PORTFOLIO ANALYSIS AND REVIEW

A RESILIENT PORTFOLIO

Strength in Our Numbers

185
Number of Properties

7.9 million sqm
Total Net Lettable Area

97.0%
Portfolio Occupancy

S$12.8 billion
Total Assets Under Management

2.1 million sqm
Leases Renewed or Replaced, representing a Success Rate of 95%

73%
Customer Retention Rate

45%
Gross Revenue from Multi-Location Customers

The figures, charts and tables presented in this section set out the salient information on MLT's portfolio as at 31 March 2023.

STRONG AND GROWING REGIONAL NETWORK

MLT's extensive network of modern logistics facilities across key gateway cities or logistics hubs in Asia Pacific provides a key competitive advantage. It enables MLT to offer a variety of regional leasing solutions to support customers' business and expansion needs in multiple locations. In FY22/23, MLT further strengthened its network connectivity with the acquisition of three properties located in China, South Korea and Malaysia. In line with its portfolio rejuvenation strategy, MLT divested a non-core asset in Singapore.

As at 31 March 2023, MLT's portfolio is comprised of 185 well-located quality properties in nine markets: Singapore, Australia, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam.

REJUVENATING MLT'S PORTFOLIO THROUGH ACTIVE ASSET MANAGEMENT

MLT is committed to building a resilient and future ready portfolio that meets the evolving needs of customers through an active portfolio rejuvenation strategy. The Manager employs a rigorous evaluation process to identify well located modern properties that are aligned with MLT's investment profile and that will improve the portfolio's future cash flow generation and returns. Asset enhancements or redevelopments are also carried out where feasible to improve asset performance for same store assets. For properties which are no longer relevant to customers' requirements, divestment is considered as a last resort.

Accelerating Rejuvenation through Quality Acquisitions

MLT completed the acquisitions of one property each in China, South Korea and Malaysia with an aggregate acquisition price of S$166.0 million in FY22/23.

On 30 March 2023, to strengthen MLT's portfolio and regional footprint, the Manager announced the proposed acquisitions of eight quality properties for a total purchase price of S$904.4 million. These high-quality, modern freehold logistics assets are set to strengthen MLT's competitive positioning in Tokyo, Nagoya, Hiroshima, Sydney and Seoul. Most of these major logistics markets continue to experience tight supply of logistics facilities and low vacancy rates. Fully leased to a diversified base of strong blue-chip customers, the eight properties will augment the resilience and future readiness of MLT's portfolio.

Acquisitions in FY22/23

Property	Country	Agreed Property Value	Valuation	Completion Date
Mapletree (Yuyao) Logistics Park	China	RMB218.2 million (S$46.5 million)	RMB220.0 million RMB221.0 million[1]	1 April 2022
Mapletree Logistics Centre - Baeksa 1	South Korea	KRW88.5 billion (S$98.8 million)	KRW91.5 billion[2]	8 April 2022
2 parcels of leasehold industrial properties in Subang Jaya	Malaysia	MYR65.6 million (S$20.8 million)	MYR67.9 million[3]	14 July 2022
6 logistics assets in Tokyo, Nagoya and Hiroshima	Japan	JPY64,020 million (S$642.9 million)	JPY68,579 million[4]	28 April 2023
1 logistics asset in Sydney	Australia	AUD125.7 million (S$112.7 million)	AUD129.0 million[5]	Pending completion
1 logistics asset in Seoul	South Korea	KRW144.8 billion (S$148.8 million)	KRW154.2 billion[6]	26 May 2023

1 The property was acquired from a subsidiary of Mapletree Investment Pte Ltd and a subsidiary of Itochu Corporation. The property was independently valued as of 31 October 2021 by Knight Frank Petty Limited and by Beijing Colliers International Real Estate Valuation Co., Ltd at RMB220.0 million and RMB221.0 million respectively. Knight Frank Petty Limited relied on the discounted cash flow analysis, cross-checked by sales comparison approach, and Beijing Colliers International Real Estate Valuation Co., Ltd used the discounted cash flow method and capitalisation method.

2 The property was acquired from Smart Logistics Co., Ltd and independently valued by Chestertons Research Co., Ltd as at 21 December 2021 based on the market comparison and discounted cash flow methods.

3 The properties were acquired from Sheng Loong Enterprises Sdn Bhd and Privileged Achievement Sdn Bhd, and independently valued by First Pacific Valuers Property Consultants Sdn Bhd as at 24 January 2022 based on the residual method as the primary valuation method, supported by the comparison method.

4 The properties were acquired from CBRE Investment Management and independently valued by Cushman & Wakefield K.K. as at 22 March 2023 based on the discounted cash flow approach, supported by the cost approach.

5 The properties were acquired from CBRE Investment Management and independently valued by Colliers Valuation & Advisory Services as at 1 March 2023 based on the market capitalisation and discounted cash flow methods.

6 The properties were acquired from CBRE Investment Management and independently valued by Chestertons Research Co., Ltd as at 8 February 2023 based on the market comparison and discounted cash flow methods.

Redeploying Capital through Divestments

As part of MLT's portfolio rejuvenation strategy, over S$600 million of non-core assets have been divested in the past at an average premium of 33% to valuations. The selective divestment of these non-core assets provides MLT with the financial flexibility to pursue new, value accretive acquisitions.

In FY22/23, 3 Changi South Lane in Singapore was divested for S$22.0 million, reflecting a premium of 39.2% to the independent valuation of S$15.8 million. During the year, the Manager had also announced the proposed divestments of two non-core assets in Malaysia – Subang 1 and Chee Wah – for approximately S$15.3 million, a premium of 6.1% to valuation. The divestments are expected to complete in the first half of FY23/24.

Divestment in FY22/23

Property	Country	Sale Price	Valuation	Completion Date
3 Changi South Lane	Singapore	S$22.0 million	S$15.8 million[7]	31 March 2023

7 The property was acquired by Nova Furnishing Holdings Pte Ltd and independently valued by Jones Lang LaSalle Property Consultants Pte Ltd as at 1 October 2022 based on income capitalisation, discounted cash flow and direct comparison methods.

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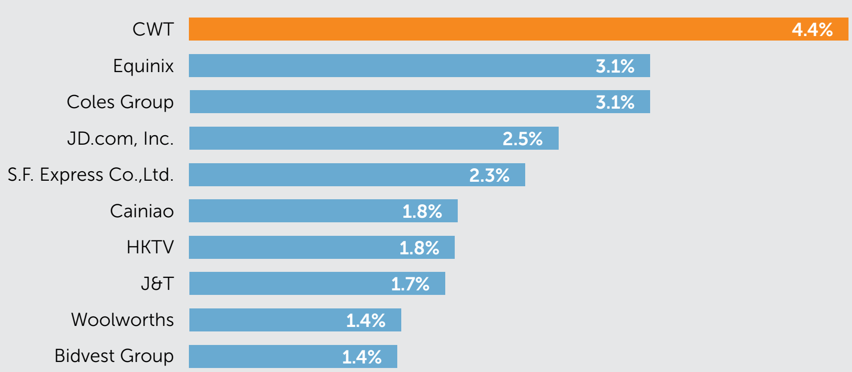
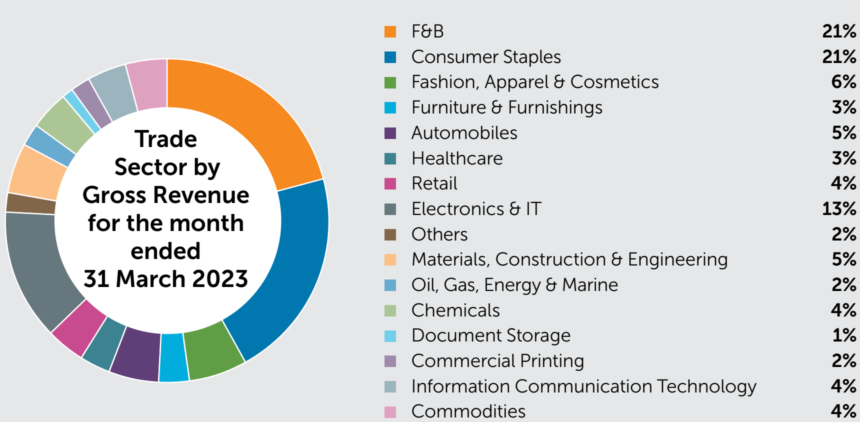
Artist's impression of the redevelopment project at 51 Benoi Road, Singapore

Top 10 Customers



Diversified Customer Trade Sectors



Unlocking Value through Asset Enhancements

Value accretive asset enhancements remain a core pillar of the Manager's portfolio rejuvenation strategy. Strategic asset enhancement projects allow MLT to unlock value within its portfolio, grow future income, and ensure that its properties meet the changing needs of its customers.

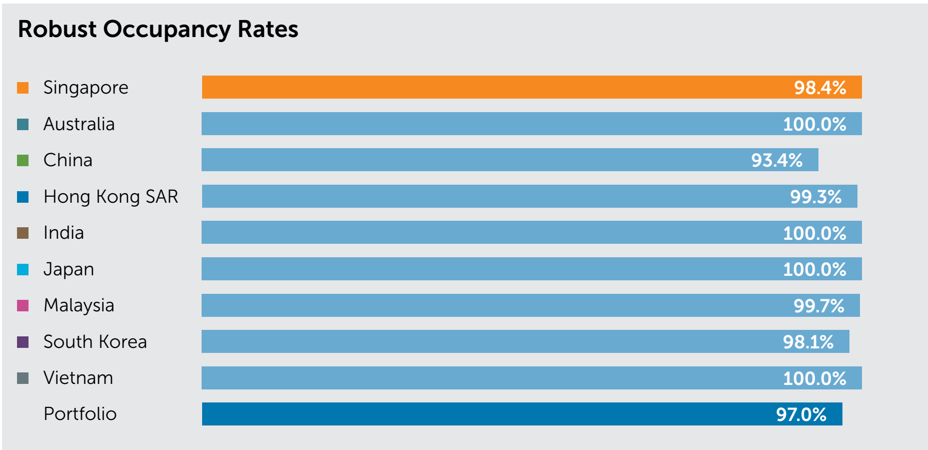
On this front, the Manager has initiated two asset enhancement projects: the redevelopment of Benoi Road in Singapore into a modern ramp-up facility, and the potential amalgamation and redevelopment of two land parcels with MLT's existing assets in Subang Jaya, Malaysia.

At an estimated cost of S$197 million, the Benoi Road redevelopment project is expected to increase the property's total gross floor area ("GFA") by 2.3 times from 36,300 square metres ("sqm") to approximately 82,400 sqm. Construction is expected to commence in July 2023 and the project is targeted for completion in 1Q 2025.

In Subang Jaya, the amalgamation and redevelopment project is expected to increase the plot ratio of Subang 3 and 4 by five-fold to 65,000 sqm, and provide the property with total GFA of approximately 133,000 sqm. Upon completion in 1Q 2027, this project is poised to be the first modern mega ramp-up facility in Subang Jaya.

WELL DIVERSIFIED AND QUALITY CUSTOMER BASE

MLT continues to expand its customer network in Asia Pacific with the addition of over 40 quality customers, bringing its total customer base to 887 as of 31 March 2023. Comprising local and international companies, the growing and well diversified customer base provides income diversity to the portfolio.



Including established names such as CWT, Equinix, Coles Group, JD.com and Cainiao, MLT's top 10 customers accounted for approximately 23.5% of total gross revenue with no single customer accounting for more than 4.4% of total gross revenue. The Manager manages risks through diversifying MLT's customer mix and ensuring a high weighted average security deposit for the portfolio which stood at 3.5 months of rental income at the end of FY22/23.

Approximately 75% of MLT's revenue is derived from customers handling consumer-related goods, such as F&B, healthcare and fashion apparel. This positions the Trust well to benefit from growing domestic consumption in Asia and adds resilience to its revenue stream. The top three customer trade sectors in FY22/23 were Consumer Staples (21%), F&B (21%) and Electronics & IT (13%). Among the new leases signed in FY22/23, approximately 74% cater to the consumer sectors. The top three trade sectors of new demand were Consumer Staples, Electronics & IT, and F&B.

PROACTIVE LEASING STRATEGY

At MLT, the Manager adopts a customer-centric approach to build strong customer relationships and drive long term value. Adopting the motto of being "the first to know", the asset management and marketing teams strive to develop an in-depth understanding of the evolving business needs of customers through regular dialogue and interaction. With a strong focus on customer service, the teams aim to provide flexible and customised leasing solutions to address customers' differing priorities and challenges that create mutual benefits for all. The insights gained will also help the Manager to anticipate emerging trends and formulate strategic decisions that contribute to the long term success of MLT.

Through these efforts, portfolio occupancy was maintained at a high and stable rate throughout the year, ending at 97.0% as at 31 March 2023, while customer retention rate was 73%. During the year, the Manager secured 368 new and renewal leases (excluding forward renewals) comprising 2.1 million sqm net lettable area ("NLA"). This represents a success rate of 95%. These leases have a weighted average lease term of 1.9 years (by revenue) and accounted for 27.0% of gross revenue in the month of March 2023.

In FY22/23, the overall weighted average rental reversion across MLT's portfolio was 2.9%, with individual market rental reversions ranging from 1.0% to 8.8% across MLT's nine operating markets.

Optimising Lease Structures and Profile for Stability

The Manager continues to optimise the mix of multi-tenanted buildings ("MTBs") and single-user assets ("SUAs") through active asset and lease management. SUAs are typically leased to single tenants under long lease periods, which provide stability and income visibility to MLT's portfolio. In comparison, MTBs have multiple tenants on shorter lease periods, allowing MLT to capture rental upsides in a buoyant leasing market.

In FY22/23, SUAs contributed to 24.4% of total gross revenue with the top three country contributors being Australia, Japan and Singapore. Of the 22 SUA leases due to expire during FY22/23, 18 leases were renewed while 4 SUA leases were converted to MTB leases. At the end of the period, MTBs comprised 75.6% of total gross revenue, positioning MLT well to benefit from a market upcycle. The top three MTB contributors by country were China, Singapore and Hong Kong SAR.

The Manager also actively manages MLT's portfolio lease expiry profile to avoid concentration of SUA lease expiries in any given year. This is to minimise the impact of transitional leasing downtime from conversion of SUA leases to MTB leases and the associated impact it may have on MLT's distributions. In FY23/24, leases for 29.2% of MLT's NLA are due for expiry, of which 2.0% relate to leases for SUAs and the remaining 27.2% being leases for MTBs.

The Manager continues to ensure that MLT has a well-staggered lease expiry profile. As at 31 March 2023, the portfolio weighted average lease expiry ("WALE")(by NLA) was approximately 3.1 years. The portfolio WALE (by revenue) was approximately 2.9 years. The portfolio WALE based on the date of commencement of the leases[8] was 2.8 years by revenue and 3.1 years by NLA.

8 Excluding fit-out periods and forward renewals.

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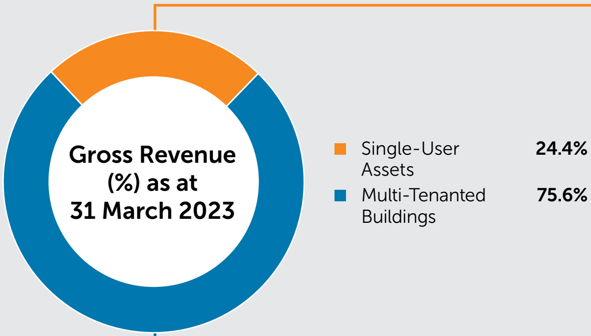
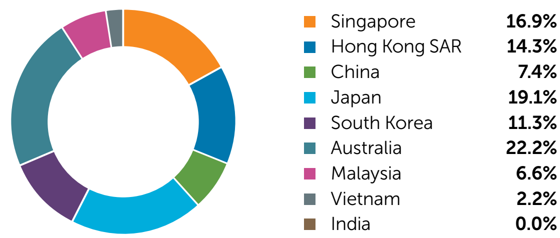
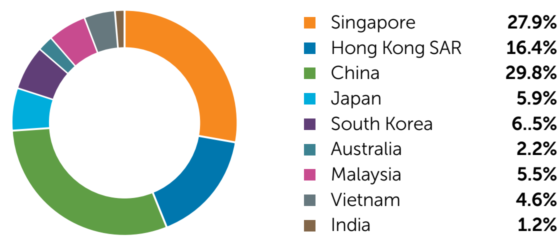
Single-User Assets vs Multi-Tenanted Buildings Breakdown (by Gross Revenue)



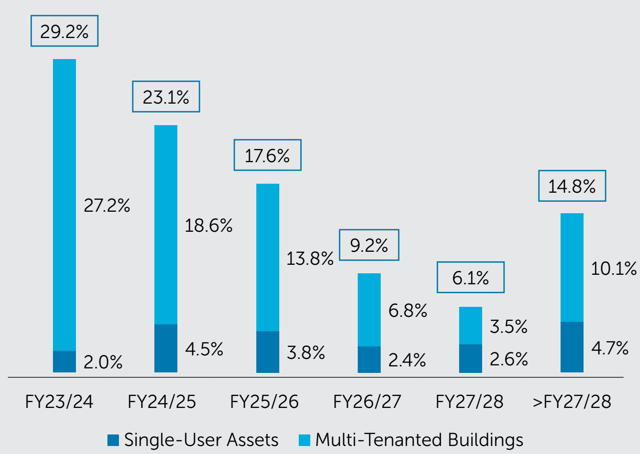
SUA Revenue Contribution by Geography



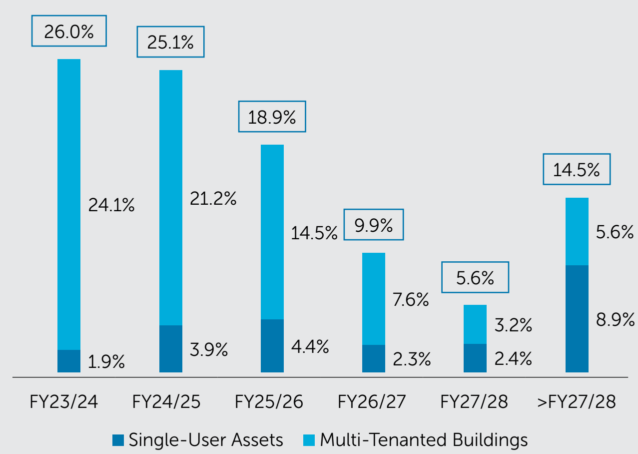
MTB Revenue Contribution by Geography



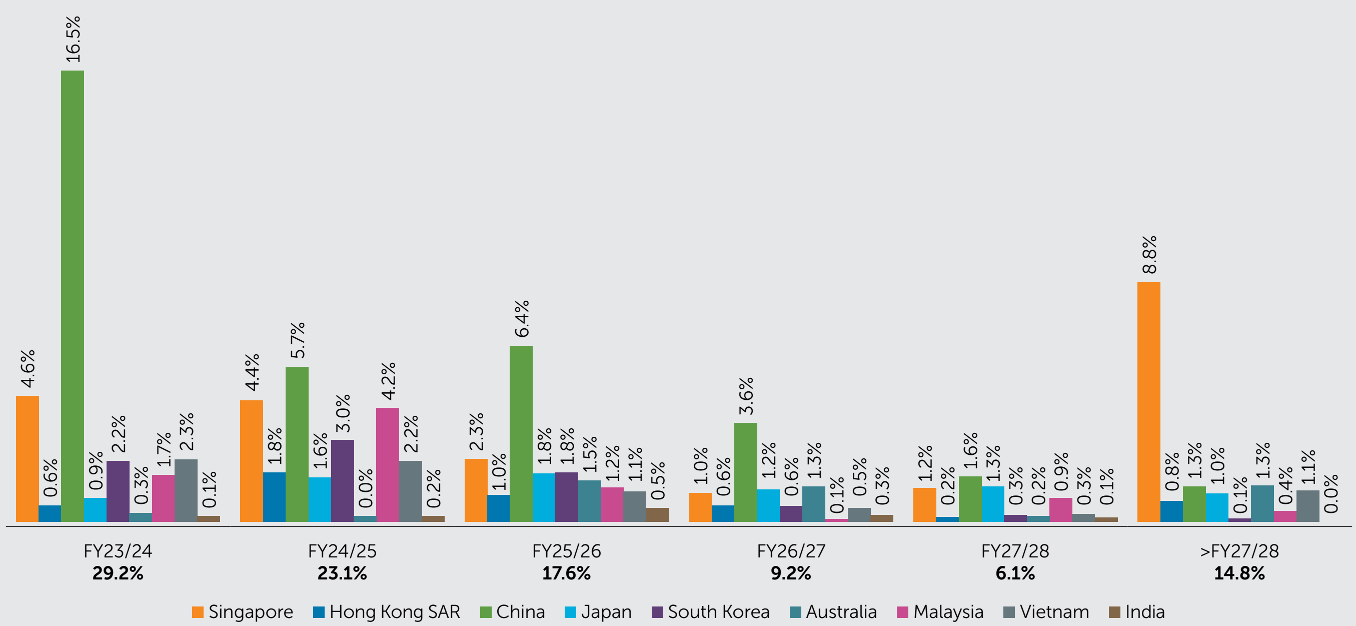
Lease Expiry Profile – SUA vs MTB Breakdown (by NLA)



Lease Expiry Profile – SUA vs MTB Breakdown (by Gross Revenue)



Lease Expiry Profile – Geographical Breakdown (by NLA)



PORTFOLIO VALUATION

MLT conducted an independent valuation of its portfolio in March 2023 and the methodologies applied included the direct comparison method, discounted cash flow method and income capitalisation method to arrive at the open market value.

As at 31 March 2023, MLT's portfolio of 185 properties was valued at S$12.8 billion. This compares with a value of S$13.1 billion for 183 properties as at 31 March 2022. The lower valuation was primarily due to a net translation loss of S$757.9 million attributable to the depreciation of mainly the Chinese Yuan, Japanese Yen, South Korean Won and Australian Dollar against the Singapore Dollar over the period. This was partly offset by a revaluation gain of S$224.2 million attributable mainly to properties in Japan and Hong Kong SAR.

In local currency terms, moderate increases in capital values were experienced across most markets on a portfolio level. The portfolios in Japan and Hong Kong SAR recorded the biggest percentage gain in valuations primarily driven by capitalisation rate compression and rental growth respectively. Same-store assets in China, India, Malaysia and Vietnam saw stable to higher valuations, supported by stable capitalisation rates and rental growth. Same-store assets in Australia and South Korea saw lower valuations due to marginal capitalisation rate expansion, while for the Singapore portfolio, the lower valuation recorded was mainly due to shorter remaining land lease tenure.

PORTFOLIO ANALYSIS AND REVIEW

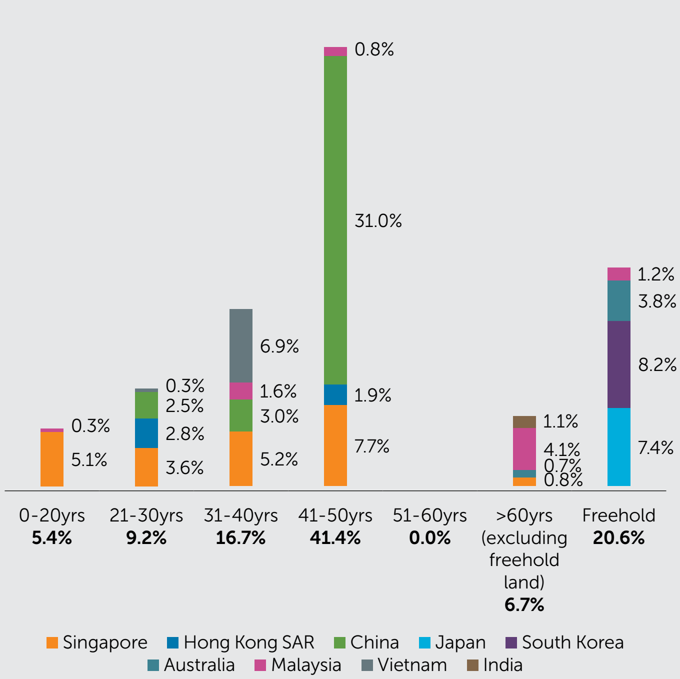
	Valuation as at 31 March 2023		Valuation as at 31 March 2022		
Country	No. of Properties	Local Currency (million)	No. of Properties	Local Currency (million)	Variance (%)
Singapore*	52	SGD 2,548	53	SGD 2,600	-2.0
Australia	13	AUD 1,077	13	AUD 1,100	-2.1
China	43	CNY 13,548	42	CNY 13,169	2.9
Hong Kong SAR	9	HKD 17,548	9	HKD 16,602	5.7
India	2	INR 5,002	2	INR 4,759	5.1
Japan	19	JPY 148,879	19	JPY 137,152	8.6
Malaysia	17	MYR 2,116	16	MYR 2,033	4.1
South Korea	20	KRW 1,023,520	19	KRW 937,750	9.1
Vietnam	10	VND 5,770,100	10	VND 5,619,800	2.7
Total	**185**	**SGD 12,769**	**183**	**SGD 13,100**	**-2.5**

* Includes right-of-use assets of S$92 million and $101 million as at 31 March 2023 and 31 March 2022 respectively.

For more details on the movement in valuation of the investment properties, please refer to pages 158 to 204.

The WALE of the underlying leasehold land (excluding freehold land) was approximately 42.1 years. Freehold land accounted for approximately 20.6% and 27.9% of the portfolio's NLA and asset value respectively.

Land Lease Expiry Profile (by NLA and Geographic Market)



Land Lease Expiry Profile (by Asset Value and Geographic Market)