

Miscellaneous

\* Asterisks denote mandatory information

Name of Announcer *	MAPLETREE LOGISTICS TRUST
Company Registration No.	NA
Announcement submitted on behalf of	MAPLETREE LOGISTICS TRUST
Announcement is submitted with respect to *	MAPLETREE LOGISTICS TRUST
Announcement is submitted by *	GIAM LAY HOON
Designation *	COMPANY SECRETARY, MAPLETREE LOGISTICS TRUST MANAGEMENT LTD. (AS MANAGER OF MAPLETREE LOGISTICS TRUST)
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>> Announcement Details

The details of the announcement start here ...

Announcement Title \*

Acquisition of 7 Blocks of Warehouse / Distribution Centres and 1 Office Block at Ouluo Logistics Centre at 785 and 909 Yuanhang Road, Jichang Town, Pudong New District, Shanghai, People's Republic of China - Presentation Slides

Description

Please see attached.

Attachments:

 [21-11-2005 - Purchase of Property - Ouluo - Presentation Slides.pdf](#)  
Total size = **377K**  
(2048K size limit recommended)



## Acquisition of Ouluo Logistics Centre near Pudong Airport

21 November 2005

maple<sup>tree</sup>  
logisticstrust



# Agenda

- **Details of Ouluo Logistics Centre:**
  - Ouluo Logistics Centre – maiden China acquisition
  - Ouluo's near fast growing Pudong Airport
  
- **Impact on MapletreeLog**
  - Under-rented, room for growth
  - Healthy total risk-adjusted returns
  - Acquisition is yield accretive
  - Reduced tenant concentration
  - Diversified asset mix
  - Long average lease duration
  - Unexpired lease of underlying land

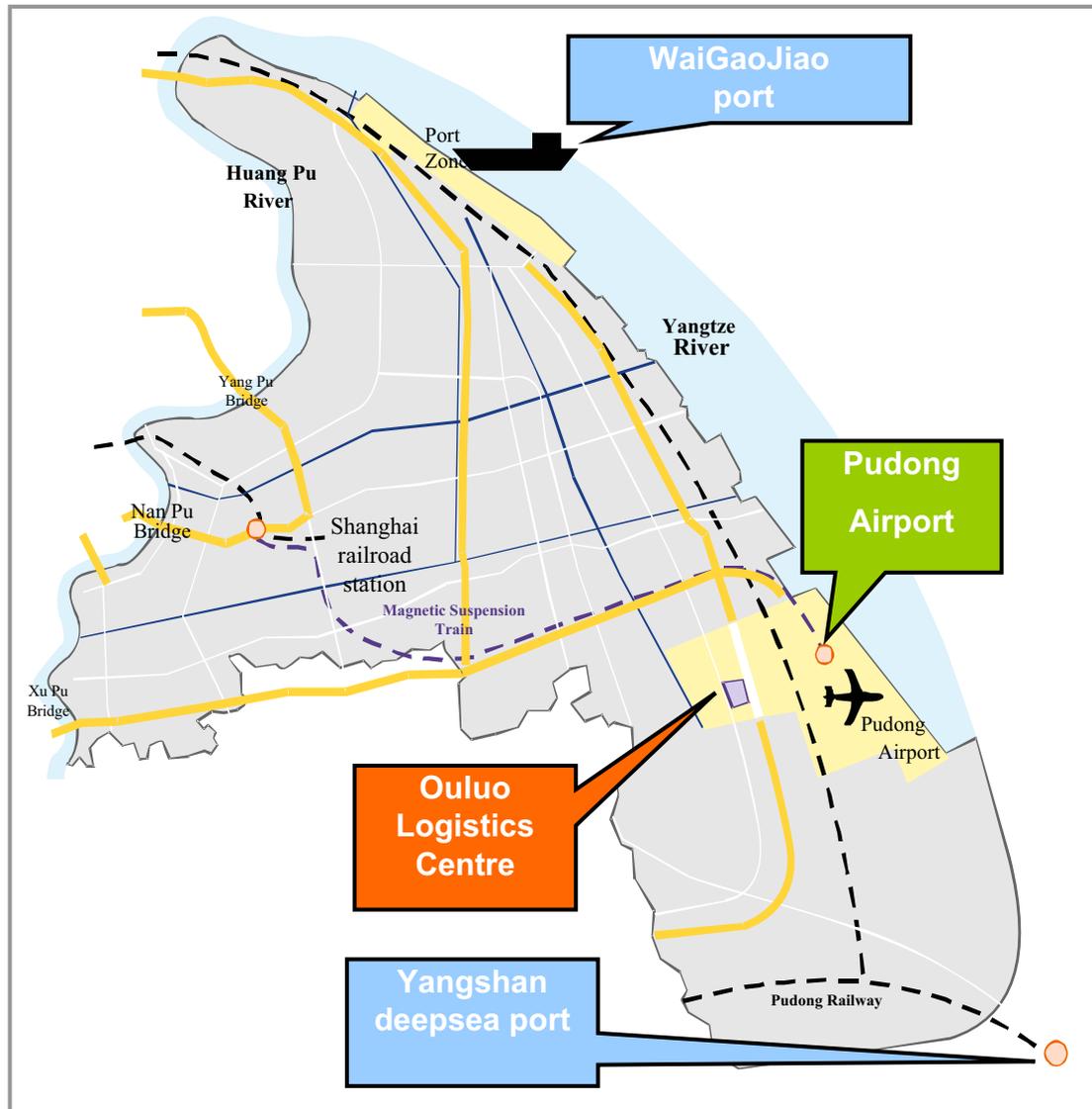
# Ouluo Logistics Centre – maiden China acquisition



The Property comprises 7 blocks of single storey steel-framed warehouses and one ancillary office block used by the 3PL and distribution centre operators. It is located at 785 and 909 Yuanhang Road, Jichang Town, Pudong New Area, Shanghai, The PRC.

- Purchase price: RMB 120m (S\$25.3m)
- EBITDA yield: 6.5% (ungeared);  
EBDA yield: 8.1% (50% gearing)
- Appraised value: RMB 128 million by Savills (Hong Kong) dated 30 Oct 2005
- Land tenure: expiry in 2052
- Land area: 82,795 sqm  
GFA: 33,246 sqm  
Lettable area: 33,246 sqm
- Lease terms: Sale with assigned tenancies. First year rental at RMB 8.6m (or S\$2.164m) pa with stepped up rental increases in the subsequent years of lease
- Tenants: DHL, Sagawa, Naya Logistics & Shanghai Zhong Chuang International
- Outgoings: Tenants pay property maintenance

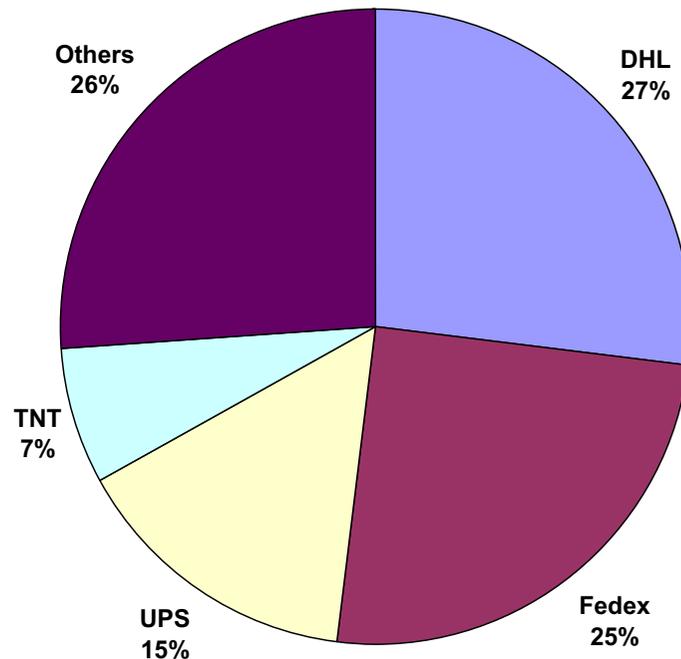
# Ouluo near fast growing Pudong Airport



- Ouluo is a rare find given the scarcity of investible grade logistics assets, more so in a location in such close proximity to as strategic a transport hub as the rapidly growing Pudong Airport.
- There is limited supply of logistics facilities in the vicinity and limited new supply in the near future
- Shanghai presents 34% share of China's air cargo market (66% of international and 16% of domestic air cargo) and seen CAGR of 25% 1993-2004.
- Civil Aviation Administration of China projects 12% pa growth in China air cargo traffic in 2006-2010.

# Under-rented property, room for growth

Market shares of Intra-Asia, Asia-Europe Airfreight in 2003



Source: Deutsche Post

- We see the growth potential of this under-rented property
- Lease structures are relatively short, giving room for rental reversions to move closer to prevailing market rates
- Current monthly rental rates for Ouluo is about RMB 21 psm vs RMB 24-28 psm for non-bonded logistics space in the Pudong Airport area
- Existing blue chip third party logistics (3PL) tenants DHL, Sagawa and Naya are due to renew the lease in a few years

# Total risk-adjusted returns healthy

Property yields & spread of total return over risk-free				
	Assume asset gearing of			
	0%	35%	50%	70%
Initial EBDA (after tax and interest)	6.5% <sup>1</sup>	7.0%	8.1%	11.4%
Total Return (over 5 years)	8.9%	9.8%	11.3%	15.2%
Spread over 10-year government bond <sup>2</sup>	5.7%	6.6%	8.1%	12.0%

<sup>1</sup> EBITDA yield

<sup>2</sup> RMB denominated 10-year government bond yield of 3.154%

- We plan to fund Oulu acquisition with substantial debt, in line with a capital management policy we have articulated earlier on for our overseas properties.
- While consolidated leverage level will remain conservative, we plan to focus more debt towards our overseas assets to maximise the natural hedge and tax shelter (if available), especially if funding costs is also advantageous
- On this basis, the initial EBDA of 7.0-11.4% compares favorably compared to our implied NPI yield of 4.1% (based on S\$1.03).
- Spread of total return (initial yield + organic growth) over risk-free of 660-1,200 bps for Oulu is higher than the equivalent spread of 480-500 bps for logistics assets in Singapore.

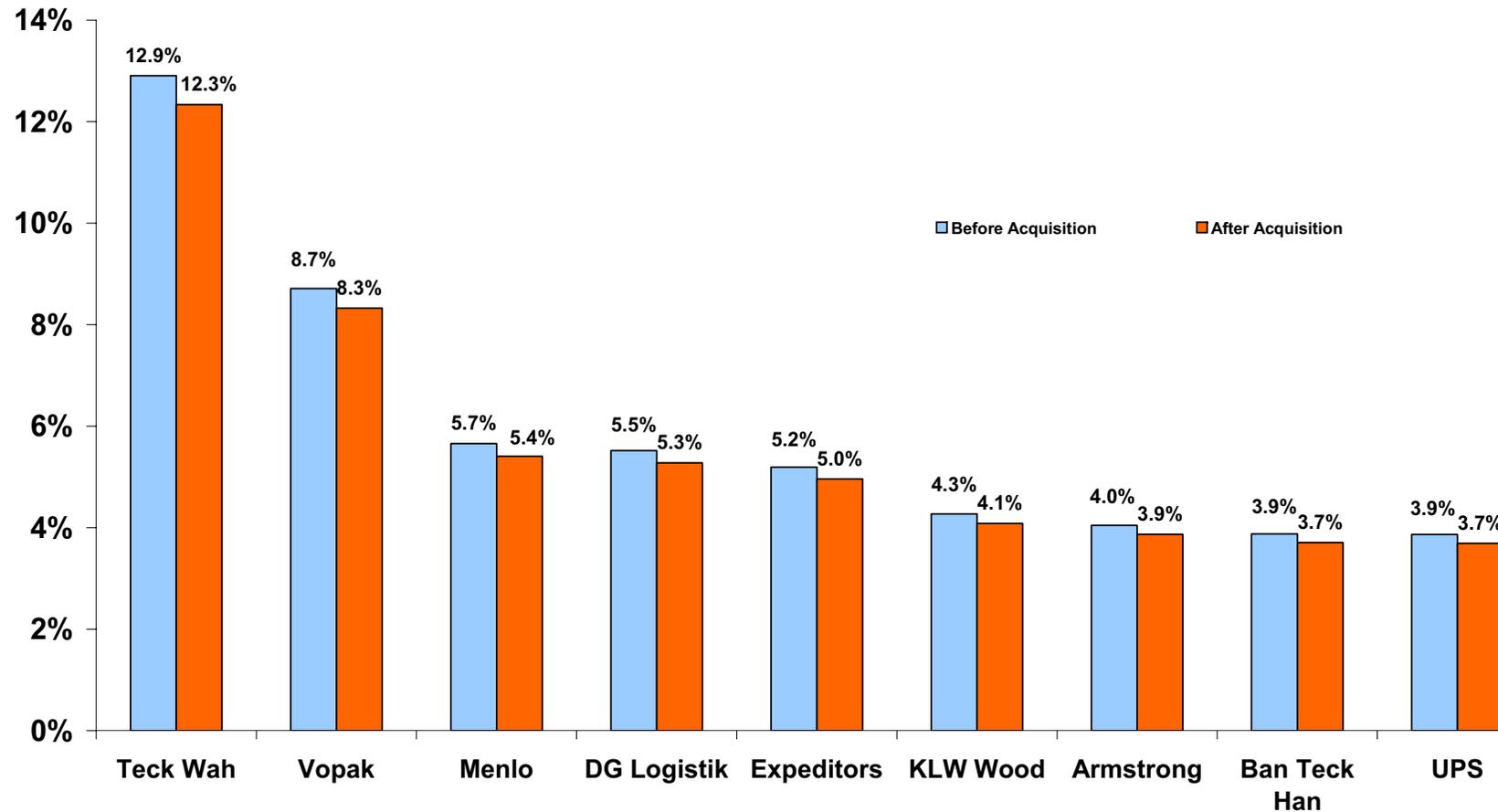
# Acquisition is yield accretive

<b>First Year</b>	<b>Ouluo Logistics Centre</b>
<b>Ung geared EBITDA yield</b>	<b>6.5%</b>
<b>EBDA at 35% gearing</b>	<b>7.0%</b>
<b>EBDA at 50% gearing</b>	<b>8.1%</b>
<b>EBDA at 70% gearing</b>	<b>11.4%</b>
<b>Implied NPI yield of MapletreeLog (based on unit price of S\$1.03)</b>	<b>~4.1%</b>

# Reduced tenant concentration

*Oulu brings in blue chip 3PL tenants DHL and Sagawa*

To 10 Tenants by Gross Revenue for Sep 2005 (New Portfolio)

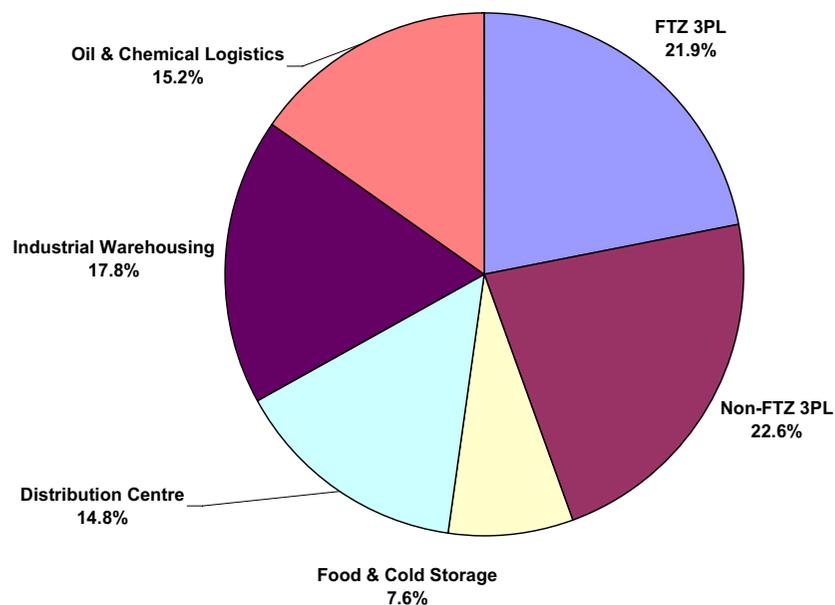


\* Reflects gross revenue contribution for the month of Sep 2005

# Diversified asset mix

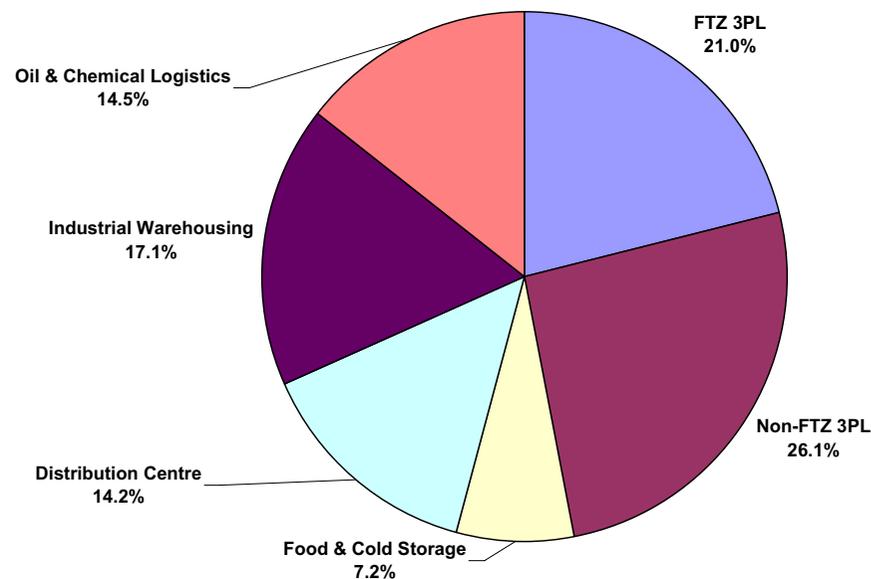
## Before the acquisition\*

Gross Revenue Contribution by Trade Sector (Before acquisition)



## After the acquisition\*

Gross Revenue Contribution by Trade Sector (after acquisition)

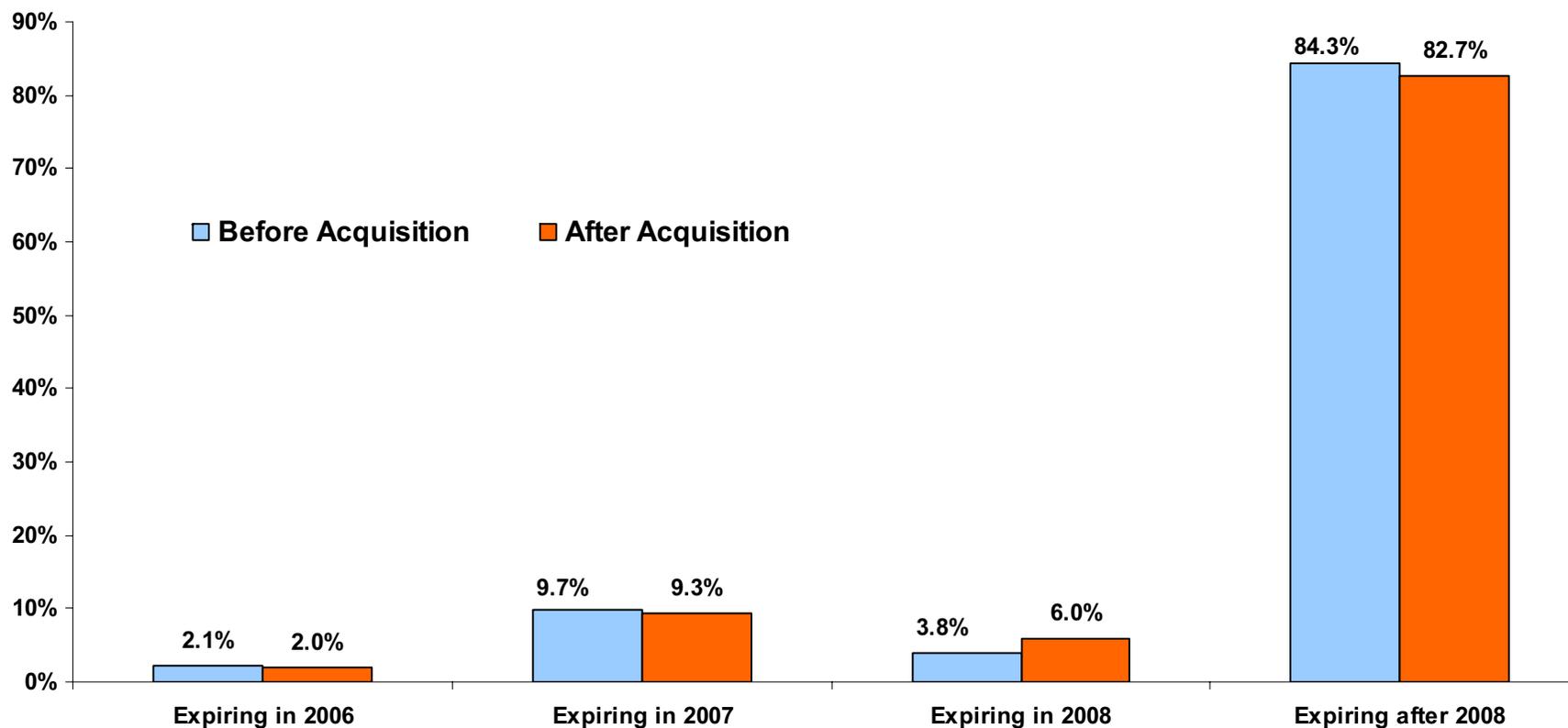


\* (1) Based on revenue for the month of September 2005 for the initial 15 + 3 new properties announced in Oct and contracted first year monthly rental for the new properties.

(2) The new property has been classified under Non-FTZ 3PL

# Average lease duration still long

Lease Expiry Profile by Income

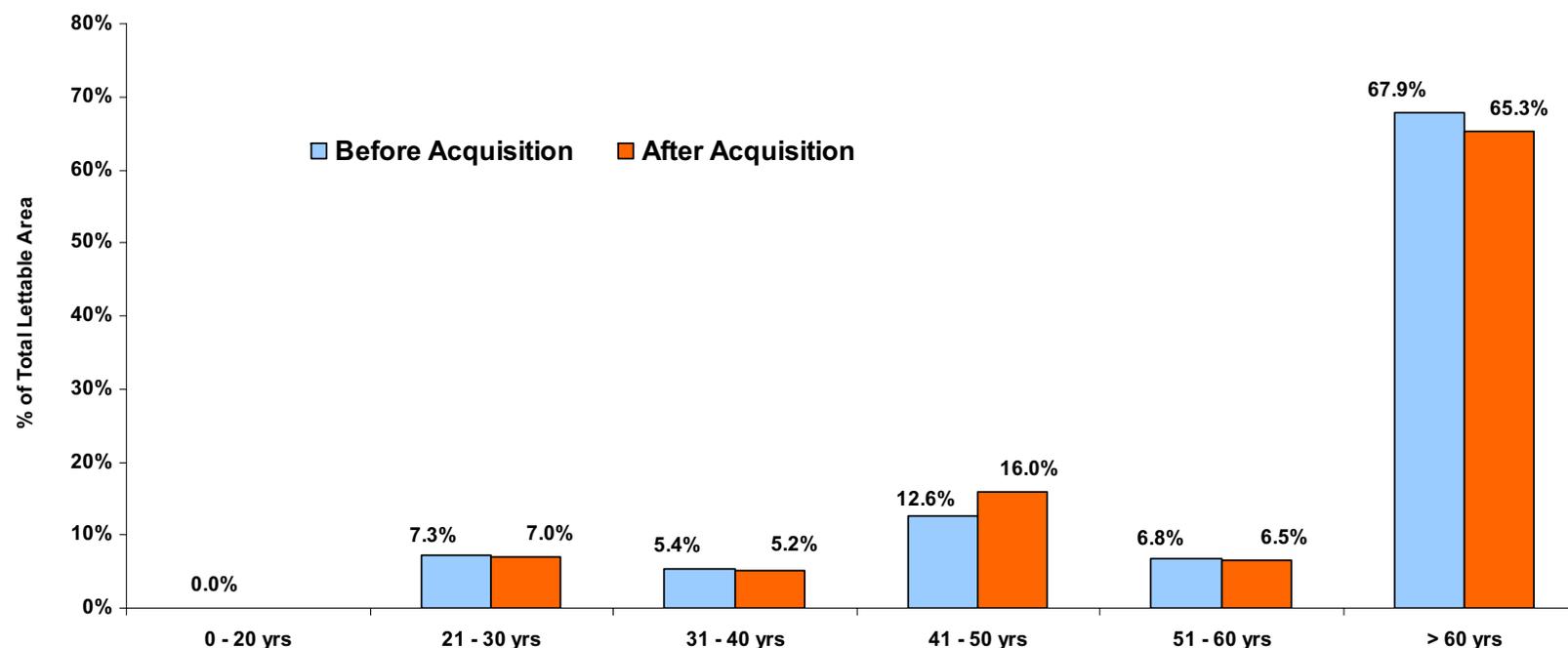


	Initial 15 properties plus SNP, Kenyon + APICO	19 properties after Ouluo
<b>Weighted average lease term to expiry</b>	<b>8.5 years</b>	<b>8.3 years</b>

\* From Sep 05

# Leasehold for underlying land

Remaining Years to Expiry of Underlying Land Lease



	<b>Initial 15 properties plus SNP, Kenyon + APICO</b>	<b>19 properties after Ouluo</b>
<b>Weighted average of unexpired lease term of underlying land</b>	<b>59.3 years</b>	<b>58.9 years</b>

\* Reflects year to expiry from 1 Dec 2005

# Disclaimer

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