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

ANNOUNCEMENT

FITCH RATINGS ASSIGNS "BBB+" CREDIT RATING WITH STABLE OUTLOOK TO MAPLETREE LOGISTICS TRUST

Mapletree Logistics Trust Management Ltd., as manager of Mapletree Logistics Trust ("**MLT**"), wishes to announce that Fitch Ratings ("**Fitch**") has assigned a "BBB+" corporate credit rating with stable outlook to MLT and its medium-term notes programme.

The press release issued by Fitch on 30 August 2021 is attached for information.

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

30 August 2021

Important Notice

Fitch Assigns Mapletree Logistics Trust First-Time 'BBB+' IDR; Outlook Stable

Fitch Ratings - Singapore - 30 Aug 2021: Fitch Ratings has assigned Singapore-listed REIT Mapletree Logistics Trust (MLT) a Long-Term Issuer Default Rating (IDR) of 'BBB+'. The Outlook is Stable.

Fitch has also assigned a 'BBB+' long-term rating to MLT's euro medium-term securities programme of SGD3 billion. Notes under the programme will be issued by HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT (MLT Trustee), MapletreeLog Treasury Company Pte Ltd (MTC SG) or MapletreeLog Treasury Company (HKSAR) Ltd (MTC HK). The programme is guaranteed by MLT Trustee, if the issuer is MTC SG or MTC HK.

Fitch emphasises that the rating assigned to the securities programme is for the programme in general, and there is no assurance that any subsequent issues under the programme will be assigned a rating or that the rating assigned to a specific issue will be the same as the programme's rating.

The Long-Term IDR is underpinned by steady cash flow from MLT's Asia-Pacific logistics warehouse portfolio - valued at SGD10.8 billion at end-March 2021 - but constrained by the trust's net debt/EBITDA, which Fitch forecasts to hover around 8.0x-8.5x over the next three years.

Key Rating Drivers

Strong Rent Growth, Occupancy: We expect MLT's like-for-like rental income to increase by around 2% a year on its high-quality logistics warehouse properties and healthy demand for the asset class. Rent growth is supported by built-in escalations in more than 80% of its portfolio, and Fitch's expectations of 1%-2% positive rent reversions on expiring leases.

Most of MLT's properties are modern, well-located warehouses in core connectivity nodes across key Asian trade hubs. The quality of the properties, together with the limited supply of modern warehouses in the region, has allowed MLT to command premium rents, relative to traditional warehouses, and maintain a high occupancy rate of over 95%.

Resilient Against Pandemic: The Covid-19 pandemic has accelerated the adoption of e-commerce and third-party logistics, leading to higher demand for logistics warehouses, as evident in MLT's strong operational performance in the financial year ended 31 March 2021 (FY21). Net property income increased by 14% yoy.

Warehouse Demand to Remain High: We expect demand for good-quality warehouses to remain high as e-commerce and e-fulfilment penetration increase for more trade sectors. Furthermore, supply chain disruptions caused by the pandemic have driven companies to stock-up on higher inventory, which should also support warehouse demand.

Prudently Managed Acquisitions: We expect MLT to continue to expand by acquisitions in the Asia Pacific as the trust sees this as a competitive advantage in serving multi-locational tenants. We project discretionary expansion capex to moderate to SGD700 million a year over FY22-FY25 after the spike in FY21, amounting to SGD1.6 billion. Its medium-term growth plans are supported by its sponsor Mapletree Investments Pte Ltd's (MIPL) pipeline of assets in the region and opportunistic acquisitions of good-quality assets from third-party vendors.

We expect MLT to continue balancing growth with a prudent financial strategy. Past acquisitions were funded using a majority of equity or asset disposals such that net debt/investment property value (LTV) remained about 40% - a trend we expect to continue. We also expect MLT to continue buying mostly stabilised, income-producing assets that are value-accretive. MLT expects to maintain over 70% of its assets in developed markets in the Asia Pacific, with exposure to emerging markets mostly where its sponsor has a strong presence to mitigate risks.

Diverse Tenants, Granular Assets: We expect portfolio granularity to improve as MLT continues to expand its asset base. MLT has a large and diversified tenant base, consisting of more than 700 local and international companies, which reduces tenant concentration. Moreover, around 75% of MLT's tenants caters to domestic consumption, adding stability to the company's rental income. Its property portfolio is also granular with the top ten assets accounting for 35% of its total investment property value.

Leverage to Revert to Historical Average: MLT's leverage should revert to its historical average of around 8.0x-8.5x in FY22-FY24, from the 8.8x in FY21, on higher rental income from a spike in acquisitions in FY21 and a moderation in investments in the medium term. The risk to MLT's credit metrics from more acquisitions than we currently forecast is tempered by its strong record of raising equity to fund a majority of its investment value.

Perpetuals Treated as Equity: MLT's SGD430 million of perpetual securities provide strong going-concern and gone-concern loss absorption, such as no fixed maturity date, no redemption incentive, non-cumulative coupon deferrals and deep subordination. MLT aims to keep perpetuals as a permanent feature of its long-term capital structure, supporting its ability to maintain a conservative LTV ratio. It replaced SGD350 million of callable perpetual securities in 2017 with a similar instrument of SGD180 million and paid the balance using common equity.

Derivation Summary

MLT is comparable to European logistics warehouse players, such as SEGRO PLC (A-/Stable) and SELP Finance SARL (BBB+/Stable) as well as Singapore-based Mapletree Industrial Trust (MIT, BBB+/Stable) and property investment fund GLP Pte. Ltd. (BBB/Negative).

SEGRO is rated one notch above MLT, driven by our belief that it will maintain net debt/EBITDA below 8.0x over the medium term, which is lower than our expectations for MLT. SEGRO's rating is underpinned by its large property portfolio of USD14.3 billion, high EBITDA margin and strong financial profile. We believe MLT has similar business profile, as both SEGRO and MLT operate strategically located logistics warehouses of strong quality. Both companies are able to maintain robust occupancy of over 95% and EBITDA margin of around 80% even during the course of the pandemic. SEGRO is geographically diversified across Europe while MLT is diversified across the Asia Pacific.

MLT is rated at the same level as SELP, reflecting our expectations that SELP will maintain a more conservative LTV ratio than MLT. This offsets SELP's slightly higher business risk. SELP's rating reflects its geographically diversified portfolio of big-box logistics assets located in continental Europe. It has an investment property portfolio of USD6.4 billion, slightly smaller than MLT's USD8.0 billion. SELP is a joint venture between Public Sector Pension Investment Board (PSP Investments) and SEGRO and has no direct access to the equity market, against MLT's market-leading capital access. Both REITs have similar net debt/EBITDA leverage of around 8x-9x but SELP maintains a lower LTV of 30%-35%, against MLT's LTV of 35%-40%.

MLT and MIT are rated at the same level. However, MIT has tighter leverage with Fitch expecting net debt/EBITDA to hover around 6.5x-7.0x over the medium term. This is counterbalanced by MIT's smaller, less geographically diversified investment property portfolio, which is valued at USD4.2 billion. The portfolio consists of a mix of data centres, high-spec industrial assets, business parks and more generic assets, such as flatted factories and stack-up, ramp-up buildings, catering to SME tenants.

MLT is rated one notch above GLP. GLP's rating reflects its larger asset portfolio than other 'BBB' category peers with an investment property portfolio of USD22.8 billion. However, GLP is undergoing a transition to an asset-light business model, and has a weaker financial profile with Fitch expecting net debt/EBITDA to hover around 8.0x-8.5x and EBITDA interest cover of about 2.5x. MLT has a superior EBITDA margin of around 80%, against GLP's average of around 40%, as GLP operates as a holding company and has substantial other income from dividends. The Negative Outlook on GLP's rating reflects rising uncertainty over its ability to manage its leverage and coverage during its business transformation.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer:

- Capex of around SGD700 million for portfolio expansion and SGD20 million for maintenance a year for FY22-FY25 (FY21: SGD1.6 billion for expansion and SGD6.8 million for maintenance);

- Revenue to increase by 16% yoy in FY22 and 6%-8% a year over FY23-FY25 due mainly to our assumptions of contributions from portfolio expansion;

- Average positive rental reversion of 1%-2% on lease renewals;

- Built-in rental escalation of 1%-2% on existing leases;

- Net property income (NPI) yield of 4.5%-4.7% for new acquisitions;

- EBITDA margin to be maintained at around 80% (FY21: 80.5%);

- 40% of managers fees to be paid in units.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Net debt/operating EBITDA improving to below 8.0x on a sustained basis.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Net debt/operating EBITDA deteriorating to above 9.0x for a sustained period (FY21: 8.8x);

- LTV rising above 45% on a sustained basis (FY21: 36%);

- Sustained weakening in logistics sector fundamentals or indicators of a structural change, such as falling occupancy rates, negative rent reversions or a decline in like-for-like EBITDA.

Best/Worst Case Rating Scenario

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit https://www.fitchratings.com/site/re/10111579.

Liquidity and Debt Structure

Solid Liquidity: MLT's liquidity is supported by committed undrawn credit facilities, amounting to SGD667 million as of 30 June 2021. These lines along with its cash balance of SGD297 million more than covers Fitch's forecast of SGD640 million negative free cash flow (FCF) in FY22 and SGD159 million of maturing debt for the rest of the financial year. The negative FCF is mainly driven by MLT's expansionary capex; Fitch expects MLT to spend SGD700 million a year. However, the expansionary capex is at the trust's discretion.

Liquidity is also supported by strong unencumbered assets/net debt of 2.9x, providing MLT with the ability to access secured debts, if required. MLT maintains a well-staggered debt maturity profile with no more than 25% of its total debt maturing in a single year, and an average debt duration of 3.7 years.

Issuer Profile

MLT is a REIT focused on logistics warehouses. Its investment property portfolio, including 163 properties with a total net lettable area of 6.5 million square metres, was valued at SGD10.8 billion at end-March 2021. Its sponsor, MIPL, is a wholly owned subsidiary of Temasek Holdings (Private) Limited, which is wholly owned by the Government of Singapore.

Date of Relevant Committee

13 August 2021

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
Mapletree Logistics Trust	LT IDR	BBB+	New Rating		
MapletreeLog Treasury Company Pte. Ltd.					
• guaranteed	LT	BBB+	New Rating		
MapletreeLog Treasury Company (HKSAR) Ltd.					
• guaranteed	LT	BBB+	New Rating		

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

Corporate Hybrids Treatment and Notching Criteria (pub.12 Nov 2020)

Corporate Rating Criteria (pub.21 Dec 2020) (including rating assumption sensitivity)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub.09 Apr 2021) (including rating assumption sensitivity)

Sector Navigators - Addendum to the Corporate Rating Criteria (pub.30 Apr 2021)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.9.0 (1)

Additional Disclosures

Solicitation Status

Endorsement Status

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