mapletree industrial

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

ANNOUNCEMENT

THE PROPOSED ACQUISITION OF 18 TAI SENG, SINGAPORE

1. Introduction

Mapletree Industrial Trust Management Ltd., as manager of Mapletree Industrial Trust ("**MIT**", and the manager of MIT, the "**Manager**"), is pleased to announce that DBS Trustee Limited, as trustee of MIT (the "**Trustee**"), has today entered into a conditional unit purchase agreement (the "**Unit Purchase Agreement**") with Mapletree Tai Seng Pte. Ltd. ("**MTSPL**") to acquire 18 Tai Seng (the "**Property**") through the proposed acquisition of all the units of Marina Trust (the "**Sale Units**", and the proposed acquisition of the Property through the acquisition of the Sale Units, the "**Proposed Acquisition**"). Marina Trust holds the Property which is located at 18 Tai Seng Street, Singapore 539775. MTSPL is an indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd ("**MIPL**"), the sponsor of MIT.

2. The Proposed Acquisition of the Property

2.1 Description of the Property

Located at 18 Tai Seng Street, Singapore 539775, the Property is a nine-storey high-specification mixed-use development comprising Business 2 industrial, office and retail spaces with a total gross floor area ("**GFA**") of approximately 443,810 square feet ("**sq ft**"). The Property is connected directly by an underground pedestrian link to Tai Seng Mass Rapid Transit ("**MRT**") station (CC11) along the Circle Line and is easily accessible via public transportation and major expressways (Kallang-Paya Lebar Expressway, the Pan-Island Expressway and the Central Expressway).

2.2 Structure of the Proposed Acquisition and the Independent Valuations

Under the Unit Purchase Agreement, MTSPL is the sole beneficiary of Marina Trust, and the vendor of the Proposed Acquisition. MIPL, the sponsor of MIT, indirectly owns the Sale Units through Mapletree Developments Pte. Ltd., which in turn owns 100% of MTSPL. Upon completion of the Proposed Acquisition ("**Completion**", and the date of Completion, the "**Completion Date**"), (i) DBS Trustee Limited and Mapletree Industrial Trust Management Ltd. will replace Mapletree Trustee Pte. Ltd. (the "**Marina Trust Trustee-Manager**") as the trustee and the manager of Marina Trust respectively and (ii) Marina Trust will be renamed "MIT Tai Seng Trust".

The total amount to be received by MTSPL in connection with the Proposed Acquisition will be approximately S$262.2 million, based on:

(a) the aggregate consideration payable to MTSPL in connection with the Proposed Acquisition (the "**Aggregate Consideration**") which is estimated to be S$75.0 million

– this is derived from the net asset value of Marina Trust ("**Net Asset Value**") based on the *pro forma* completion statement of Marina Trust as at 30 September 2018 taking into account the agreed value of the Property (the "**Agreed Property Value**") of S$268.3 million, less the Intercompany Loan (as defined below), the Declared Distribution (as defined below) and estimated net liabilities of S$6.1 million;

(b) the repayment of the intercompany loan of S$156.8 million[1] owed by the Marina Trust Trustee-Manager to Mapletree Treasury Services Limited, a wholly-owned subsidiary of MIPL (the "**Intercompany Loan**") – upon Completion, the Trustee will extend a loan of S$156.8 million to Marina Trust (the "**Trustee's Loan**") to enable it to repay and discharge the Intercompany Loan; and

(c) the payment of the distribution payable to MTSPL out of the retained earnings of Marina Trust for the period up to the day immediately preceding the Completion Date (the "**Declared Distribution**") of S$30.4 million, which will be declared on the day immediately preceding the Completion Date and paid to MTSPL on the Completion Date – upon Completion, the Trustee will subscribe for an additional 35,000,000 units in Marina Trust at a subscription price of S$1.00 per unit (the "**Marina Trust Subscription Units**") and the proceeds received by Marina Trust will be generally applied to the Declared Distribution and any excess will be retained by Marina Trust as working capital.

The final Aggregate Consideration payable by the Trustee on Completion will be subject to completion adjustments to Marina Trust's net asset value up to the day immediately preceding the Completion Date, and the final amount of the Intercompany Loan will be fully repaid on Completion.

The Trustee has commissioned an independent property valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**"), and the Manager has commissioned another independent property valuer, Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**"), to value the Property. Both Colliers and Savills relied on the income capitalisation method and discounted cash flow analysis and used the comparison method as a check. The open market values of the Property as at 30 November 2018 are S$268.3 million and S$270.0 million as stated by Colliers and Savills in their respective valuation reports. The Agreed Property Value of S$268.3 million is in line with Colliers' valuation and represents a discount of approximately 0.6% to Savills' valuation of S$270.0 million.

2.3 Certain Terms and Conditions of the Unit Purchase Agreement

The principal terms of the Unit Purchase Agreement include, among others, the following conditions precedent:

(i) the approval of the unitholders of MIT (the "**Unitholders**") for the Proposed Acquisition;

(ii) the JTC Registrable Lease (as defined in the Unit Purchase Agreement) having been duly registered at the Singapore Land Authority or a written confirmation having been obtained from JTC Corporation ("**JTC**") that the Marina Trust Trustee-Manager is entitled to the JTC Lease Term (as defined in the Unit Purchase Agreement);

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1 Based on the amount expected to be outstanding on the Completion Date.

(iii) the licenses, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Proposed Acquisition, having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms satisfactory to the Trustee and such licenses, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect;

(iv) there being no material damage to the Property and no material breach of the Warranties (as defined in the Unit Purchase Agreement) which, in the reasonable opinion of the Trustee, as the purchaser, acting on the recommendation of the Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MIT or on the Property, in each case, taken as a whole;

(v) there being no compulsory acquisition of the Property or any part of it, and no notice of such intended compulsory acquisition or resumption has been given by the government or other competent authority; and

(vi) the receipt of an in-principle approval from the Inland Revenue Authority of Singapore that Marina Trust will be regarded as an approved sub-trust of MIT pursuant to section 43(2A)(a)(iv) and (b) of the Income Tax Act, Chapter 134 of Singapore on Completion, there not having occurred any withdrawal of such in-principle approval and, if applicable, the conditions to such in-principle approval having been fulfilled.

2.4 Property Management

Upon Completion, property management services in respect of the Property will be performed by Mapletree Facilities Services Pte. Ltd., which is the property manager of MIT (the "**Property Manager**"), pursuant to the Master Property Management Agreement (as defined below). Property management services in relation to the Property include, among others, leasing services, tenant management, operating and maintaining the property, provision of personnel for site management of the property and supervision and control of collection of rentals.

Under the terms of the master property management agreement[1], which was entered into on 27 September 2010 by the Trustee (and which was subsequently extended on 17 September 2015 for an additional period of five years), the Manager and the Property Manager (the "**Master Property Management Agreement**"), any properties acquired thereafter by MIT will be managed in accordance with the terms of the Master Property Management Agreement. Upon Completion, the Property will fall under the Master Property Management Agreement.

The fees payable pursuant to the Master Property Management Agreement for each fiscal year will be as follows:

(i) 2.0% per annum of the gross revenue of the Property for property management services;

1 Pursuant to MIT's initial public offering prospectus dated 12 October 2010, although the Master Property Agreement would constitute a related party transaction, the Master Property Management Agreement is considered an "Exempted Agreement" and is deemed to have been specifically approved by the Unitholders upon subscription of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect MIT.

(ii) 1.0% per annum of the gross revenue of the Property for lease management services;

(iii) marketing services fees depending on the length and type of tenancy secured for the Property; and

(iv) project management fees of 1.5% to 3.0% of the construction cost for each development or redevelopment, the refurbishment, retrofitting and renovation works of a property.

Under the Master Property Management Agreement, the Property Manager will also be fully reimbursed for all costs and expenses incurred in the operation, maintenance, management and marketing of the Property within each annual budget approved by the Trustee on the recommendation of the Manager.

2.5 Total Acquisition Outlay

The total acquisition cost is estimated to be approximately S$271.0 million, comprising:

(i) the estimated Aggregate Consideration of approximately S$75.0 million;

(ii) the new Trustee's Loan of approximately S$156.8 million;

(iii) the subscription of the Marina Trust Subscription Units at a subscription price of S$1.00 per unit for an aggregate amount of S$35.0 million;

(iv) the acquisition fee payable in units in MIT ("**Units**") to the Manager for the Proposed Acquisition (the "**Acquisition Fee**") of approximately S$2.7 million[1]; and

(v) the estimated professional and other fees and expenses of approximately S$1.5 million incurred or to be incurred by MIT in connection with the Proposed Acquisition,

(collectively, the "**Total Acquisition Outlay**").

2.6 Payment of Acquisition Fee in Units

Pursuant to the trust deed dated 29 January 2008 constituting MIT (as amended) (the "**Trust Deed**"), the Manager will be entitled to receive an acquisition fee at the rate of 1.0% of the Agreed Property Value. As the Proposed Acquisition is an interested party transaction under the Property Funds Appendix, the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part-finance the Proposed Acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part-finance the Proposed Acquisition, the prevailing Market Price (as defined in the Trust Deed) of such Units on the Completion Date.

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1 As the Proposed Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"), the Acquisition Fee will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2.7 Method of Financing

Excluding the Acquisition Fee which is payable in Units, the Manager intends to finance the remaining Total Acquisition Outlay with debt financing, proceeds from an equity fund raising and/or internal cash resources.

The final decision regarding whether the remaining Total Acquisition Outlay will be funded entirely by debt financing or any combination of debt financing, an equity fund raising and/or internal cash resources will be made by the Manager at an appropriate time, taking into account the then prevailing market conditions.

The table below sets out a few funding combinations purely for illustrative purposes.

	Total Acquisition Outlay		
Transaction Gearing ("LTV")(1)	40.0%	60.0%	100.0%
Debt (S$ million)	107.3	161.0	268.3
Equity (S$ million)(2)	163.7	110.0	2.7
Total Acquisition Outlay (S$ million)	271.0	271.0	271.0

Notes:

(1) The respective LTV scenarios refer to the amount of debt as a percentage of the Total Acquisition Outlay less the Acquisition Fee.

(2) Includes the Acquisition Fee payable in the form of Units.

The table below sets out the changes to the Aggregate Leverage[1] of MIT and its subsidiaries (collectively, the "**MIT Group**") through three funding scenarios purely for illustrative purposes.

	MIT Group's Aggregate Leverage		
LTV(1)	40.0%	60.0%	100.0%
Before the Proposed Acquisition	35.1%(2)		
After the Proposed Acquisition	35.4%(3)	36.5%(3)	38.7%(3)

Notes:

(1) The respective LTV scenarios refer to the amount of debt as a percentage of the Total Acquisition Outlay excluding the Acquisition Fee which is payable in Units.

(2) The MIT Group's Aggregate Leverage as at 30 September 2018.

(3) Based on the MIT Group's Aggregate Leverage as at 30 September 2018, adding the incremental borrowings as a result of the Proposed Acquisition at the respective LTVs, and adding the incremental gross assets of MIT and its subsidiaries, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed as a result of the Proposed Acquisition.

1 "**Aggregate Leverage**" means the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the gross assets of the MIT Group, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Manager believes that the Proposed Acquisition will bring the following key benefits to Unitholders:

3.1 Unique Integrated High-Specification Industrial Development with Office and Retail Spaces

The Property is a nine-storey high-specification mixed-use development with industrial, office and retail spaces, which has a total GFA of approximately 443,810 sq ft. It is zoned "Business 2 – White" with a plot ratio of 3.5, of which 1.0 is for "White" use. The mixed-use development has a total net lettable area ("**NLA**") of 384,212 sq ft, comprising high-specification Business 2 industrial space (with NLA of 283,703 sq ft) and office space (with NLA of 53,441 sq ft) as well as retail space (with NLA of 47,068 sq ft).

The modern design and high specifications of the Property, which is the newest building in Paya Lebar iPark, together with the variety of retail and food and beverage amenities within the Property and its direct connectivity to Tai Seng MRT station are key attractions for businesses looking to locate at the city fringe.

3.1.1 Newest mixed-use development in Paya Lebar iPark

The site was the last land plot in the Paya Lebar iPark launched by JTC via its Industrial Government Land Sales Programme in 2013. The Property was completed on 1 November 2016.

3.1.2 High-specification Business 2 industrial and office spaces

The industrial and office spaces have large column-free floor plates of over 50,000 sq ft with core-to-window depth of 20 metres that offers businesses the flexibility in designing efficient work spaces. Full-height windows are available for selected units, which offer natural lighting to business space, while double-glazed windows provide insulation against noise and sunlight. The Business 2 industrial space spans five storeys while the office space takes up a single floor.

3.1.3 Established food and beverage outlets and essential retail amenities

The retail space extends over two floors on the ground floor and basement of the Property, which offers a variety of dining options from cafes to established restaurant brands such as Bakerzin, Harry's, Jalan Kayu Prata Café, Japanese Soba Noodles Tsuta, Liao Fan Hawker Chan and Tim Ho Wan. Other essential retail amenities include a supermarket, clinic, childcare centre, laundry and optometry services. The variety of food and beverage and essential amenities serve not only the growing working population in the Paya Lebar iPark as well as resident population catchments in Hougang, Bedok and Toa Payoh.

3.1.4 Environmentally sustainable features

The Property was conferred the BCA Green Mark Gold certification for its energy efficient design and systems. An energy-efficient chiller system and motion sensors at staircase landings and toilets were installed to reduce energy consumption at the Property. In addition, elevators were installed with regenerative drives to ensure energy is efficiently utilised.

3.2 Centrally Located in the Paya Lebar iPark with an Underground Pedestrian Link to Tai Seng MRT Station

Located at the city fringe, the Property enjoys prominent frontage along the busy Upper Paya Lebar Road with an underground pedestrian link to Tai Seng MRT station.

3.2.1 Centrally located in the vibrant Paya Lebar iPark

The Property is located at the centre of the Paya Lebar iPark, a modern industrial park nestled in the mature Paya Lebar industrial estate. A pilot project by JTC, Paya Lebar iPark was designed to foster close interaction and collaboration between the businesses and talents by creating the urban design concept of pedestrian-space-activity. Paya Lebar iPark is near mature housing estates like Hougang, Bedok and Toa Payoh. The Property is flanked by major expressways including the Kallang-Paya Lebar Expressway, the Pan-Island Expressway and the Central Expressway, which offer accessibility for workers, clients and shoppers.

3.2.2 Direct underground pedestrian link to Tai Seng MRT station

The Property is the only building in Paya Lebar iPark with a direct underground pedestrian link to Tai Seng MRT station. Tai Seng MRT station is connected to key interchanges via the Circle Line, which provides access to the Central Business District and downtown shopping areas. As a key underground pedestrian link across Upper Paya Lebar Road, the underground pedestrian link encourages a steady footfall through the retail and food and beverage outlets in the Property.

3.3 Stable and Quality Cash Flows

3.3.1 High quality tenants with a high committed occupancy rate

The Property has a robust tenant base of 44 tenants including multinational companies in high value-added services such as medical technology, information and communications technology and automotive technology. At the date of this announcement (this "**Announcement**"), the committed occupancy rate is 94.3% with all the committed leases to commence progressively by 1 March 2019[1].

1 The actual occupancy rate of the Property was 87.4% as at 30 September 2018.

Top 10 Tenants of the Property by Gross Rental Income

(As at 30 September 2018)

No.	Top 10 Tenants	Trade Sector	% of Gross Rental Income
1	Sivantos Pte. Ltd.	Manufacture of Printing, Recorded Media, Apparels and Other Essential Products	36.6%
2	Silicon Laboratories International Pte. Ltd.	Manufacture of Computer, Electronic and Optical Products	8.7%
3	Schaeffler (Singapore) Pte. Ltd.[1] ("**Schaeffler**")	Wholesale of Machinery, Equipment and Supplies	6.5%
4	AES Global Holdings Pte. Ltd.[2] ("**AES**")	Manufacture of Computer, Electronic and Optical Products	5.7%
5	Williams-Sonoma Singapore Pte Ltd	General Wholesale Trade and Services	5.2%
6	NTUC Fairprice Co-Operative Ltd	Retail Trade	2.6%
7	Junior Champs Educampus Pte. Ltd.	Education, Health and Social Services, Arts, Entertainment and Recreation	2.6%
8	Michael Page International Pte Ltd	Professional, Scientific and Technical Activities	2.6%
9	Hersing F&B Pte. Ltd.	Real Estate	1.8%
10	Fei Siong Food Management Pte. Ltd.	Accommodation and Food Service	1.7%
Top 10 Tenants[3]			**74.0%**

Notes:

(1) On 9 July 2018, Schaeffler entered into a lease agreement with the Property Manager to lease certain units of the Property from 1 March 2019 for a period of five years. The figure above is based on the committed lease of Schaeffler.

(2) On 23 October 2018, AES entered into another lease agreement with the Property Manager to lease certain units of the Property from 1 January 2019 for a period of three years and nine months. The figure above is based on the committed lease of AES.

(3) The table above excludes a telecommunications tenant due to confidentiality.

3.3.2 Well-structured leases with embedded organic growth

The existing leases of the Property are well-structured with approximately 95.7% of leases (by gross rental income) having built-in annual rental escalations. 78.0% of leases will expire in Financial Year 2022/2023 and beyond, which enhances income stability of the MIT portfolio. The Property's weighted average lease to expiry was 3.6 years (as at 30 September 2018) with no significant industrial and office leases expiring in the next three years.

3.4 DPU and NAV Accretive to Unitholders

The Proposed Acquisition is expected to be distribution per Unit ("**DPU**") and net asset value ("**NAV**") (as the case may be) accretive to Unitholders based on the *pro forma* financial impact of the Proposed Acquisition for the financial year ended 31 March 2018. Please refer to paragraph 4 for financial effects of the Proposed Acquisition.

3.5 Strengthens MIT Portfolio

3.5.1 In line with strategy to grow the Hi-Tech Buildings segment

The Proposed Acquisition is in line with the Manager's strategy to focus on the Hi-Tech Buildings segment, and will further enhance the portfolio resilience and diversification of the MIT Portfolio through an increase in exposure to the Hi-Tech Buildings segment. Upon Completion, MIT's total assets under management will increase from S$4.4 billion (as at 30 September 2018) to S$4.7 billion. The Hi-Tech Buildings segment will account for 42.7% of the MIT portfolio, as compared with 39.2% as at 30 September 2018.

3.5.2 Enhances portfolio diversification

With the enlarged tenant base, MIT will benefit from the increased tenant and income diversification. Upon Completion, the gross rental income contribution by the top ten tenants will decrease from 26.3% to 25.8%. The Proposed Acquisition will reduce the maximum risk exposure to any single tenant from 10.0% to 9.4% (by gross rental income as at 30 September 2018)[1].

4. *Pro Forma* Financial Effects of the Proposed Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MIT for the financial year ended 31 March 2018 (the "**2017/18 Audited Financial Statements**") and assuming:

(i) approximately 1.5 million Acquisition Fee Units are issued[2];

(ii) in the case of 40.0% and 60.0% LTV, approximately 91.3 million and 60.8 million new Units[3] are issued to raise gross proceeds of S$164.3 million and S$109.5 million respectively to part-finance the Proposed Acquisition;

(iii) in the event that the Proposed Acquisition is fully funded by debt, no new Units are issued (other than the Units issued for Acquisition Fee); and

(iv) bank borrowings are used to finance the balance funding requirement, including paying the estimated professional and other fees and expenses incurred or to be incurred by MIT in connection with the Proposed Acquisition.

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1 Based on MIT's 40% interest of the joint venture with MIPL in a portfolio of 14 data centres in the United States of America through Mapletree Redwood Data Centre Trust.

2 Based on an illustrative Unit price of S$1.80.

3 Based on an illustrative Unit price of S$1.80.

4.1 *Pro Forma* DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Acquisition on MIT's DPU for the 2017/18 Audited Financial Statements, as if the Proposed Acquisition were completed on 1 April 2017, and MIT held and operated the Property through to 31 March 2018 are as follows:

	Effects of the Proposed Acquisition			
	Before the Proposed Acquisition	After the Proposed Acquisition at the following LTV[1]		
		40.0%	60.0%	100.0%
Total return before tax (S$'000)	300,563	312,933	311,114	307,358
Distributable income (S$'000)	215,848	228,278	226,400	222,643
Issued Units ('000)	1,885,218[2]	1,977,971[3]	1,947,550[3]	1,886,708[3]
DPU (cents)	11.75[4]	11.83	11.92	12.11
DPU accretion (%)	–	0.7%	1.5%	3.1%

Notes:

(1) Assuming that (i) the Property had a portfolio occupancy rate of 94.3% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the date of this Announcement, were in place since 1 April 2017 and (ii) all tenants have paid their rents in full. MIT's expenses comprising borrowing costs associated with the drawdown of loan to finance the Proposed Acquisition, net of proceeds raised, where applicable, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

(2) Number of Units issued as at 31 March 2018.

(3) Includes the respective number of new Units issued to raise gross proceeds to part-finance the Proposed Acquisition and approximately 1.5 million Acquisition Fee Units issued at an illustrative price of S$1.80 per new Unit (purely for illustrative purposes only).

(4) For the financial year ended 31 March 2018.

4.2 *Pro Forma* NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Acquisition on the NAV per Unit as at 31 March 2018, as if the Proposed Acquisition was completed on 31 March 2018, are as follows:

	Effects of the Proposed Acquisition			
	Before the Proposed Acquisition	After the Proposed Acquisition at the following LTV		
		40.0%	60.0%	100.0%
NAV (S$'000)	2,780,072	2,943,742	2,890,080	2,782,755
Issued Units ('000)	1,885,218[1]	1,977,971[2]	1,947,550[2]	1,886,708[2]
NAV per Unit (S$)	1.47	1.49	1.48	1.47

Notes:

(1) Number of Units issued as at 31 March 2018.

(2) Includes the respective number of new Units issued to raise gross proceeds to part-finance the Proposed Acquisition and approximately 1.5 million Acquisition Fee Units issued at an illustrative price of S$1.80 per new Unit (purely for illustrative purposes only).

5. Requirement of Unitholders' Approval

5.1 Major Transaction

Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**", and the listing manual of the SGX-ST, the "**Listing Manual**") governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by MIT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by MIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with MIT's NAV;

(ii) the net profits attributable to the assets acquired, compared with MIT's net profits;

(iii) the aggregate value of the consideration given, compared with MIT's market capitalisation; and

(iv) the number of Units issued by MIT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction. The Listing Manual requires that a major transaction involving MIT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 5.1(i) exceeds the relevant 20.0% threshold.

5.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Proposed Acquisition using the applicable bases of comparison described in sub-paragraph 5.1 above are set out in the table below.

Comparison of	Proposed Acquisition	MIT	Relative Figure (%)
Net property income (S$'000)	18,233(1)	277,603 (2)	6.6
Consideration against market capitalisation (S$'000)	266,800(3)	3,617,210(4)	7.4

Notes:

(1) Assuming that the Property had a portfolio occupancy rate of 94.3% for the entire financial year ended 31 March 2018 and all leases, whether existing or committed as at the date of this Announcement, were in place since 1 April 2017.

(2) For the financial year ended 31 March 2018.

(3) This figure represents the estimated Aggregate Consideration, the Trustee Loan and the subscription of the Marina Trust Subscription Units. For the avoidance of doubt, the total amount received by MTSPL in connection with the Proposed Acquisition will be approximately S$262.2 million, being the sum of the Aggregate Consideration of S$75.0 million, the Intercompany Loan of S$156.8 million and Declared Distribution of S$30.4 million.

(4) This figure is based on the weighted average traded price of S$1.9048 per Unit on the SGX-ST as at 12 December 2018, being the day immediately prior to the entry into of the Unit Purchase Agreement.

The Manager is of the view that the Proposed Acquisition is in the ordinary course of MIT's business as the Property being acquired is within the investment policy of MIT and does not change the risk profile of MIT. As such, the Proposed Acquisition should therefore not be subject to Chapter 10 of the Listing Manual. However, as the Proposed Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Proposed Acquisition will still be subject to the specific approval of Unitholders.

5.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the 2017/18 Audited Financial Statements, the audited NTA of MIT was S$2,780.1 million as at 31 March 2018. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$139.0 million, such a transaction would be subject to Unitholders' approval. Based on the 2017/18 Audited Financial Statements, the Agreed Property Value of S$268.3 million is 9.7% of the audited NTA of MIT as at 31 March 2018. Accordingly, the value of the Proposed Acquisition exceeds the said threshold and hence the Proposed Acquisition is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of MIT's latest audited NAV. Based on the 2017/18 Audited Financial Statements, the audited NAV of MIT was S$2,780.1 million as at 31 March 2018. Accordingly, if the value of a transaction which is proposed to be entered into by MIT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S$139.0 million, such a transaction would be subject to Unitholders' approval. Based on the 2017/18 Audited Financial Statements, the Agreed Property Value of S$268.3 million is 9.7% of the audited NAV of MIT as at 31 March 2018. Accordingly, the value of the Proposed Acquisition exceeds the said threshold.

As at the date of this Announcement, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 629,776,972 Units, which is equivalent to approximately 33.16% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As MTSPL is an indirect wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, MTSPL (being wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of MIT.

Therefore, the Proposed Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In approving the Proposed Acquisition, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the Proposed Acquisition.

5.4 Advice of the Independent Financial Adviser

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the "**IFA**") to advise the independent directors of the Manager (the "**Directors**", and the independent Directors, the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**") and the Trustee whether the Proposed Acquisition is on normal commercial terms and whether it will be prejudicial to the interests of MIT and its minority Unitholders.

The views of the IFA, the Independent Directors and the Audit and Risk Committee will be contained in a circular to be issued to Unitholders in due course (the "**Circular**").

5.5 Interests of Directors and Substantial Unitholders

As at the date of this Announcement, certain Directors collectively hold an aggregate direct and indirect interest in 6,459,891 Units. Further details of the interests in Units of the Directors and Substantial Unitholders[1] are set out below.

Mr Wong Meng Meng is the Non-Executive Chairman and Director. Mr Soo Nam Chow is the Independent Non-Executive Director and Chairman of the Audit and Risk Committee. Mr John Koh Tiong Lu is the Lead Independent Non-Executive Director and Member of the Audit and Risk Committee. Mr Wee Joo Yeow is the Independent Non-Executive Director and Chairman of the nominating and remuneration committee of the Manager ("**Nominating and Remuneration Committee**"). Mr Guy Daniel Harvey-Samuel is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Ms Mary Yeo Chor Gek is the Independent Non-Executive Director and Member of the Nominating and Remuneration Committee. Mr William Toh Thiam Siew is an Independent Non-Executive Director. Mr Seah Choo Meng is the Non-Executive Director and Member of the Audit and Risk Committee. Mr Hiew Yoon Khong is the Non-Executive Director and Member of the Nominating and Remuneration Committee. Mr Wong Mun Hoong is the Non-Executive Director. Mr Tham Kuo Wei is the Executive Director and Chief Executive Officer.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the date of this Announcement:

1 "**Substantial Unitholders**" refers to persons with an interest in Units constituting not less than 5.0% of all Units in issue.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%[1]
	No. of Units	%	No. of Units	%		
Mr Wong Meng Meng	268,000	0.014	–	–	268,000	0.014
Mr Soo Nam Chow	–	–	432,000	0.022	432,000	0.022
Mr John Koh Tiong Lu	–	–	600,720	0.031	600,720	0.031
Mr Wee Joo Yeow	540,000	0.028	–	–	540,000	0.028
Mr Guy Daniel Harvey-Samuel	–	–	–	–	–	–
Ms Mary Yeo Chor Gek	–	–	–	–	–	–
Mr William Toh Thiam Siew	273,938	0.014	–	–	273,938	0.014
Mr Seah Choo Meng	272,205	0.014	25,192	0.001	297,397	0.015
Mr Hiew Yoon Khong	740,789	0.039	2,753,826	0.145	3,494,615	0.184
Mr Wong Mun Hoong	–	–	–	–	–	–
Mr Tham Kuo Wei	553,221	0.029	–	–	553,221	0.029

Note:

(1) The percentage is based on 1,898,997,326 Units in issue as at the date of this Announcement.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of MIT and their interests in the Units as at 6 December 2018 are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units	%	No. of Units	%		
Temasek Holdings (Private) Limited[(1)]	–	–	650,100,939	34.23	650,100,939	34.23
Fullerton Management Pte Ltd[(1)]	–	–	629,776,972	33.16	629,776,972	33.16
Mapletree Investments Pte Ltd[(1)]	–	–	629,776,972	33.16	629,776,972	33.16
Mapletree Dextra Pte. Ltd.	618,237,448	32.55	–	–	618,237,448	32.55
Schroders plc[(2)]	–	–	113,543,343	5.97	113,543,343	5.97

Note(s):

(1) Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 618,237,448 units held by Mapletree Dextra Pte. Ltd. ("**MDPL**") and 11,539,524 units held by the Manager in which MIPL has a deemed interest. In addition, Temasek is deemed to be interested in 20,323,967 units in which an associated company of Temasek has a direct and/or deemed interest. MDPL and the Manager are wholly-owned subsidiaries of MIPL which in turn is a wholly-owned subsidiary of Fullerton. Fullerton is a wholly-owned subsidiary of Temasek. Each of MIPL and the associated company referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.

(2) Schroders plc is deemed to be interested in the 113,543,343 Units held on behalf of clients as Investment Managers.

Save as disclosed above and based on information available to the Manager as at the date of this Announcement, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Acquisition.

5.6 Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

6. Documents on Display

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager (by prior appointment) at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this Announcement up to and including the date falling three months after the date of the Circular:

(i) the Unit Purchase Agreement dated 13 December 2018;

(ii) the independent valuation report on the Property issued by Colliers; and

(iii) the independent valuation report on the Property issued by Savills.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MIT is in existence.

7. Further Details

Further details of the Proposed Acquisition will be contained in the Circular which will be issued by the Manager in due course, together with a notice of extraordinary general meeting for the purpose of seeking Unitholders' approval for the Proposed Acquisition. Unitholders are advised to refer to the Circular for any updates to the information contained in this Announcement.

By order of the Board

Wan Kwong Weng
Joint Company Secretary
Mapletree Industrial Trust Management Ltd.
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

13 December 2018

Important Notice

This announcement (this "**Announcement**") is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Mapletree Industrial Trust ("**MIT**", and units in MIT, "**Units**"). The value of Units and the income derived 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 of MIT may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of MIT is not necessarily indicative of the future performance of MIT.

The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.