

*For Immediate Release*

## **MAPLETREELOG ACQUIRES SHIBUSAWA (HONG KONG) BUILDING FOR HK\$210.0 MILLION**

**Singapore, 10 August 2006** – Mapletree Logistics Trust Management Ltd. (“MLTM”), manager of Mapletree Logistics Trust (“MapletreeLog”), is pleased to announce that MapletreeLog through its Trustee, HSBC Institutional Trust Services (Singapore) Limited (“Trustee”), has signed a conditional sale and purchase agreement to purchase a warehouse building in Tsuen Wan, Hong Kong for HK\$210.0 million (S\$42.0 million<sup>1</sup>) from Shibusawa (Hong Kong) Ltd.

The property, Shibusawa (Hong Kong) Building, is located at No. 1 Wang Wo Tsai Street, Tsuen Wan. The fully-occupied property has been structured as an outright sale with the assignment of existing leases including one with the vendor, Shibusawa (Hong Kong) Ltd. The acquisition of the property will be accretive to MapletreeLog’s distribution per unit (“DPU”) and the pro forma financial effect of the acquisition on the DPU for the financial year ended 31 December 2005 would be an additional 0.025 Singapore cents per unit<sup>2</sup>.

### **Benefits and rationale of the Acquisition**

Mr Chua Tiow Chye, Chief Executive Officer of MLTM, said, “This accretive deal is in line with our leasing strategy which we have tailored for markets with different growth characteristics. In high growth markets such as Hong Kong, we prefer properties with shorter lease terms – about two years in this Shibusawa deal – to allow our assets to ride the rising rentals in tandem with the market.”

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<sup>1</sup> Based on exchange rate of S\$1.00 to HK\$5.00.

<sup>2</sup> Assuming that MapletreeLog had purchased, held and operated the property for the whole of the financial year ended 31 December 2005 (based on 18 properties).

“The asset is located within a well established industrial/ logistics cluster and enjoys close proximity to the port and airport. These strong qualities will underpin the demand for space in the building,” Mr. Chua added.

According to Jones Lang LaSalle<sup>3</sup>, demand for warehouse space in Hong Kong has been strengthening in recent years and warehouse rents will see further upside in 2006, on the back of continued demand growth amidst diminishing supply. Another property consultant, Colliers International<sup>4</sup>, has projected a 12% to 16% increase in rentals and capital values of warehouse properties in Hong Kong between July 2006 and July 2007.

“As part of our follow-the-client strategy, we are very pleased to welcome Shibusawa, a reputable regional third party logistics operator to our stable of lessees and we hope to deepen our relationship by offering the Mapletree group as their strategic real estate partner to expand their logistics business into China,” Mr Chua said.

The acquisition also enhances the profile of MapletreeLog's portfolio by diversifying the mix of its assets and tenants. In the case of Shibusawa (Hong Kong) Building, the property is fully leased to three tenants: Kao (Hong Kong) Ltd occupies 50% of the strata titled space, Shibusawa (Hong Kong) Ltd, 33% and ASW Supply Chain Management Ltd, 17%. The vendor, Shibusawa (Hong Kong) Ltd, is a subsidiary of the Shibusawa Warehouse group in Japan whose core business is in logistics, warehousing, import and export transportation, air cargo handling and sea freight handling services. Kao (Hong Kong) Ltd is an affiliate of Kao Corporation, Japan's largest household goods maker while ASW Supply Chain Management Ltd is a local freight-forwarder which provides regional supply chain management services and enjoys an established network in China.

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<sup>3</sup> Jones Lang LaSalle, “Hong Kong Economic Insight”, February 2006

<sup>4</sup> Colliers International, “Hong Kong Property Market Overview”, July 2006

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### **Structuring of the deal and Funding**

MapletreeLog will acquire Shibusawa (Hong Kong) Building through its special purpose vehicle, MapletreeLog PF (HKSAR) Ltd. The acquisition is expected to be completed by September 2006. MapletreeLog has adequate debt capacity to complete this acquisition wholly with debt. However, this does not preclude the Manager from considering alternative funding options such as the issuance of new units in MapletreeLog to complete this acquisition and/or to refinance the debt taken to complete this acquisition.

### **General description of the property**

Shibusawa (Hong Kong) Building is a six-storey warehouse building located within the established Tsuen Wan industrial area which is an important cargo centre within easy reach of Hong Kong's commercial centre, airport and the Kwai Chung container terminal.

The property has been valued at HK\$222 million (S\$44.4 million<sup>1</sup>) by Knight Frank Petty Limited, as at 31 July 2006; this is 5.7% higher than the purchase price. It has a gross floor area of about 17,494 sqm which sits on leasehold land covering an area of about 3,968 sqm. Lease tenure for the land is expected to expire on 30 June 2047.

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**About MapletreeLog ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MapletreeLog, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. Its principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. It has a portfolio of 28 logistics assets located in Singapore, Hong Kong, China and Malaysia worth a total of S\$1,001.3 million as at 30 June 2006. MapletreeLog is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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**Important Notice**

The value of units in MapletreeLog ("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 MapletreeLog 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.