Message from the Chairman and CEO

Ms Ng Kiat
Executive Director & CEO

Mr Lee Chong Kwee
Non-Executive Chairman & Director

Dear Unitholders,
Mapletree Logistics Trust ("MLT" or the "Trust") delivered another year of sustained growth in FY17/18, generating robust unitholder returns underpinned by a stronger financial performance and stable operational results.

Forging ahead with a clear focus on building a resilient and quality portfolio, we expanded our presence in Hong Kong, a high-growth market, with two acquisitions of quality and well-located assets. We also completed our third redevelopment project in Singapore, Mapletree Pioneer Logistics Hub ("MPLH"), and divested four properties with older specifications in Japan, Singapore and Malaysia. A successful equity fundraising ("EFR") exercise enabled us to fund the acquisitions and recalibrate our capital structure, enhancing MLT's financial flexibility to seize market opportunities.

Delivering A Robust Performance

Gross revenue for FY17/18 rose 6% year-on-year to S$395.2 million while net property income recorded a 7% increase to S$333.8 million. The Trust's improved performance came from organic growth in its existing portfolio, and contributions from acquisitions and the newly completed MPLH. Overall growth was partially offset by the absence of contributions from four divestments, as well as one block in Ouluo Logistics Centre in China which is undergoing redevelopment.

Distributable income to Unitholders rose 14% year-on-year to S$212.9 million while distribution per unit grew 2% to 7.618 cents, after accounting for an enlarged unit base following the EFR. Based on the Trust's closing unit price of S$1.23 on 31 March 2018, Unitholders would have gained a total return of about 19%[1] in FY17/18, consisting of 12% in capital appreciation and a distribution yield of 7%.

Total investment properties grew 18%, crossing the S$6 billion mark to reach S$6.5 billion by 31 March 2018. Accounting for this increase was a net fair value gain of S$240 million in investment properties that was attributable mainly to properties in Hong Kong and approximately S$993 million in acquisitions and capital expenditure. Consequently, net asset value per unit rose 6% to S$1.10, from S$1.04 in the previous year.

In FY17/18, we remained focused on improving portfolio metrics and maintaining high occupancy rates. We adopted a proactive approach across our portfolios, engaging tenants well ahead of lease expiries to mitigate leasing risk, while providing flexible and customised leasing solutions to meet their evolving business needs. Bearing testament to our proactive lease

Note:
1 Total return is the sum of actual distributions and capital appreciation in MLT's unit price for the period between 31 March 2017 and 31 March 2018.

management efforts, we leased over 524,700 square metres ("sqm") of space while portfolio occupancy rate remained high through the year to end at 96.6% as of 31 March 2018.

We continued to diversify our tenant base, which increased 5% from 531 to 556. Notably, the acquisition of Mapletree Logistics Hub Tsing Yi ("MLHTY") in Hong Kong added 12 high-quality and reputable tenants. Most of them are new to our portfolio, including Ever Gain, adidas, Swatch, Angliss and Hong Kong TV. With over half of our tenants operating in the consumer sectors, such as food and beverage, fashion and apparel and healthcare products, MLT is also well-poised to benefit from the trend of rising domestic consumption in Asia.

Enhancing Portfolio Value

We are constantly evaluating the portfolio for asset enhancement or redevelopment opportunities that would improve the assets' performance and competitiveness. Older assets that are no longer competitive and with limited redevelopment potential may be considered for divestment as a last resort.

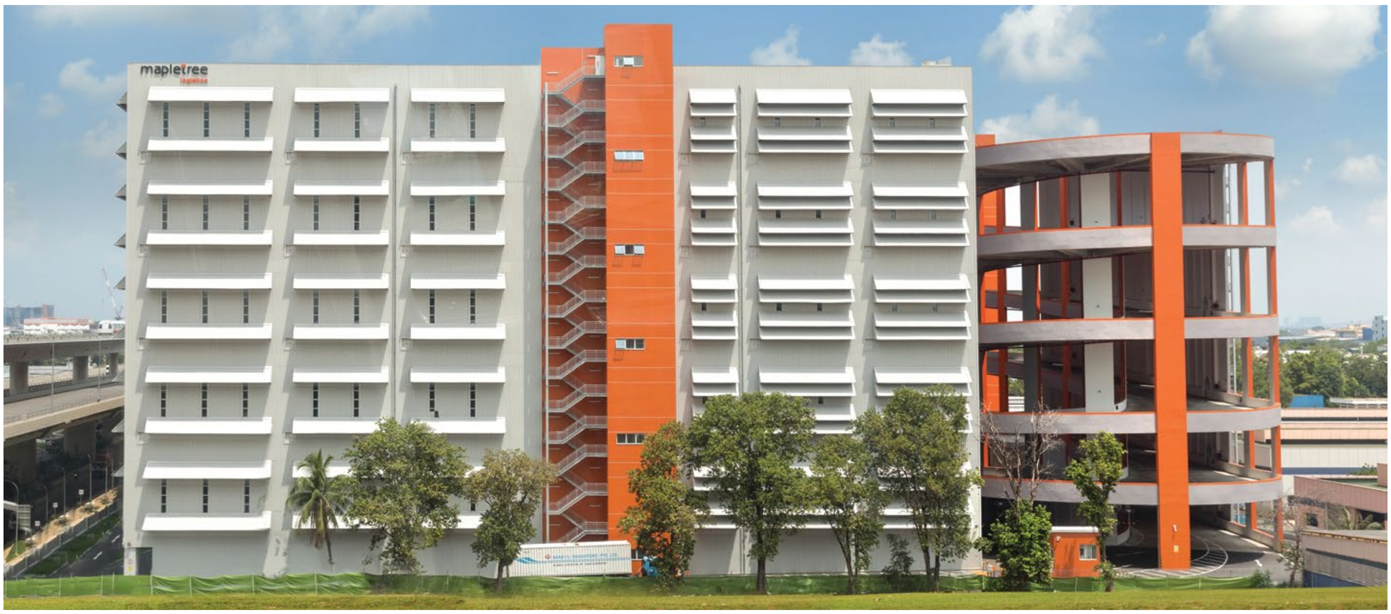
In line with this objective, MLT's third redevelopment project in Singapore at 76 Pioneer Road, MPLH, was completed in January 2018 at a total cost of approximately S$90 million. The five-storey ramp-up warehouse is built to modern specifications, with a 1.8 times increase in gross floor area ("GFA") to 72,000 sqm to maximise the site's potential. The project has to-date secured a committed occupancy rate of 88%.

In Shanghai, China, the S$70 million phased redevelopment of Ouluo Logistics Centre is another prime example of our focus to optimise the potential of our assets. Upon completion, Ouluo Logistics Centre will be transformed into a modern, two-storey ramp-up logistics facility, with a 2.4 times increase in GFA to 80,700 sqm. Located in a prime site close to Pudong airport, the project has received strong interest from both existing and new tenants. Phase one, which is slated for completion in September 2018, is already 100% pre-leased.

In FY17/18, we divested four low-yielding properties with older warehouse specifications – Zama Centre and Shiroishi Centre in Japan, 4 Toh Tuck Link in Singapore and Senai-UPS in Malaysia – for approximately S$189.1 million. Capital released from the divestments has been redeployed into investments of higher quality assets.

Capturing Growth Opportunities

In line with our portfolio rebalancing strategy, we actively seek acquisition opportunities of well-located quality properties in higher growth markets to further improve portfolio quality and growth potential.



Mapletree Pioneer Logistics Hub

Message from the Chairman and CEO
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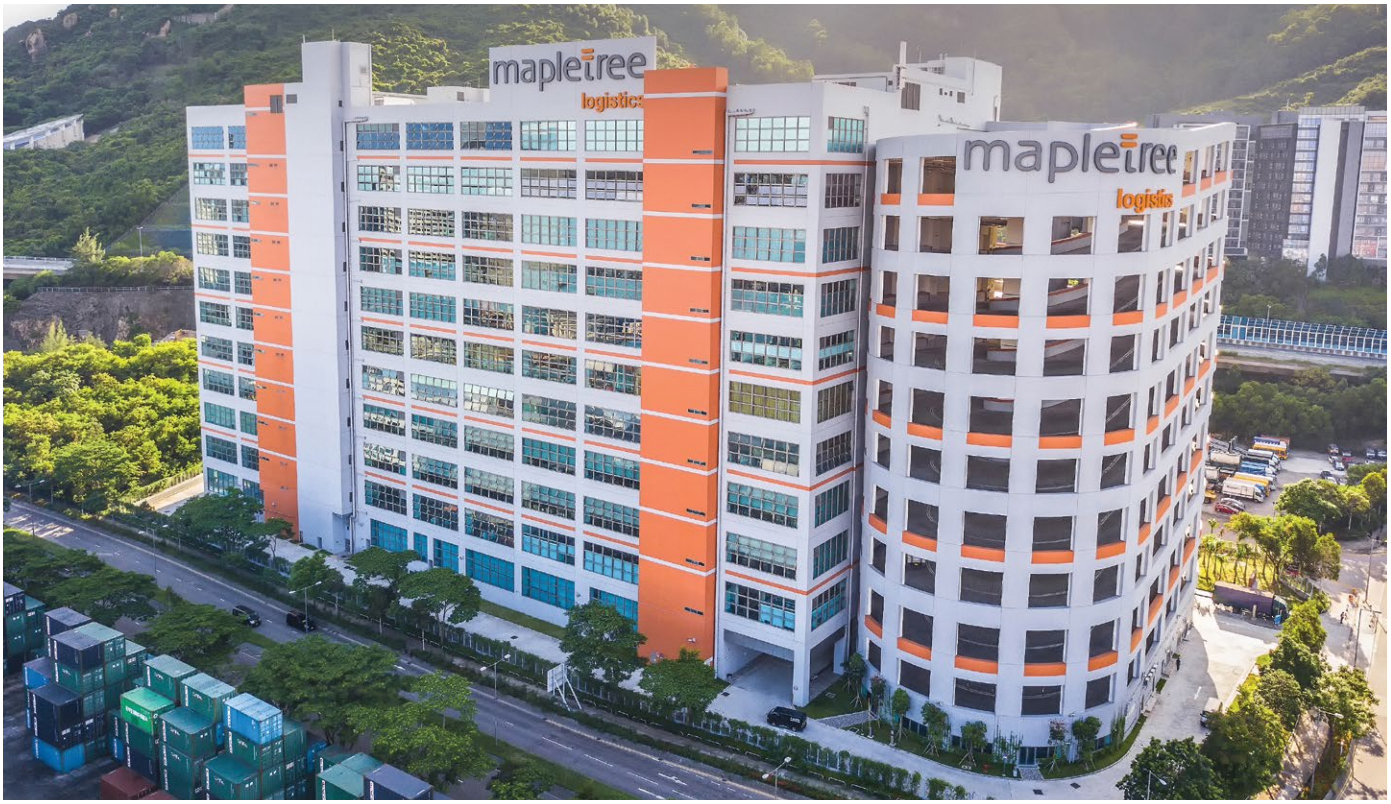

Mapletree Logistics Hub Tsing Yi

During the year, we expanded our presence in Hong Kong with the acquisitions of MLHTY and the remaining 38% in strata share value of Shatin No. 3 for a total consideration of HKD5.4 billion (S$938.5 million). The two acquisitions have increased MLT's investment properties in Hong Kong by 74% to HKD13.3 billion (S$2.2 billion) and net lettable area by almost 80% to 368,361 sqm, strengthening the Trust's position as a major player in this fast-growing market.

An 11-storey modern ramp-up warehouse with a net lettable area of 148,065 sqm, MLHTY was developed by the Sponsor, Mapletree Investments Pte Ltd. Its prime location and modern specifications make it ideal for both local and international distribution. With 100% occupancy from a high quality tenant base, the HKD4.8 billion (S$834.8 million) acquisition has enhanced MLT's income and tenant diversification.

Shatin No.3 is a popular location for the distribution of goods and freight forwarding with a consistent track record of strong operating performance. With full ownership and control, we are confident of repositioning the asset through asset enhancements to generate a higher yield and capital value. The newly acquired 38% interest in the property has already achieved 100% committed occupancy.

Prudent Capital Management

Our discipline in capital and risk management has enabled us to deliver consistent returns while ensuring a strong balance sheet and the financial flexibility to seize growth opportunities.

During the year, MLT completed an EFR exercise comprising a private placement and a 1-for-10 non-renounceable preferential offering, which raised gross proceeds of approximately S$640 million. Drawing strong participation from existing and new investors, the private placement and preferential offering were 3.3 times and 1.4 times covered respectively, bearing testament to investors' confidence in MLT.

Proceeds from the EFR were deployed to partially finance the acquisition of MLHTY as well as the redemption of S$350 million 5.375% perpetual securities issued in 2012. At the same time, we issued S$180 million in perpetual securities at a lower coupon rate of 3.65%.

In anticipation of further interest rate hikes in 2018, we have stepped up refinancing efforts and completed the refinancing of all debts maturing in FY18/19. The weighted average debt maturity has been extended to 4.5 years as at 31 March 2018, compared to 3.9 years a year ago. MLT's aggregate leverage stood at 37.7% with a weighted average borrowing cost of 2.3% for the year.

To mitigate the impact of foreign exchange and interest rate fluctuations on distributions, 78% of total debt has been hedged into fixed rates, while 70% of distributable income for FY18/19 has been hedged into Singapore dollars.

Growing Sustainably

At MLT, we are committed to upholding sustainable practices across our operations to drive the long-term success of our business. Our efforts in championing sustainability this financial year are outlined in the Sustainability Report ("SR") of this annual report. This is MLT's first SR that has been prepared in accordance with the internationally recognised Global Reporting Initiative (GRI) Standards: Core option, and underscores our dedication to transparency and accountability in our efforts to foster sustainability. We look forward to reporting on our progress in the coming years as we continue to further integrate sustainable practices into our operations.

Forging Ahead

The macro economic outlook has continued to strengthen, with global growth projected to rise to 3.9% in 2018[2]. However, economic uncertainties such as potential escalations in trade tensions and faster than expected interest rate hikes may temper this growth momentum.

Meanwhile, our geographically diversified portfolio continues to provide stable returns for Unitholders. In Singapore, while the leasing environment is likely to remain competitive in the near term due to a high supply of warehouse space, new supply is expected to taper in the coming years. In Hong Kong, favourable supply-demand dynamics should continue to support rental rates and high occupancies for MLT's assets. On top of this, our portfolios in Japan and Australia remain stable, with the Trust benefitting from full occupancies and long leases in these markets.

Looking ahead, we are optimistic on the long-term prospects of logistics properties in Asia. Demand for prime logistics facilities will continue to benefit from the secular trends of rising domestic consumption, the rapid expansion of e-commerce and the increasing focus on supply chain efficiency. Furthermore, new trade initiatives such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and China's One Belt One Road project augur well for cross-border trade flows within the region and the demand for logistics properties.

As Asia's economic integration continues to increase and our customers look to expand in this region, they need a logistics facility provider with the scale and local knowledge to help them grow. MLT, with its pan Asia-Pacific presence and portfolio of strategically located assets, is well-positioned to provide this. As we forge ahead to capture these opportunities, we remain committed to continually drive performance and deliver sustainable, long-term value to our stakeholders.

Appreciation

As part of the board renewal process, Mr Tan Ngiap Joo stepped down from the Board of Mapletree Logistics Trust Management Ltd. ("MLTM") with effect from 15 June 2018. Mr Tan had served as an Independent Director and Chairman of the Audit and Risk Committee ("AC") of MLTM since 2009. We would like to express our sincere thanks and appreciation for his significant contributions to the Board and invaluable guidance to the management. Mr Lim Joo Boon has been appointed as the Chairman of the AC of MLTM and we look forward to his counsel and contributions.

We also wish to extend a warm welcome to Mr Tan Wah Yeow who joined the Board as an Independent Director and Member of the AC. His experience and expertise will both complement and add to the Board's bench strength.

Our deepest appreciation goes out to our Unitholders, customers, business partners, employees and our fellow Directors for their unwavering support during the past year. We look forward to your continued support as we forge ahead to scale new heights in the new year.

Mr Lee Chong Kwee
Non-Executive Chairman & Director

Ms Ng Kiat
Executive Director & CEO

Note:
2 International Monetary Fund, World Economic Outlook, April 2018.