

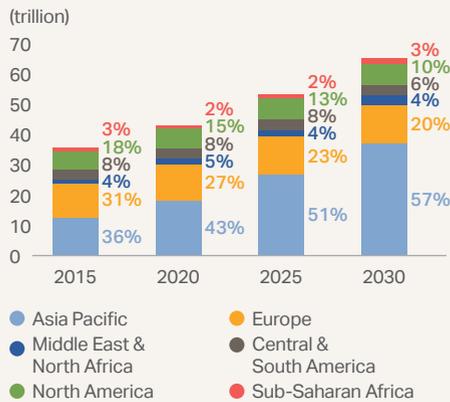
Key Market Trends

Shaping the industry

MLT's portfolio of quality, well-located assets is in a good position to benefit from several long-term trends, notably: Asia's growing middle class, rapidly expanding e-commerce market, increasing supply chain efficiency and the One Belt One Road initiative. We will continue to proactively shape our portfolio to capitalise on these trends.

ASIA'S GROWING MIDDLE CLASS

Spending by Global Middle Class



Source: The Unprecedented Expansion of the Global Middle Class, An Update, February 2017. Brookings Institution.

Asia, as the fastest growing economic region in the world, is projected to see a rapid rise in the middle class as well as middle-class spending. According to a Brookings Institution research, it is forecasted that two-thirds of the global middle class will be living in Asia by 2030, up from 46% in 2015. A similar trend is projected for middle-class consumption. By 2030, global middle-class consumption could be USD29 trillion more than in 2015, with Asia accounting for over 80% of that increased spending.

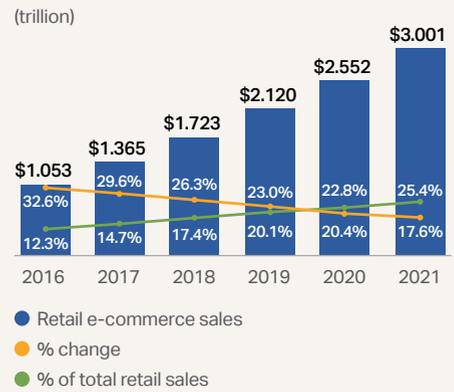
Impact on MLT

Rising affluence and the growing middle class have fuelled the demand for consumer goods, which in turn is driving demand for warehouse space. This is evidenced by the consistently high occupancy rates enjoyed by MLT's portfolios across the eight geographic markets over the years.

At the same time, enterprises including MLT's customers are looking to expand regionally to capture the growth opportunities. With our pan Asia-Pacific network of strategically located assets and years of on-the-ground presence, MLT is uniquely placed to support our customers on their regional expansion plans.

RAPID EXPANSION OF E-COMMERCE

Retail E-commerce Sales in Asia-Pacific, 2016-2021



Source: Worldwide Retail and Ecommerce Sales: eMarketer's Estimates for 2016-2021, 18 July 2017. eMarketer.

Retail e-commerce sales in Asia-Pacific is projected to grow at strong double-digit rates of 17.6% to 32.6% from 2016 to 2021, with sales forecasted to exceed USD3 trillion by 2021. Growth is driven by a competitive retail landscape, an increasingly connected middle class, and innovations in mobile and digital technologies. Retailers are scaling up their operations and experimenting with a range of e-commerce concepts, strategies and supply chain arrangements, and as a result spurring changes in warehouse designs to suit the requirements of e-commerce occupiers.

Impact on MLT

E-commerce growth will continue to be a key demand driver for prime logistics space. MLT, with presence in the fast growing e-commerce markets in Asia, is expected to be a beneficiary. The changing landscape of the industry will lead to greater demand for modern logistics facilities in prime locations, with design features that facilitate faster throughput. These include ramp-up, cross-docking as well as flexible and sizeable warehouse space to allow for scalability. In response to this demand, MLT has incorporated such considerations in our asset enhancement initiatives and investment decisions, and will continue to rationalise and improve the mix of our portfolio.

SUPPLY CHAIN EFFICIENCY

Growing Demand for Same-day Delivery



80% of shoppers surveyed want same-day shipping



61% of shoppers want their packages within 1-3 hours of placing an order



>25% of shoppers would abandon a cart online if same-day shipping was not available

Source: The Importance of Same Day Delivery - Statistics and Trends, February 2018. Invesp Blog.

The rise of e-commerce and consumers' expectations of same-day delivery options at little or no costs are fuelling changes in the retail landscape. Retailers and distributors are increasingly under pressure to deliver consumer products and perishables within narrow time frames. As a result, retailers, third-party logistics providers and parcel delivery companies are increasingly focused on extracting efficiencies from their supply chain. This has resulted in a preference for modern premises in key transport corridors, logistics hubs or locations in close proximity to population centres.

Impact on MLT

Asset locations and connectivity have always been important selection criteria in MLT's investment decision process. MLT's properties across its eight geographic markets in Asia-Pacific are strategically located near to major transportation nodes, including air, sea and rail, and established logistics clusters. Amongst the 124 assets in MLT's portfolio are warehouses located on major transport corridors, from which goods are distributed regionally, nationally and internationally; as well as warehouses located in or around major cities which enable efficient local deliveries.

ONE BELT ONE ROAD INITIATIVE

Significant Scale and Economic Benefits



Covers more than 60 countries across Asia, Europe and Africa



New infrastructure will be established to boost trade



Opening up opportunities for logistics sector in Asia

The One Belt One Road ("OBOR") initiative aims to boost inter-continental trade and connectivity by land and sea between Europe, Africa and China. As a new platform for cross-region cooperation, the OBOR initiative covers more than 60 countries across Asia, Europe and Africa, accounting for more than 30% of global GDP and world's merchandise trade. The OBOR initiative will provide tremendous boost to trade, connectivity and infrastructure development, opening up opportunities for the logistics sector in Asia.

Impact on MLT

The combined economies along the OBOR initiative represent a huge population and market which will encourage companies to set up transnational presence in Asia in the coming years. In addition, as trade flows grow, inland transportation routes (both rail and road) will become viable, boosting inter-continental and intra-China connectivity. These trends will support demand for MLT's quality and well-located logistics assets which are adjacent to key railway and shipping nodes across countries on the Maritime Silk Road which include Hong Kong, Singapore, Malaysia and Vietnam.



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