

*For Immediate Release*

## **Mapletree Logistics Trust Acquires Modern Logistics Facility in South Korea for KRW135 Billion**

- *Strategically located in northern Yeosu, a newly established logistics hub with excellent connectivity to Seoul*
- *A modern, ramp-up logistics asset with high quality building specifications*
- *100% occupancy with leading online fashion retailer as key tenant*

**Singapore – 20 October 2021** - Mapletree Logistics Trust Management Ltd. (“MLTM”), as Manager of Mapletree Logistics Trust (“MLT”), is pleased to announce the proposed acquisition of Yeosu Logistics Centre in South Korea (the “Property”) for KRW135 billion (~S\$153.8 million<sup>1</sup>) (the “Acquisition”).

Ms Ng Kiat, Chief Executive Officer of the Manager, said, “The pandemic has accelerated e-commerce growth and the demand for modern logistics space. With its high specifications and strategic location, this two year-old facility will position us well to capture the market growth. This acquisition will expand MLT’s network presence in the Seoul Metropolitan Area to 19 assets, demonstrating our continued commitment to support our customers with a variety of high quality leasing solutions.”

### **About the Property**

Spanning over 70,400 square metres (“sqm”) in total gross floor area on approximately 56,200 sqm of freehold land, the Property features two blocks of 3-storey dry warehouses that were completed in 2019. The Property is equipped with high quality building specifications, including strong floor loading of over 20 KiloNewton per sqm, high floor-to-ceiling height of 10 to 17 metres, large contiguous floor plates of up to 14,200 sqm and a full sprinkler system. The Property also provides direct ramp access to the upper floors and spacious docking yards, aimed at maximising speed and efficiency to facilitate high flow logistics operations. The Property was independently valued by MatePlus Appraisal at KRW139.6 billion as at 2 September 2021 based on the Market Comparison and Discounted Cash Flow methods.

---

<sup>1</sup> Based on exchange rate of S\$1=KRW878.

## **Rationale and Benefits of the Acquisition**

### Broaden MLT's presence in a new logistics hub with strong growth potential serving the Seoul Metropolitan Area

The Property is strategically located in northern Yeosu, a newly established logistics hub situated northeast of the Yongin-Icheon market, which is the traditional logistics cluster in the Seoul Metropolitan Area. Northern Yeosu has been gaining popularity as the choice location for the development of prime grade assets due to its superior access to Gwangju-Wonju Expressway and National Road #3, two major expressways providing enhanced accessibility to and from Seoul. These expressways provide cheaper and more efficient connections to both eastern and southern Seoul as compared to Yongin-Icheon, due to lower tolls and less traffic congestion.

### Positions MLT well to capture growing demand from the e-commerce industry

South Korea is Asia's fourth largest economy and recently logged the fastest economic growth in a decade<sup>2</sup>. Its e-commerce market ranks among the most developed in the world and is projected to grow at a compound annual growth rate of 20% from 2021 to 2025<sup>3</sup>. The COVID-19 pandemic has contributed to this growth, providing a new source of demand for high quality warehousing facilities in prime locations. With its modern specifications and strategic location with excellent connectivity, the Property is in a favourable position to attract users from the e-commerce sector.

### 100% occupancy with leading online fashion retailer as key tenant

The Property is fully leased to one of South Korea's largest online fashion platforms and a domestic third-party logistics service provider. The Acquisition will raise MLT's e-commerce revenue exposure in South Korea from 24% to 31%. With a weighted average lease expiry ("WALE") (by net lettable area) of approximately 3.1 years<sup>4</sup> and built-in annual rent escalations, the Acquisition will provide MLT with a stable and growing income stream.

## **Further Details of the Acquisition**

Transaction-related costs are estimated to be approximately KRW8.6 billion (~S\$9.8 million), including stamp duty, professional advisory fees and the acquisition fee payable to the Manager of KRW1.35 billion (~S\$1.5 million), being 1% of the purchase price of KRW135 billion. The Acquisition is estimated to generate a net property income yield of 4.2% based on the property purchase price and is expected

<sup>2</sup> Nikkei Asia, "South Korea logs fastest GDP growth in decade at 5.9% for Q2"

<sup>3</sup> Research and Markets, "South Korea E-Commerce Market Report 2021"

<sup>4</sup> As at 30 September 2021.

to be accretive to MLT's distribution per unit. Assuming the Acquisition is 100% debt funded, MLT's aggregate gearing ratio will be approximately 40.3%<sup>5</sup>.

The Acquisition is expected to be completed by the fourth calendar quarter of 2021, subject to fulfilment of relevant conditions precedent. Upon completion, MLT's total portfolio will comprise 167 properties with assets under management of S\$11.1 billion<sup>5</sup>.

= END =

### 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 30 June 2021, it has a portfolio of 163 logistics assets in Singapore, Hong Kong SAR, Japan, Australia, China, Malaysia, South Korea, Vietnam and India with assets under management of S\$10.7 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).

For enquiries, please contact:

Ms Lum Yuen May  
Director, Investor Relations  
Tel: +65 6659 3671  
Email: [lum.yuenmay@mapletree.com.sg](mailto:lum.yuenmay@mapletree.com.sg)

### 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.

<sup>5</sup> Based on MLT's financials as at 30 June 2021 and including the proposed acquisitions of i) 9 Changi South Street 2, Singapore announced on 9 July 2021; ii) a cold storage facility in Melbourne, Australia announced on 13 August 2021; and iii) Mapletree Logistics Hub – Tanjung Pelepas, Malaysia announced on 20 August 2021.