

*For Immediate Release*

## MAPLETREE LOGISTICS TRUST ENHANCES SINGAPORE PORTFOLIO THROUGH ASSET RECYCLING

- *Acquisition of 190A Pandan Loop in Singapore for S\$34.0 million – asset offers organic growth potential*
- *Divestment of 134 Joo Seng Road in Singapore for S\$13.5 million – capital to be recycled into a higher-yielding asset*

**Singapore, 7 November 2014** – Mapletree Logistics Trust Management Ltd. (“MLTM”), as Manager of Mapletree Logistics Trust (“MLT”), is pleased to announce that the following transactions have been entered into today:

- A sale and purchase agreement with Havi Logistics (Singapore) Pte. Ltd. (“Havi Logistics”) for the acquisition of 190A Pandan Loop in Singapore (the “Acquisition Property”) for a purchase consideration of S\$34.0 million<sup>1</sup> (the “Acquisition”); and
- A memorandum of understanding with Nat Aire Builder & Distribution Pte. Ltd. for the divestment of 134 Joo Seng Road in Singapore (the “Divestment Property”) at a sale consideration of S\$13.5 million (the “Divestment”), subject to the execution of a sale and purchase agreement and regulatory approvals.

Ms Ng Kiat, Chief Executive Officer of MLTM said, “With a limited supply of properties in the JTC Food Zones, 190A Pandan Loop is an attractive property given its good specifications, prime location and relatively long remaining land lease tenure of 40 years. The asset also has an under-utilised plot ratio with the potential to double its gross floor area by way of future enhancement or redevelopment.

“As part of our capital recycling strategy, we are looking to divest 134 Joo Seng Road, a relatively lower yielding asset with older specifications and maximised allowable plot ratio, hence limiting scope for future enhancement. This divestment will allow MLT to recycle the capital released into higher yielding properties.”

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<sup>1</sup> In addition, an estimated upfront land premium of S\$2.56 million for the remaining land lease of the first 30 years term will be payable to JTC Corporation upon the assignment of the land lease to MLT.

### **About the Acquisition**

The Acquisition Property is located within a JTC Food Zone in the Pandan Loop industrial estate, easily accessible via the West Coast Highway and Ayer Rajah Expressway. A four-storey purpose built food distribution centre with chiller and freezer facilities, it is well suited for dry or cold store warehouse operations. The property has a gross floor area of approximately 10,400 square metres (“sqm”) and sits on a land site of approximately 8,500 sqm with remaining land lease tenure of 40 years. Its specifications include 11 loading bays with dock levellers, wide driveways, an average floor loading capacity of 15 kN/sqm and floor-to-ceiling height of up to 12m.

The Acquisition Property is currently 79% leased to two quality tenants – Havi Logistics and Aryzta Singapore Pte. Ltd. (“Aryzta”). Havi Logistics is a global integrated logistics service provider with an expertise in food and cold chain logistics. Aryzta is one of the largest international suppliers of baked goods to the food service and retail markets. The leases have a weighted average lease term to expiry of 7.1 years.

At the purchase consideration of S\$34.0 million, the Acquisition is projected to provide a stabilised net property income yield of 6.5% and is also expected to be DPU-accretive upon completion.

### **About the Divestment**

Located within the Upper Aljunied Industrial Estate, the Divestment Property is a four-storey light industrial building and was designed with building specifications that are no longer able to accommodate today’s modern warehousing requirements. With a gross floor area of approximately 7,100 sqm, there is limited potential for enhancement or redevelopment as the property has reached its maximum allowable plot ratio of 2.5. Given the limited redevelopment potential and coupled with the attractive offer on hand, the Manager has decided to divest the property and recycle the capital released into a higher-yielding asset while any disposal gain realised from the transaction will be distributed to Unitholders. The Divestment is pending approval from the relevant authorities and is expected to be completed by the first quarter of 2015.

### **Impact of transactions**

The Acquisition is targeted to complete in November 2014. The Manager intends to fund the Acquisition with a combination of debt and equity comprising capital released from the Divestment.

In the interim, pending the completion of the Divestment, the Acquisition will be funded through debt.

Upon completion of both transactions, MLT's aggregate leverage ratio will be approximately 34.9%<sup>2</sup>, while MLT's total portfolio will remain at 115 properties with a book value of approximately S\$4.39 billion<sup>3</sup>.

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### **About Mapletree Logistics Trust ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST Mainboard on 28 July 2005. It is also included in the FTSE ST Mid-Cap Index, the Global Property Research's GPR 250 Index and GPR 250 REIT Index. 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 September 2014, it has a portfolio of 113 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea and Vietnam, with a total book value of S\$4.28 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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### **Important Notice**

The value of units in MLT ("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.

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<sup>2</sup>Based on MLT's aggregate leverage as at 30 September 2014 and including the acquisitions of Mapletree Zhengzhou Logistics Park and Mapletree Yangshan Bonded Logistics Park, which were completed on 8 October 2014.

<sup>3</sup>Based on MLT's book value of investment properties as at 30 September 2014 and including the acquisitions of Mapletree Zhengzhou Logistics Park and Mapletree Yangshan Bonded Logistics Park.

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logistics

Acquisition of  
190A Pandan Loop and  
Proposed Divestment of 134 Joo  
Seng Road (Singapore)

7 Nov 2014



# Acquisition of 190A Pandan Loop in Singapore



The Property is a four-storey purpose built food distribution centre with chiller and freezer facilities. Located within a JTC Food Zone in the Pandan Loop industrial estate, it is easily accessible via the Ayer Rajah Expressway and West Coast Highway.

## Project Details

<b>Purchase Price</b>	SGD34.0 million
<b>Upfront Land Premium <sup>1</sup></b>	SGD2.56 million
<b>Land Tenure</b>	30 + 30 years (wef 1 Jan 1994)
<b>Land Area</b>	8,500 sqm
<b>GFA</b>	10,400 sqm
<b>Vendor</b>	Havi Logistics Pte. Ltd.
<b>Major Tenants</b>	<ul style="list-style-type: none"><li>• Havi Logistics Pte. Ltd.</li><li>• Aryzta Singapore Pte. Ltd.</li></ul>
<b>Lease Terms</b>	<ul style="list-style-type: none"><li>• 79% occupied with a WALE of 7.1 years</li></ul>

## Footnote:

1. For the remaining land lease of the first 30 years term which is payable to JTC Corporation upon the assignment of the land lease to MLT.

# Benefits of Acquisition

- **Strategic location in a JTC Food Zone in Pandan Loop Industrial Estate**
  - Limited supply of properties in JTC Food Zones
  - Easily accessible via the Ayer Rajah Expressway and West Coast Highway
- **Quality food distribution centre**
  - Well suited for dry or cold store warehouse operations
  - Modern facility with good specifications including 11 loading bays with dock levellers, wide driveways, average floor loading capacity of 15 kN/sqm and floor-to-ceiling height of up to 12m
- **MNC tenants – Havi Logistics and Aryzta Singapore**
  - Havi Logistics: global integrated logistics service provider with an expertise in food and cold chain logistics
  - Aryzta Singapore: one of the largest international suppliers of baked goods to the food service and retail markets
- **Asset offers organic growth potential**
  - Relatively long remaining land lease tenure of 40 years
  - Under-utilised plot ratio offers future asset enhancement or development opportunity to double the gross floor area
- **Stabilised net property income yield of 6.5% and expected to be DPU-accretive**



# Prime Location in Singapore



# Proposed Divestment of 134 Joo Seng Road in Singapore

- **Rationale for divestment**

- Relatively lower yielding asset
- Designed with older building specifications that are no longer able to accommodate today's modern warehousing requirements
- Maximised allowable plot ratio, thus offering limited scope for future enhancement or redevelopment

- **In line with MLT's capital recycling strategy**

- Capital released from the divestment can be recycled into higher-yielding assets
- Any divestment gain will be distributed to Unitholders





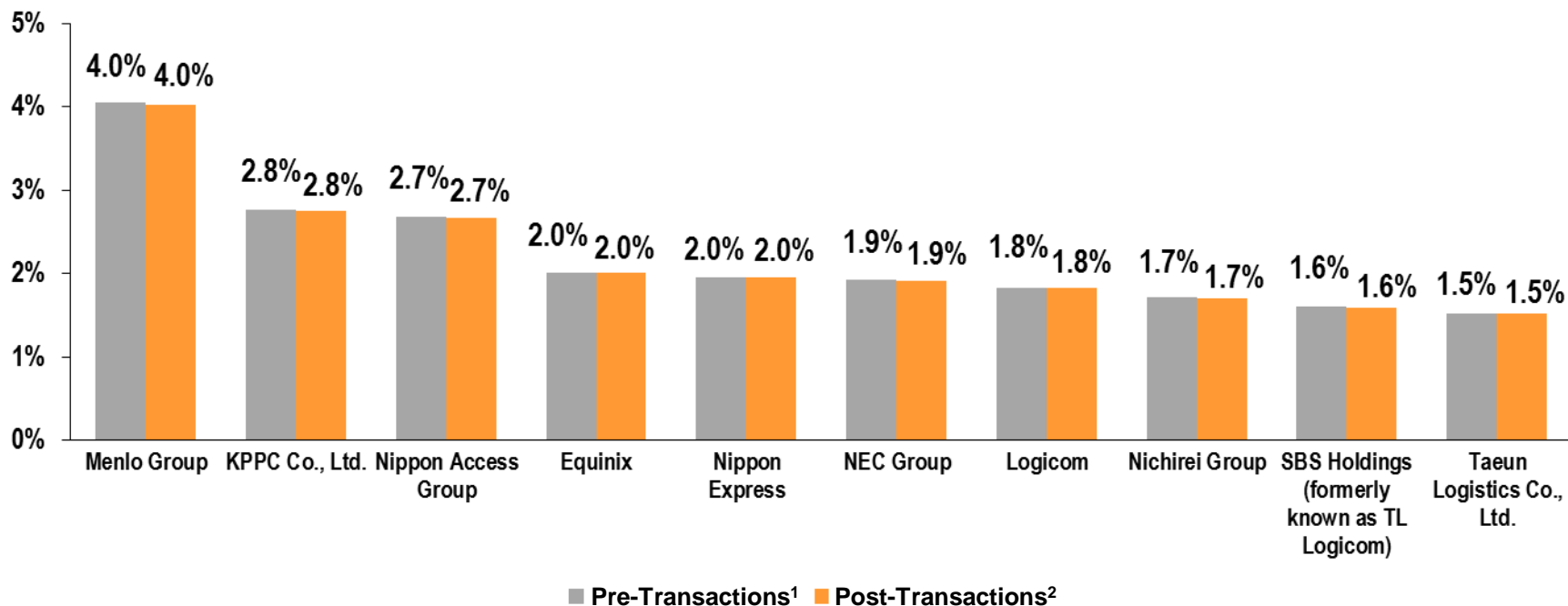
# Impact on Portfolio

# Top 10 Customer Profile

- *No significant change in top 10 customer profile post-transactions*

Top 10 customers (by gross revenue)

% of gross revenue

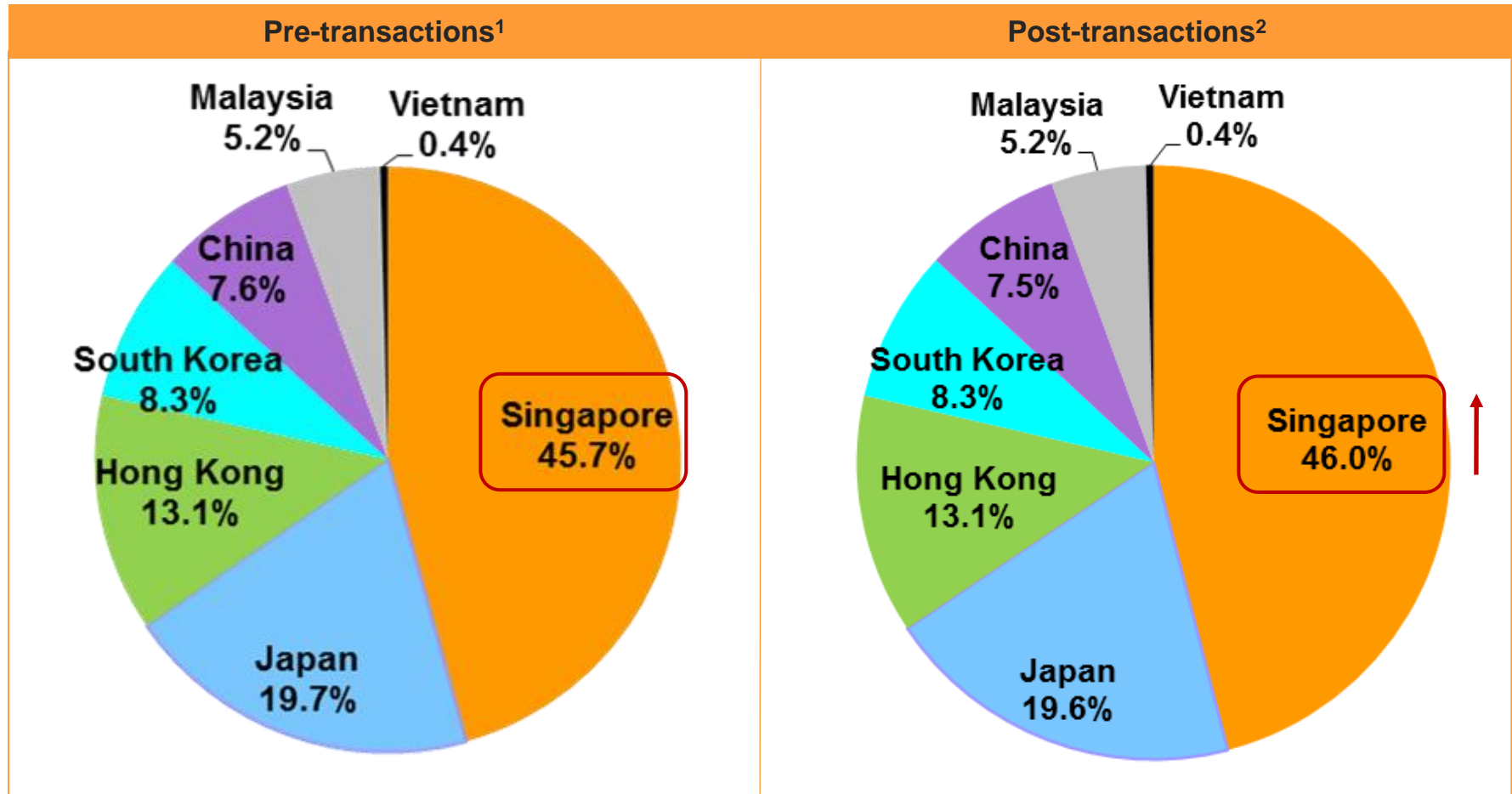


Footnote:

- 1) Based on portfolio of 115 properties, including Mapletree Zhengzhou Logistics Park and Mapletree Yangshan Bonded Logistics Park (which were acquired on 8 Oct 2014).
- 2) Based on portfolio of 115 properties, including Mapletree Zhengzhou Logistics Park and Mapletree Yangshan Bonded Logistics Park.

# Gross Revenue Contribution (by Geography)

- Increase in gross revenue contribution from Singapore portfolio post-transactions

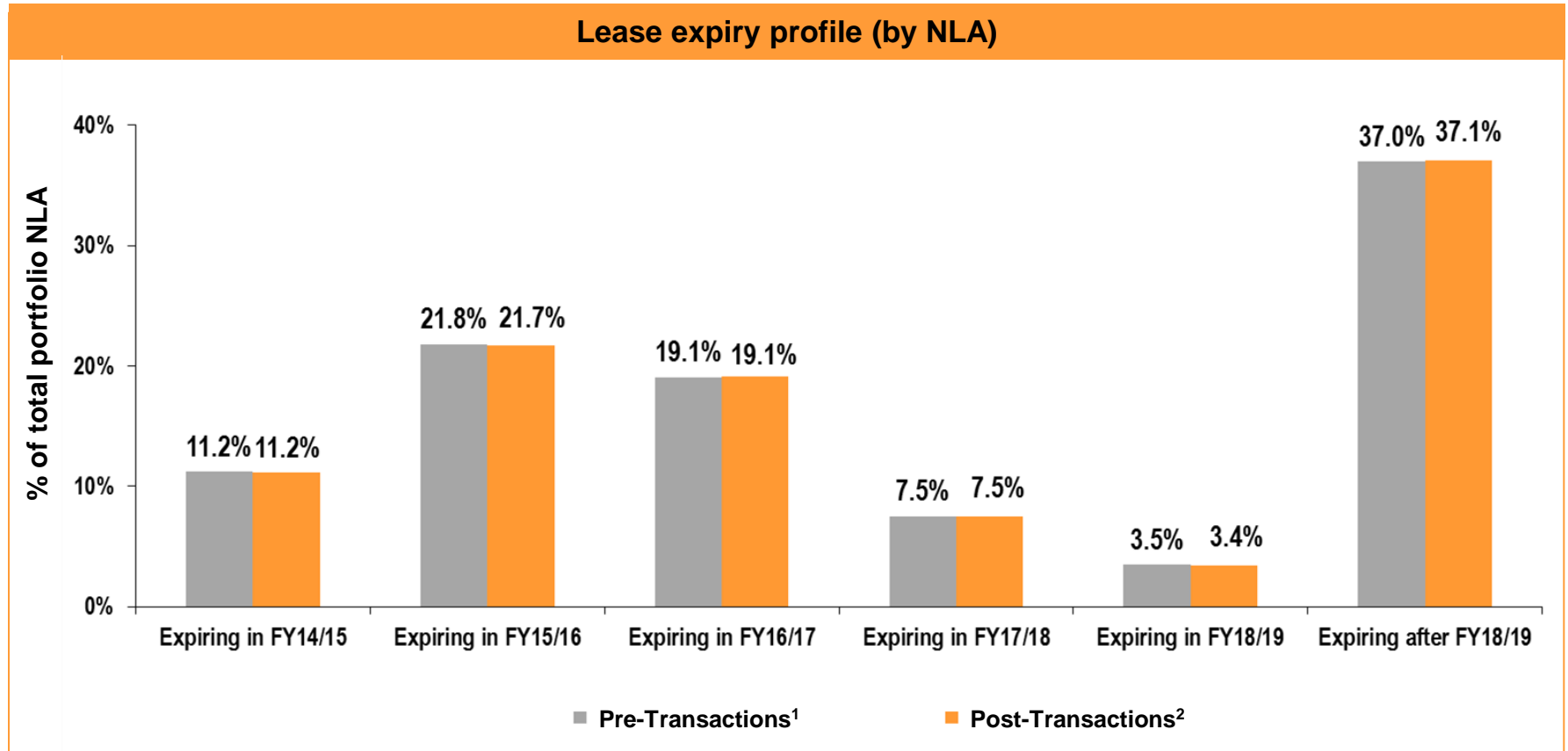


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# Average Lease Duration

- Weighted average lease term to expiry of 4.5 years post-transactions



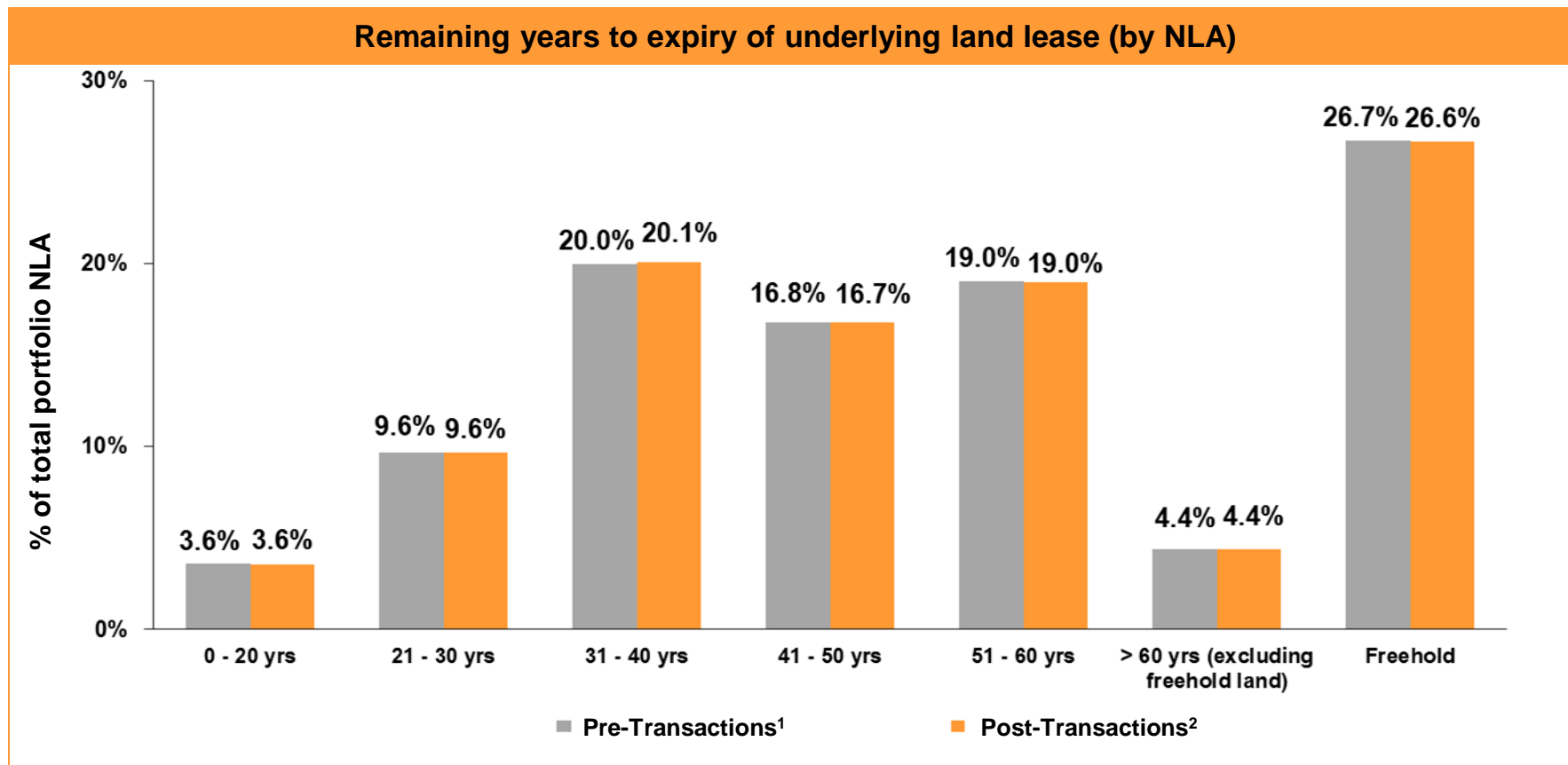
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# Unexpired Lease of Underlying Land

- Weighted average lease term to expiry of underlying land (excluding freehold land) of approximately 43.3 years post-transactions



Footnote:

- Based on portfolio of 115 properties, including Mapletree Zhengzhou Logistics Park and Mapletree Yangshan Bonded Logistics Park (which were acquired on 8 Oct 2014).
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