subsidiaries following PRC Completion. Similarly, the Trustee Shareholders' Loans will be extended to the four HK SPVs. Therefore, each of such agreements will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

Additionally, in approving the Acquisitions, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after PRC Completion will be deemed to be approved provided the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on substantially the same terms, the provision of the loan and/or corporate guarantee is not prejudicial to the interest of MLT and its minority unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority unitholders.

In approving the Acquisitions, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisitions.

In this respect, a Unitholders' circular (the "**Circular**") will be issued and an extraordinary general meeting of MLT will be held in due course.

#### **4.3 Other Interested Person Transactions**

As at the date of this announcement, the value of all interested person transactions entered into between MLT and MIPL and its subsidiaries and associates during the course of the current financial year is approximately S\$4,666,499, which is approximately 0.11% of the net tangible asset and net asset value of MLT as at 31 March 2019. Save as described above, there were no interested person transactions entered into for the current financial year.

## 5. The Financial Effects of the Acquisition

**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 FY18/19 Financial Statements, taking into account the Total Acquisition Cost, the Loan Facilities and assuming that:

- (i) the Acquisitions had a portfolio occupancy rate of 100% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full;
- (ii) approximately 163.4 million New Units are issued at the illustrative issue price of S\$1.53 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S\$250.0 million to partially fund the Total Acquisition Outlay;
- (iii) the Manager's Acquisition Fee of S\$1.9 million is paid in the form of approximately 1,254,634 Acquisition Fee Units at the illustrative issue price of S\$1.53 per Acquisition Fee Unit; and
- (iv) S\$170.0 million is drawn down by MLT from the Loan Facilities and PRC Bank Loans with an average interest cost of approximately 4.6% per annum to partially fund the Total Acquisition Outlay.

### 5.1 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisitions on MLT's DPU for the FY18/19 Financial Statements, as if the Acquisitions, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and drawdown of Loan Facilities were completed on 1 April 2018, and as if MLT held the Properties through to 31 March 2019, are as follows:

	Before the Acquisitions	After the Acquisitions
Total return before tax (S\$'000)	499,341	512,983 <sup>(1)</sup>
Distributable income (S\$'000) attributable to Unitholders	270,028	285,897 <sup>(1)</sup>
Units in issue at the end of the year (million)	3,622.3 <sup>(2)</sup>	3,788.3 <sup>(3)</sup>
DPU (cents)	7.941 <sup>(4)</sup>	8.019
DPU accretion (%)	-	1.0%

**Notes:**

- 1) Assuming that the Acquisitions had a portfolio occupancy rate of 100% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full. In relation to the PRC Acquisitions, it includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the PRC Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S\$170.0 million from the Loan Facilities and PRC Bank Loans, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.
- 2) Units in issue as at 31 March 2019.
- 3) Includes (a) approximately 163.4 million New Units issued in connection with the Equity Fund Raising at an illustrative issue price of S\$1.53 per New Unit, (b) approximately 1,254,634 Acquisition Fee Units issued as

payment of the Acquisition Fee payable to the Manager at an illustrative issue price of S\$1.53 per Acquisition Fee Unit and (c) approximately 1.3 million new Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the PRC Property Manager as payment for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2018, 30 September 2018 and 31 December 2018, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter.

- 4) For the financial year ended 31 March 2019.

## 5.2 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 March 2019, as if the Acquisitions, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and the drawdown of Loan Facilities were completed on 31 March 2019, are as follows:

	Before the Acquisitions	After the Acquisitions
NAV represented by Unitholders' funds (S\$ million)	4,231.7	4,479.0
Issued Units (million)	3,622.3 <sup>(1)</sup>	3,787.0 <sup>(2)</sup>
NAV per Unit (S\$)	1.17	1.18

**Notes:**

- 1) Number of Units in issue as at 31 March 2019.
- 2) Includes (a) approximately 163.4 million New Units issued in connection with the Equity Fund Raising at an illustrative issue price of S\$1.53 per New Unit and (b) approximately 1,254,634 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at the illustrative issue price of S\$1.53 per Acquisition Fee Unit.

## 5.3 Aggregate Leverage

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma Aggregate Leverage of MLT as at 30 September 2019, as if the Acquisitions, issuance of New Units in connection with the Equity Fund Raising, issuance of Acquisition Fee Units and the drawdown of Loan Facilities were completed on 30 September 2019, is as follows:

	Before the Acquisitions	After the Acquisitions
<b>Aggregate Leverage</b> <b>(Pro forma as at 30 September 2019)</b>	37.0% <sup>(1)</sup>	37.1% <sup>(2)</sup>

**Notes:**

- 1) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.
- 2) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and deposited property of each of the HK SPVs.

## 6. Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager (the “**Directors**”) collectively hold an aggregate direct and indirect interest in 9,565,553 Units. Further details of the interests in Units of the Directors and Substantial Unitholders<sup>1</sup> are set out below.

Based on the Register of Directors’ Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%( <sup>1</sup> )
	No. of Units	%( <sup>1</sup> )	No. of Units	%( <sup>1</sup> )		
Lee Chong Kwee	62,412	0.002	-	-	62,412	0.002
Penny Goh	-	-	203,137	0.005	203,137	0.005
Lim Joo Boon	100,000	0.003	-	-	100,000	0.003
Loh Shai Weng	-	-	-	-	-	-
Tan Wah Yeow	-	-	-	-	-	-
Tarun Kataria	-	-	330,000	0.009	330,000	0.009
Wee Siew Kim	-	-	-	-	-	-
Hiew Yoon Khong	1,573,001	0.043	4,572,903	0.126	6,145,904	0.169
Chua Tiow Chye	813,296	0.022	1,773,304	0.049	2,586,600	0.071
Wong Mun Hoong	-	-	-	-	-	-
Ng Kiat	-	-	137,500	0.004	137,500	0.004

**Note:**

1) The percentage is based on 3,640,028,680 Units in issue as at the Latest Practicable Date.

Based on the Register of Substantial Unitholders’ Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%( <sup>1</sup> )
	No. of Units	%( <sup>1</sup> )	No. of Units	%( <sup>1</sup> )		
Temasek Holdings (Private) Limited (“ <b>Temasek</b> ”) <sup>(2)</sup>	-	-	1,202,953,181	33.05	1,202,953,181	33.05
Fullerton Management Pte Ltd <sup>(3)</sup>	-	-	1,149,798,268	31.59	1,149,798,268	31.59
Mapletree Investments Pte Ltd <sup>(4)</sup>	-	-	1,149,798,268	31.59	1,149,798,268	31.59
Mulberry Pte. Ltd. (“ <b>Mulberry</b> ”)	400,605,230	11.01	-	-	400,605,230	11.01
Meranti Investments Pte. Ltd. (“ <b>Meranti</b> ”)	363,004,703	9.97	-	-	363,004,703	9.97
Mapletree Logistics Properties Pte. Ltd. (“ <b>MLP</b> ”)	176,579,586	4.85	-	-	176,579,586	4.85
Mangrove Pte. Ltd. (“ <b>Mangrove</b> ”)	176,577,431	4.85	-	-	176,577,431	4.85

**Notes:**

<sup>1</sup> “**Substantial Unitholder**” refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

- 1) The percentage is based on 3,640,028,680 Units in issue as at the Latest Practicable Date.
- 2) Temasek is deemed to be interested in the 176,579,586 Units held by MLP, 176,577,431 Units held by Mangrove, 363,004,703 Units held by Meranti, 400,605,230 Units held by Mulberry, 29,959,665 Units held by the Manager and 3,071,653 Units held by MPM. MLP, Mangrove, Meranti and Mulberry are wholly-owned subsidiaries of MIPL. The Manager and MPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton Management Pte Ltd which is in turn a wholly-owned subsidiary of Temasek. In addition, Temasek is deemed to be interested in a further 53,154,913 Units in which its other subsidiaries and associated companies have direct or deemed interests. Each of MIPL and such other subsidiaries and associated companies are independently-managed Temasek portfolio companies. Neither Temasek nor Fullerton Management Pte Ltd are involved in their business or operating decisions, including those involving their positions in Units.
- 3) Fullerton Management Pte Ltd is deemed to be interested in the 176,579,586 Units held by MLP, 176,577,431 Units held by Mangrove, 363,004,703 Units held by Meranti, 400,605,230 Units held by Mulberry, 29,959,665 Units held by the Manager and 3,071,653 Units held by MPM.
- 4) MIPL is an indirect holding company of the MIPL Subsidiaries.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisitions.

## **7. Directors' Service Contracts**

No person is proposed to be appointed as a Director of the Manager in connection with the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

## **8. Opinion of the Independent Financial Adviser and Statement of the Independent Directors and the Audit and Risk Committee**

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd (the “**Independent Financial Adviser**”) to advise the independent Directors of the Manager (the “**Independent Directors**”), the Audit and Risk Committee and the Trustee as to whether the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders.

The Independent Directors and Audit and Risk Committee will form their own views after reviewing the opinion of the Independent Financial Adviser, which will be set out in the Circular.

## **9. Documents for Inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager (by prior appointment) at 10 Pasir Panjang Road #13-01 Mapletree Business City, Singapore 117438 from the date of this announcement up to and including the date falling three months after the date of this announcement:

- (i) the Malaysia Asset Purchase Agreement;
- (ii) the Vietnam Share Purchase Agreements;
- (iii) the PRC Share Purchase Agreements;
- (iv) the full valuation reports of the Malaysia Property dated 8 October 2019 by Knight Frank Malaysia Sdn Bhd;
- (v) the full valuation reports of the Malaysia Property dated 8 October 2019 by First Pacific Valuers Property Consultants Sdn Bhd;
- (vi) the full valuation reports of the Vietnam Properties dated 30 September 2019 by Jones Lang LaSalle Vietnam Company Limited;

- (vii) the full valuation reports of the Vietnam Properties dated 8 October 2019 by CBRE (Vietnam) Co., Ltd;
- (viii) the full valuation reports of the PRC Properties dated 8 October 2019 by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd; and
- (ix) the full valuation reports of the PRC Properties dated 8 October 2019 by Knight Frank Petty Limited.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MLT is in existence.

## **10. Further Details**

Further details of the Acquisitions will be contained in the Circular which will be issued by the Manager in due course, together with a notice of extraordinary general meeting for the purpose of seeking Unitholders' approval for the Acquisitions. Unitholders are advised to refer to the Circular for any updates to the information contained in this announcement.

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

21 October 2019

### **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.

**Appendix A**  
**Ownership of the Properties**

**Ownership of the Malaysia Property**

	<b>Property Name</b>	<b>Vendor holding 100.0% of the Malaysia Property</b>
1.	Mapletree Shah Alam	Winning Paramount Sdn Bhd

**Ownership of the Vietnam Properties**

	<b>Property Name</b>	<b>Vietnam SPV holding 100.0% of the Vietnam Property</b>	<b>Cayman SPV holding 100.0% of the Vietnam SPV</b>	<b>Vendor holding 100.0% of the Cayman SPVs</b>
1.	Mapletree Bac Ninh 2	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co., Ltd.	Mapletree VSIP Bac Ninh Phase 2 (Cayman) Co. Ltd.	Mapletree Citrine Ltd.
2.	Mapletree Binh Duong 1	Mapletree Logistics Park Phase 1 (Vietnam) Co., Ltd.	Mapletree VSIP 2 Phase 1 (Cayman) Co. Ltd.	Mapletree Citrine Ltd.

### Ownership of the PRC Properties

	Property Name	PRC WFOE holding 100.0% of the PRC Property	HK SPV holding 100.0% of the PRC WFOE	Vendors and their interests in the HK SPV before the Acquisitions
1.	Mapletree Chengdu	Digital China (Chengdu) Science Park Co., Ltd. <sup>(1)</sup>	Chengdu DC Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
2.	Mapletree Shenyang	Fengda Warehouse (Shenyang) Co., Ltd. <sup>(1)</sup>	Shenyang SYEDA Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
3.	Mapletree Jinan	Fengcheng Logistics Development (Jinan) Co. Ltd.	SD Licheng (HKSAR) Limited	Mapletree Licheng Ltd. – 80.0% ITC Jinan Investment LIMITED – 20.0%
4.	Mapletree Changsha 2	Fengyi Warehouse (Changsha) Co., Ltd.	Changsha Development II (HKSAR) Limited	Mapletree Changsha II Ltd. – 80.0% ITC Chousa II Investment LIMITED – 20.0%

**Note:**

(1) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.

**Appendix B**  
**Certain Key Information on the Properties**

The following table shows certain key information relating to the Properties, with independent valuations by the Independent Valuers being as at 30 September 2019. Further details will be contained in the Circular which will be issued by the Manager in due course.

	Property Name	Location	Net Lettable Area (sq m)	Independent Valuation by the relevant Independent Valuer appointed by:		Agreed Property Value (million)	Discount of the Agreed Property Value to the Independent Valuation by the relevant Independent Valuer appointed by:		Lease Expiry Date	Approximate Remaining Land Tenure
				the Trustee (million)	the Manager (million)		the Trustee	the Manager		
				<b>Malaysia Property</b>						
1.	Mapletree Shah Alam	Shah Alam, Selangor	207,662	MYR 835.0 (SGD 272.9)	MYR 838.0 (SGD 273.9)	MYR 826.0 (SGD 269.9)	1.1%	1.4%	9 Jul 2094	75 years
<b>Vietnam Properties</b>										
2.	Mapletree Bac Ninh 2	Bac Ninh, Hanoi	49,930	USD 16.6 (SGD 22.7)	USD 16.5 (SGD 22.7)	USD 16.0 (SGD 21.9)	3.6%	3.3%	30 Nov 2057	38 years
3.	Mapletree Binh Duong 1	Binh Duong, Ho Chi Minh	66,311	USD 20.5 (SGD 28.1)	USD 20.7 (SGD 28.4)	USD 20.0 (SGD 27.4)	2.4%	3.6%	25 Sep 2055	36 years
<b>PRC Properties<sup>(1)</sup></b>										
4.	Mapletree Chengdu <sup>(2)</sup>	Chengdu, Sichuan	20,138	RMB 104.6 (SGD 20.2)	RMB 102.0 (SGD 19.7)	RMB 99.0 (SGD 19.1)	5.4%	2.9%	27 Oct 2065	46 years
5.	Mapletree Shenyang <sup>(2)</sup>	Shenyang, Liaoning	42,881	RMB 140.0 (SGD 27.0)	RMB 140.0 (SGD 27.0)	RMB 135.0 (SGD 26.1)	3.6%	3.6%	28 Sep 2066	47 years

	Property Name	Location	Net Lettable Area (sq m)	Independent Valuation by the relevant Independent Valuer appointed by:		Agreed Property Value (million)	Discount of the Agreed Property Value to the Independent Valuation by the relevant Independent Valuer appointed by:		Lease Expiry Date	Approximate Remaining Land Tenure
				the Trustee (million)	the Manager (million)		the Trustee	the Manager		
6.	Mapletree Jinan	Jinan, Shandong	80,931	RMB 296.1 (SGD 57.2)	RMB 299.0 (SGD 57.7)	RMB 287.0 (SGD 55.4)	3.1%	4.0%	15 Mar 2065	45 years
7.	Mapletree Changsha 2	Changsha, Hunan	97,888	RMB 397.8 (SGD 76.8)	RMB 396.0 (SGD 76.4)	RMB 381.0 (SGD 73.6)	4.2%	3.8%	26 Dec 2064	45 years
<b>Total</b>				SGD 504.9	SGD 505.8	SGD 493.4	2.3%	2.5%		

**Notes:**

- 1) The values of the PRC Properties are based on 100.0% of property values.
- 2) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.