

*For Immediate Release*

## MAPLETREE LOGISTICS TRUST TO ACQUIRE LOGISTICS PROPERTY IN SOUTH KOREA FOR KRW35.8 BILLION

**Singapore, 22 January 2020** – Mapletree Logistics Trust Management Ltd., as Manager of Mapletree Logistics Trust (“MLT”), wishes to announce the proposed acquisition of a logistics property in South Korea, DC Deokpyung (the “Property”), from DC Deokpyung LLC for KRW35.8 billion (~S\$41.4 million<sup>1</sup>) (the “Acquisition”).

### **About the Property**

The Property is located in Yongin-Icheon, a prime logistics cluster in the south-east region of the Seoul Metropolitan Area (“SMA”). The SMA, with a population of 25.6 million or half of the residents in the country, is the largest logistics hub in South Korea accounting for 70% of the country’s total warehouse supply. Over half of the SMA’s warehouse supply is located in Yongin-Icheon, which is popular with logistics companies due to its superior access to Gyeongbu and Jungbu Expressways, two major expressways running north-south, and to Yeongdong Expressway, the major expressway connecting the east and west coasts. These expressways provide good access to the densely populated areas in the SMA.

Comprising four blocks of dry warehouses, the Property has a total gross floor area of 30,485 square metres (“sqm”) sited on freehold land of approximately 45,935 sqm. It is well designed with good specifications, including direct access to all floors, clear ceiling height of 8 to 13 metres, floor loading capacity of up to 20kN/sqm and large spacious open yards to facilitate high flow logistics operations.

The Property is currently leased to ATN, a domestic third-party logistics service provider and Seha Corporation, a domestic distributor and manufacturer of commercial packaging paper. The leases have a weighted average lease term to expiry of 6.2<sup>2</sup> years with built-in annual rental escalations.

<sup>1</sup> Based on exchange rate of S\$1=KRW865.

<sup>2</sup> As at 20 January 2020.

The Property has been valued at KRW38.7 billion by Colliers International (Hong Kong) Limited as at 31 December 2019 based on the market approach, discounted cash flow method and direct capitalisation method. The initial net property income (“NPI”) yield is 5.5% with potential for growth when new leases are signed.

### Funding

The Acquisition is expected to generate stabilised NPI yield of 6.4% based on the property purchase price of KRW35.8 billion. It is also expected to be accretive at the distribution level. The total transaction cost is estimated to be approximately KRW2.5 billion (~S\$2.9 million), which includes acquisition tax, professional advisory fees and the acquisition fee payable to the Manager of approximately KRW358 million (~S\$0.4 million), being 1% of the purchase consideration of KRW35.8 billion.

The Acquisition will be funded by debt and is expected to be completed by the first calendar quarter of 2020, subject to fulfilment of the relevant conditions precedent and completion of regulatory filings. Upon completion, MLT’s aggregate leverage ratio will be approximately 37.4%<sup>3</sup>, while MLT’s total portfolio will comprise 144 properties with a total value of assets under management of approximately S\$8.3 billion.

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### About Mapletree Logistics Trust (MLT)

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. MLT’s principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 31 December 2019, it has a portfolio of 143 properties in Singapore, Hong Kong SAR, Japan, China, Australia, South Korea, Malaysia and Vietnam. The total value of assets under management is S\$8.3 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit [www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com).

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<sup>3</sup> Based on the aggregate leverage of 37.5% as at 31 December 2019 and taking into account repayment of existing loans with proceeds from the divestment of Waigaoqiao Logistics Park (which was completed on 31 December 2019) subsequent to quarter-end.

### Important Notice

This release 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 from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MLT is not necessarily indicative of its future performance.

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



# Mapletree Logistics Trust

Proposed Acquisition of a  
Logistics Property in South Korea

22 January 2020

# Overview of Property

## DC Deokpyung, South Korea



- The Property comprises four blocks of dry warehouses and is well designed with good specifications, including direct access to all floors
- It is located in Yongin-Icheon, a prime logistics cluster in the south-east region of the Seoul Metropolitan Area

<b>Purchase Price<sup>1</sup></b>	KRW35.8 billion (S\$41.4 million)
<b>Valuation<sup>2</sup></b>	KRW38.7 billion
<b>Land Tenure</b>	Freehold
<b>Land Area</b>	45, 935 sqm
<b>GFA</b>	30, 485 sqm
<b>Clear Ceiling Height</b>	8 to 13 metres
<b>Floor Loading</b>	20kN/sqm
<b>Tenants</b>	<ul style="list-style-type: none"> <li>▪ ATN</li> <li>▪ Seha Corporation</li> </ul>
<b>Weighted Average Lease Term (WALE)<sup>3</sup></b>	6.2 years

Notes:

1. Based on exchange rate of S\$1 = KRW865.
2. Valued by Colliers International (Hong Kong) Limited as at 31 December 2019 based on the market approach, discounted cash flow method and direct capitalisation method.
3. As at 20 January 2020.

# Investment Rationale

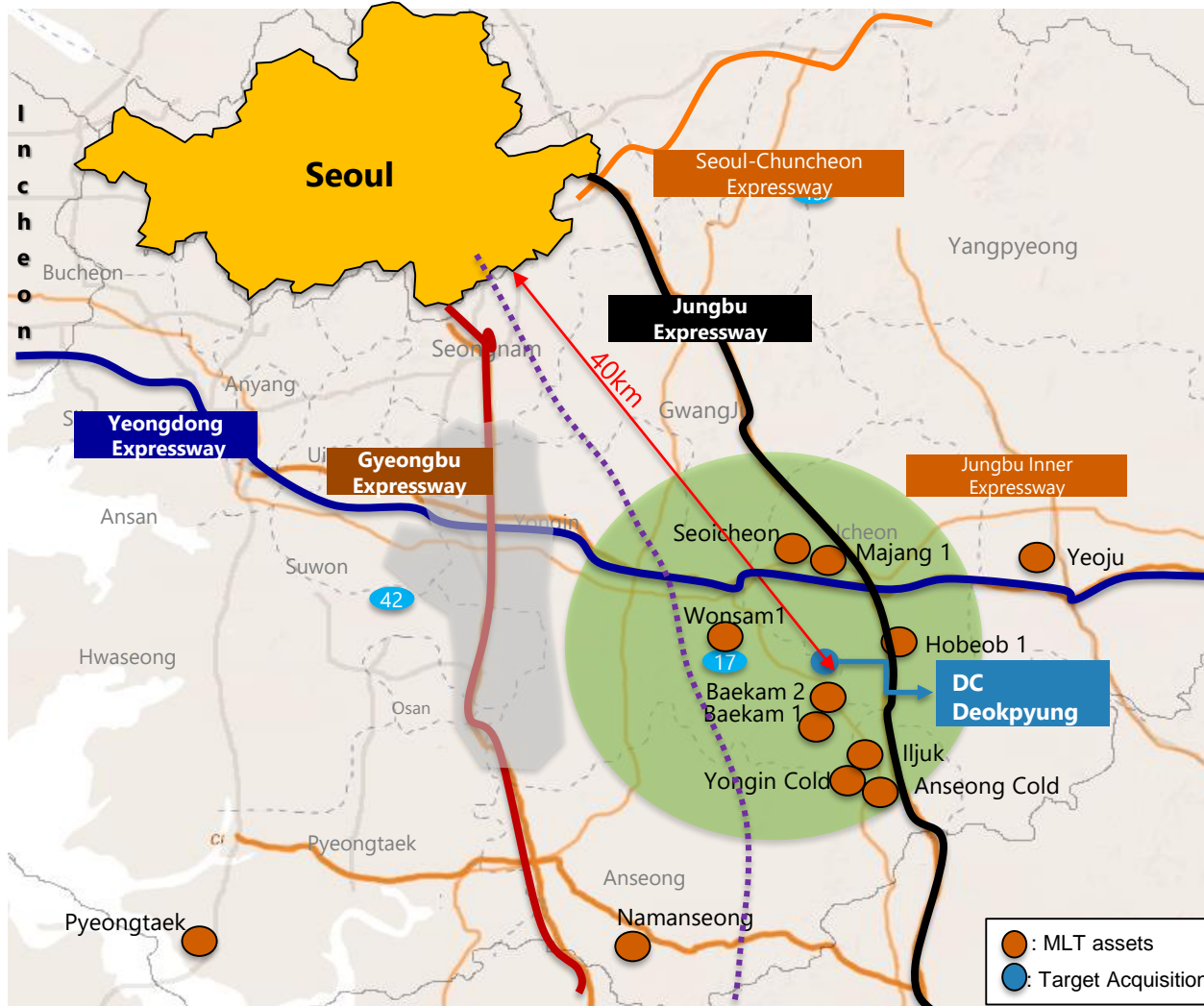
- **Strategic location in Yongin-Icheon, a prime logistics cluster**
  - Located in south-east region of the Seoul Metropolitan Area (“SMA”), the largest logistics hub in South Korea with a population of 25.6 million
  - Yongin-Icheon offers easy accessibility to major expressways which provide good access to the densely populated areas in the SMA
  
- **Logistics facility with good specifications**
  - The Property has a clear ceiling height of 8 to 13 metres and floor loading capacity of up to 20kN/sqm
  - Offers direct access to all floors with large spacious open yards to facilitate high flow logistics operations
  
- **WALE of 6.2<sup>1</sup> years with built-in annual rental escalations**
  - Leased to ATN, a domestic third-party logistics provider and Seha Corporation, a domestic distributor and manufacturer of commercial packaging paper
  
- **Acquisition is expected to be accretive with a stabilised NPI yield of 6.4%**
  - Initial NPI yield is 5.5% with potential for growth when new leases are signed
  - Acquisition will be funded by debt and is expected to be completed by the first calendar quarter of 2020, subject to fulfilment of the relevant conditions precedent and completion of regulatory filings
  - Upon completion, MLT’s aggregate leverage ratio will be approximately 37.4%<sup>2</sup>

Note:

1. As at 20 January 2020.
2. Based on the aggregate leverage of 37.5% as at 31 December 2019 and taking into account the repayment of existing loans with proceeds from the divestment of Waigaoqiao Logistics Park (which was completed on 31 December 2019) subsequent to quarter-end.

## Strategic Location in South Korea

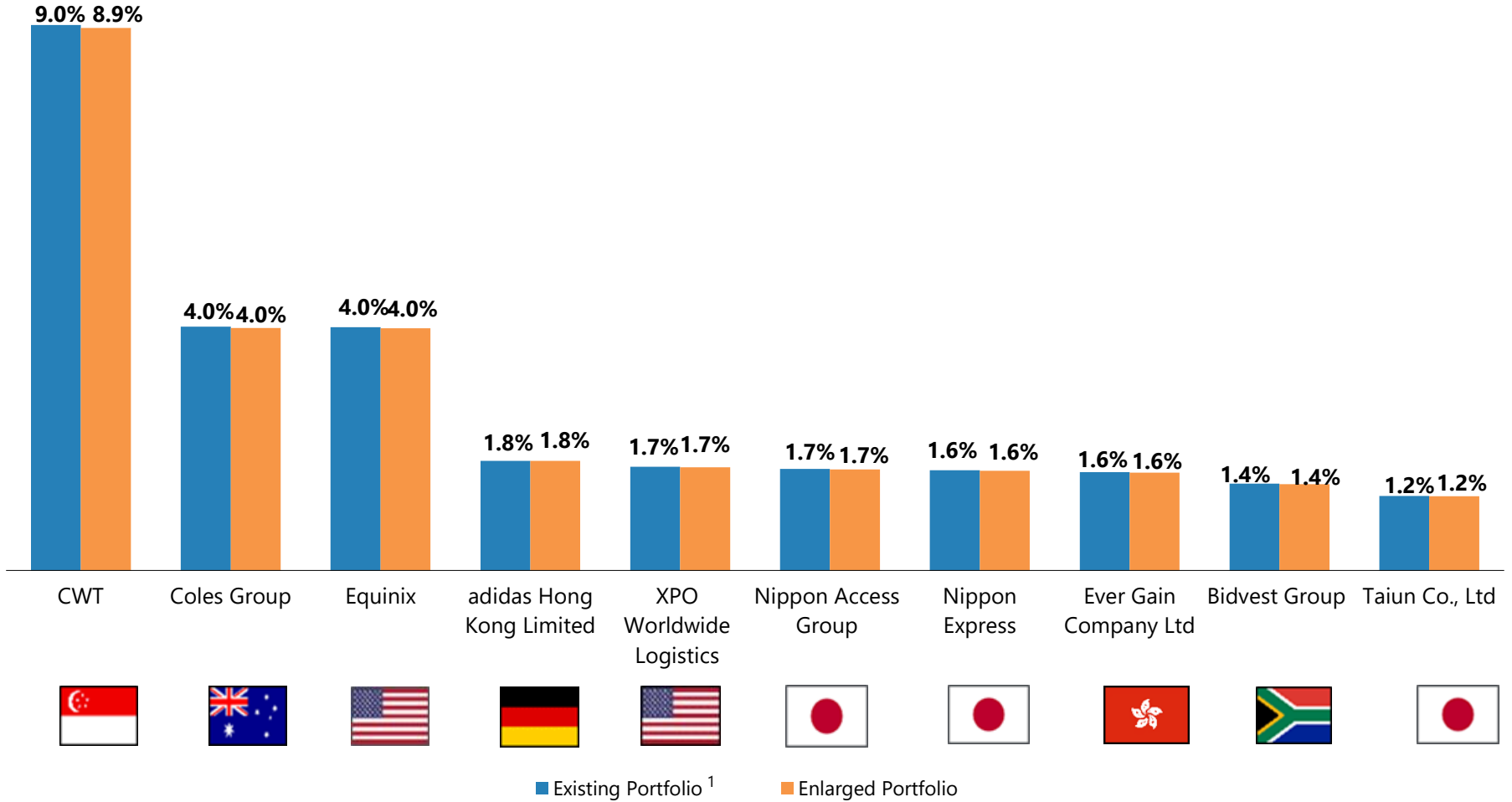
- The Property is well-connected to the catchment areas in SMA via:
  - Gyeongbu and Jungbu Expressways, two major expressways running north-south
  - Yeongdong Expressway, the major expressway connecting the east and west coasts



# Impact on Portfolio



# Top 10 Customer Profile (by Gross Revenue)

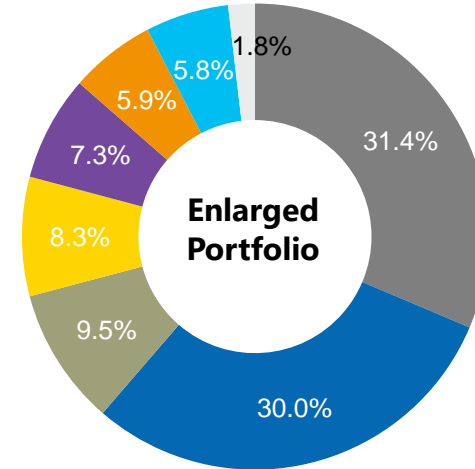
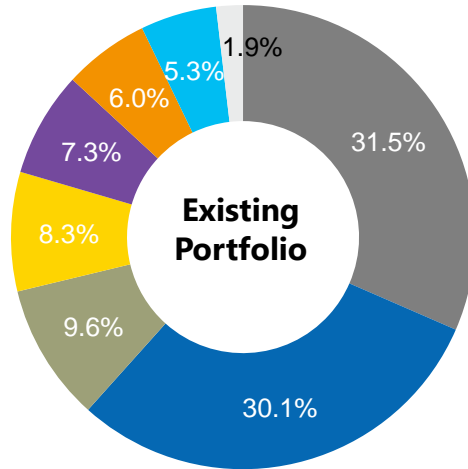


Note:

1) As at 31 December 2019 and inclusive of MLT's 50.0% interest in 15 properties in China.

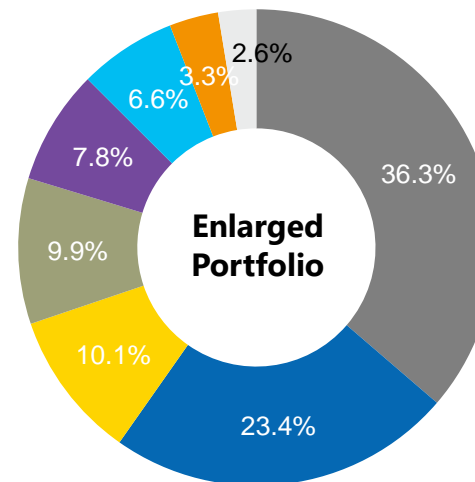
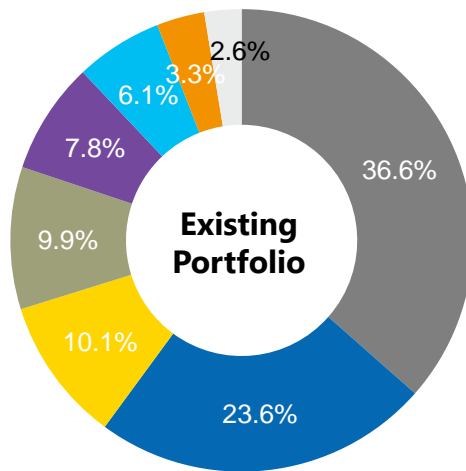
# Geographical Diversification

Asset under Management by Geography  
(As at 31 Dec 2019)



- Singapore
- Hong Kong SAR
- Japan
- China
- Australia
- Malaysia
- South Korea
- Vietnam

Gross Revenue by Geography  
(3Q FY19/20)

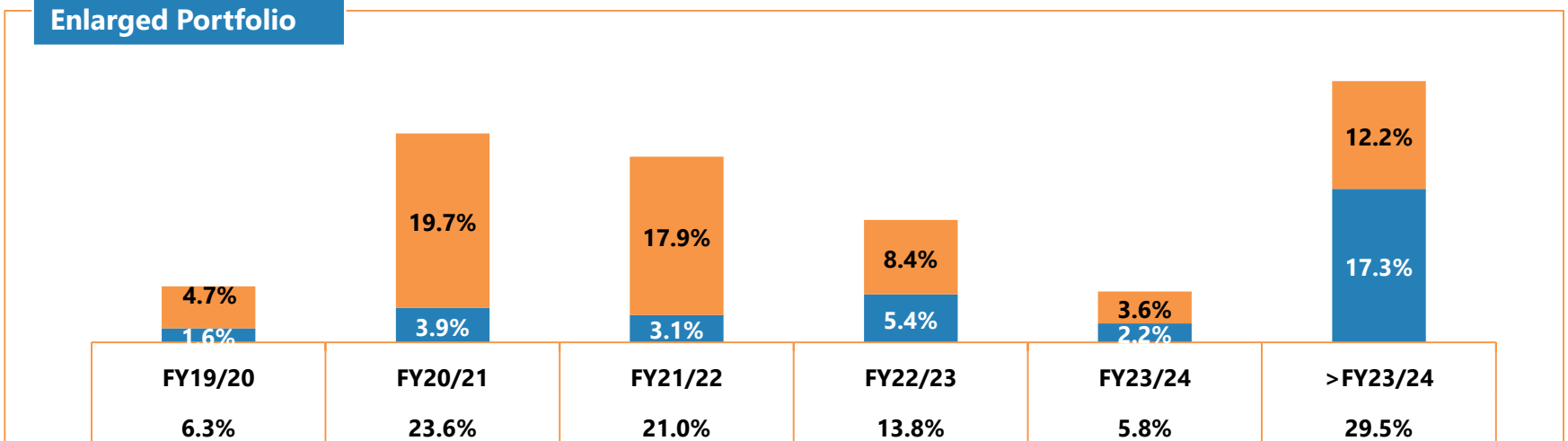
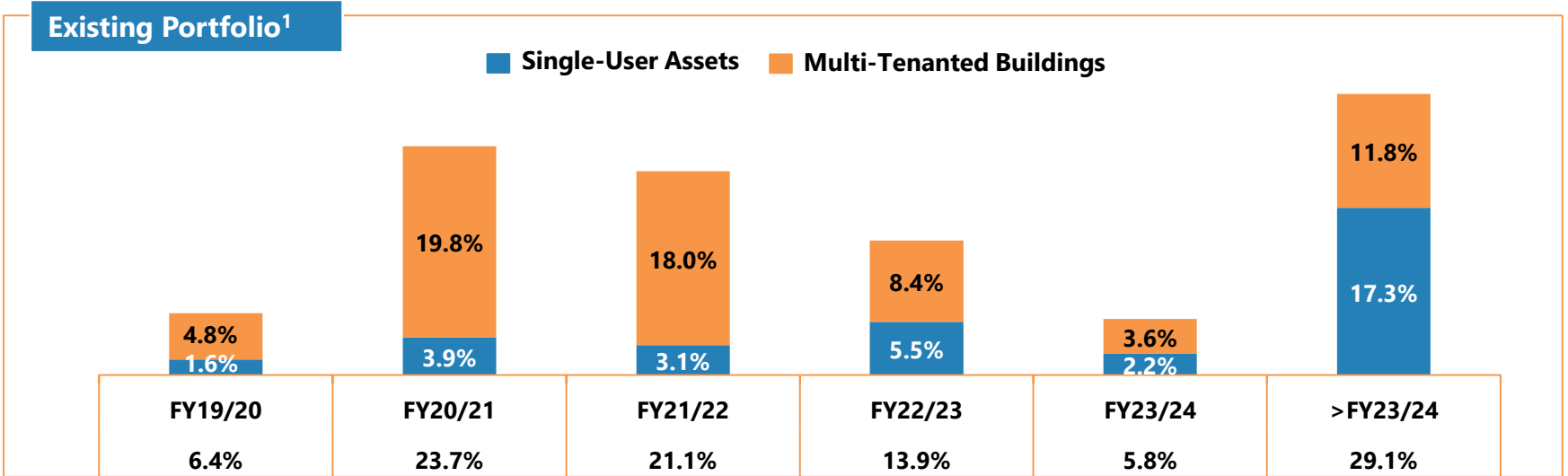


Note:

1) Inclusive of MLT's 50.0% interest in 15 properties in China.

# Lease Expiry Profile (by NLA)

- Weighted average lease expiry (by NLA) remains at 4.4 years

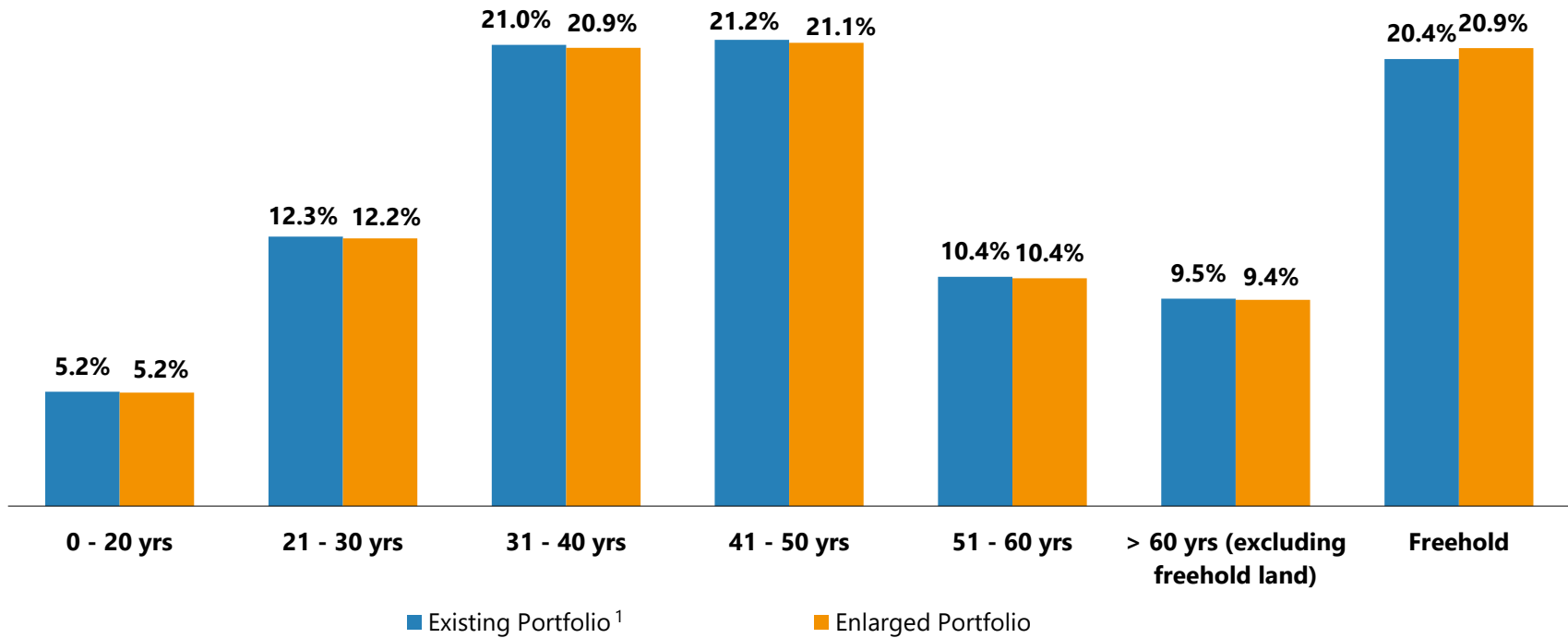


Note:

1) As at 31 December 2019 and inclusive of MLT's 50.0% interest in 15 properties in China.

# Remaining Years to Expiry of Underlying Land Lease (by NLA)

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land) remains at **44.8 years**



Note:

1) As at 31 December 2019 and inclusive of MLT's 50.0% interest in 15 properties in China.

# Disclaimer

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