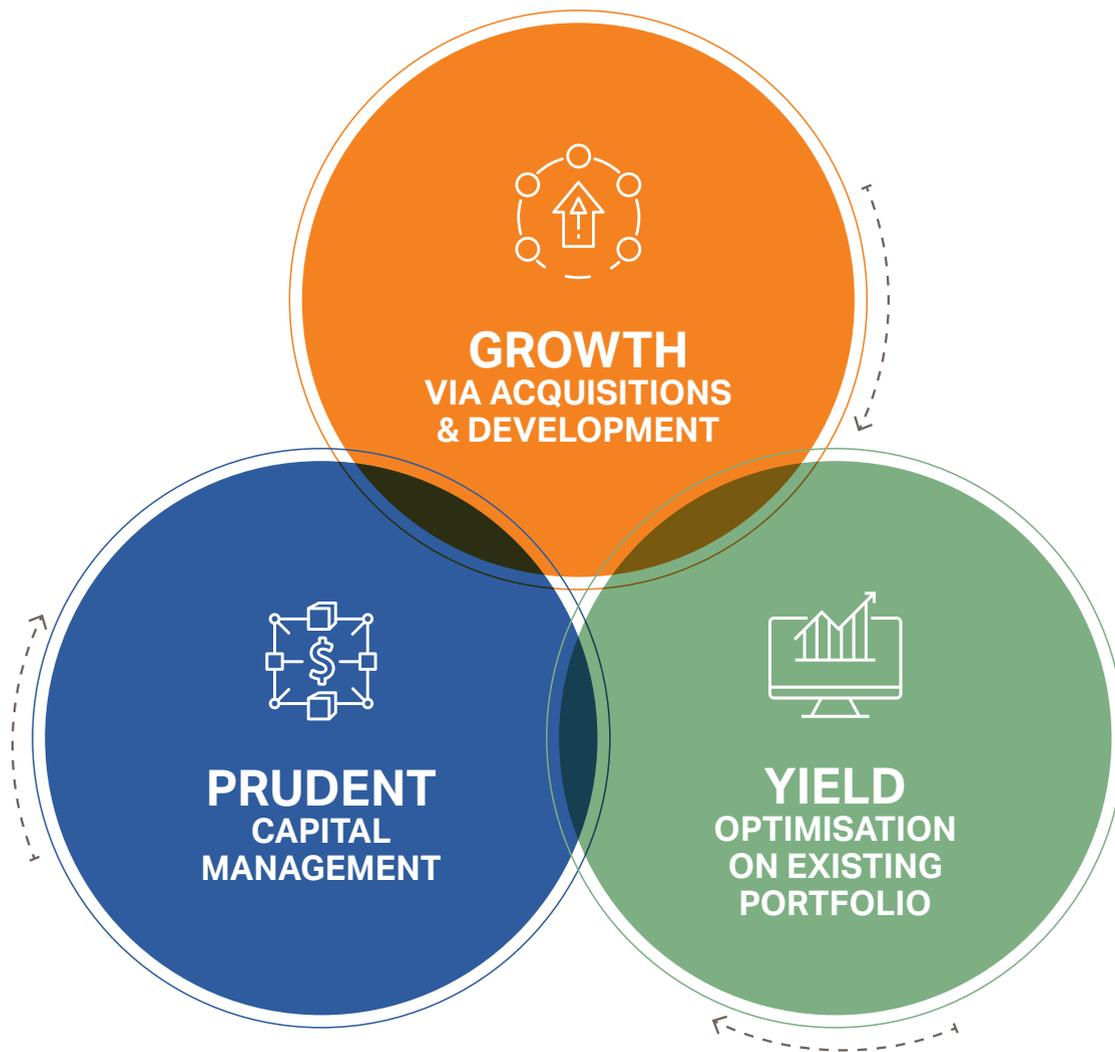

Delivering on Our Strategy

In line with our mission to provide Unitholders with competitive total returns, the Manager follows a “Yield + Growth” strategy which focuses on the two key areas of optimising yield on existing assets and augmenting growth through acquisitions or development projects which offer attractive returns. Both areas are underpinned by a prudent risk and capital management approach.





Growth via Acquisitions & Development



- > Disciplined acquisitions of quality, well-located assets that add scale and strategic value to the portfolio
- > Offer attractive value propositions to customers in support of their regional expansion plans – “Follow-the-Client”
- > Supported by a committed Sponsor which has extensive development expertise and regional presence as evidenced by its strong platform of logistics development projects in Asia

Acquisition

Mapletree Logistics Hub Tsing Yi (“MLHTY”),
Hong Kong

HK\$4.8b
(~S\$834.8 million)

Acquisition

Remaining 38% of Shatin No.3, Hong Kong

HK\$610m
(~S\$103.7 million)

Progress in 2017/18

> CAPTURING ACQUISITION OPPORTUNITIES

With its prime logistics location, modern specifications, 100% occupancy and a strong tenant profile, MLHTY is a strategic addition to MLT’s existing portfolio. The acquisition enhances MLT’s income and tenant diversification and bolsters its presence in a high growth market that enjoys favorable supply-demand dynamics.

The acquisition of the remaining 38% of Shatin No. 3 enables MLT to gain full ownership and control of a property which has a consistent track record of strong operating performance. The Manager aims to reposition Shatin No. 3 through asset enhancements with the objective to generate a higher yield and improved capital value.



Yield Optimisation on Existing Portfolio



- > Tailor leasing strategy to meet local market conditions
- > Maintain a well-staggered tenancy profile
- > Maintain a balanced mix of single-user assets and multi-tenanted buildings
- > Improve operational efficiency of properties
- > Optimise returns via asset enhancement and/or redevelopment
- > Selective divestments of low-yielding properties with older specifications

Redevelopment

Mapletree Pioneer Logistics Hub (“MPLH”),
Singapore

S\$90m

Divestments

Four properties

S\$189.1m

Progress in 2017/18

> UNLOCKING VALUE

MLT completed its third redevelopment project in Singapore, MPLH. With the property transformed into a modern 5-storey ramp-up logistics facility with a 1.8 times increase in floor area to 72,000 sqm, the project has unlocked value while significantly enhancing the quality and income growth potential of the asset.

> PORTFOLIO REJUVENATION

As part of its continuous efforts to improve the quality and protect the rental yield of its portfolio, MLT divested four older properties with limited redevelopment potential, namely, Zama Centre and Shiroishi Centre in Japan, 4 Toh Tuck Link in Singapore and Senai-UPS in Malaysia. The divestments free up capital and provide greater financial flexibility for investments of higher-yielding, modern facilities.



Prudent Capital Management



- > Maintain a strong balance sheet
- > Diversify sources of funding
- > Optimise cost of debt financing
- > Manage exposure to market fluctuations in interest rate and foreign exchange through appropriate hedging strategies

Equity Fund Raising Exercise Successfully raised

S\$640m

Perpetual Securities MLT issued

S\$180m
at annual distribution rate of 3.65%

Progress in 2017/18

> PRUDENT CAPITAL MANAGEMENT

To support its growth, MLT completed an equity fund raising exercise to partially finance the acquisition of MLHTY and the redemption of S\$350 million 5.375% perpetual securities issued in 2012.

MLT also issued S\$180 million in perpetual securities at a lower annual distribution rate of 3.65%.

Through proactive capital management, all refinancing requirements in FY18/19 have been completed. The weighted average debt maturity was extended to 4.5 years from 3.9 years a year ago.