

ANNOUNCEMENT

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE EXTRAORDINARY GENERAL MEETING ON 27 AUGUST 2020

27 August 2020 - Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), wishes to thank all unitholders of MIT (the “Unitholders”) who have submitted their questions in advance of the extraordinary general meeting (“EGM”) in relation to the proposed acquisition of the remaining 60.0% interest in 14 data centres located in the United States of America (the “United States”). The EGM will be conducted virtually on 27 August 2020, 2.30 p.m. (Singapore Time) via the live audio-visual webcast or live audio-only stream.

Please refer to Annex A for the list of substantial and relevant questions, and the Manager’s responses to these questions.

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

Important Notice

The value of the 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 the 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 Singapore Exchange Securities Trading Limited (the “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.

ANNEX A: RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

<p>1.</p>	<p>(i) After this transaction, are there any other immediate plans to inject more data centres from the Sponsor?</p> <p>(ii) Is there any more pipeline of data centres for acquisition?</p>
	<ul style="list-style-type: none"> ▪ The Sponsor, Mapletree Investments Pte Ltd (“MIPL”) has granted MIT a right of first refusal to acquire the Sponsor’s 50.0% interest in Mapletree Rosewood Data Centre Trust (“MRODCT”). MRODCT, which is a 50:50 joint venture between MIT and MIPL, holds 10 powered shell data centres and an 80.0% interest in three fully fitted hyperscale data centres in North America. This portfolio provides a significant visible data centre pipeline, which MIT could consider as an investment opportunity in the future if the Sponsor decides to divest its interest in MRODCT. The MRODCT portfolio is presently the only data centre pipeline for MIT from the Sponsor.
<p>2.</p>	<p>Does MIT have plans to acquire more data centres (not just in the United States) to increase its portfolio in this segment, which is seen as a key engine of growth for the REIT? If yes, what is the target percentage of data centres in the portfolio?</p>
	<ul style="list-style-type: none"> ▪ The Manager will continue to pursue opportunities in the data centre segment, which is underpinned by growth of data and content, as well as adoption of cloud services by businesses and consumers. The COVID-19 pandemic has provided favourable tailwinds for the data centre segment, which has seen increased leasing demand from content, social media, e-payment, software-as-a-service and other information technology firms during this period¹. In addition, data centres were identified as essential infrastructure in North America during the pandemic and had remained open during the lockdown period. However, competition for acquisition opportunities has intensified because of the high level of investor interest. ▪ Data centres may comprise up to two thirds of MIT’s portfolio (by assets under management), in view of the scalability and growth potential of this asset class. ▪ In July 2020, we had reclassified Data Centres as a standalone property segment to underline our strategy and improve portfolio resilience. Stronger focus will be on segments with future growth potential including Data Centres, Hi-Tech Buildings and Business Park Buildings.

¹ Source: 451 Research, LLC, Q1 2020.

<p>3.</p>	<p>The trust has been raising funds for acquisitions through private placements. Will the trust consider preferential offering or dividend reinvestment plan for fund raising in the future instead to avoid hefty fees of private placement as well as equity dilution of existing Unitholders?</p>
	<ul style="list-style-type: none"> ▪ In June 2020, the Manager had raised S\$410.0 million through a private placement to fund the proposed acquisition of the remaining 60.0% interest in 14 data centres located in the United States (the “Proposed Acquisition”). After evaluating all available options, the Manager had decided that an overnight private placement would minimise uncertainty given the market volatility; and considering that, this was one of the earliest equity fund raisings in the Singapore equity market amid the COVID-19 pandemic. While existing Unitholders were not able to participate in the private placement, and may suffer a dilution in their interest, the Manager expects the Proposed Acquisition to be accretive to Unitholders in respect of distribution per unit (“DPU”) and net asset value (“NAV”) per unit after taking into account the diluted interest arising from the private placement. ▪ Depending on the prevailing market conditions, as well as value and type of the investment projects, the Manager will tap on the capital market in different ways in order to optimise the funding structure. The Manager will strive to adopt the most effective way of raising funds in that environment while considering the costs and financial effects of each transaction.
<p>4.</p>	<p>With the current uncertain political situation in the United States, why does the management believe the Proposed Acquisition is the best investment moving forward? What could be the worst scenario?</p>
	<ul style="list-style-type: none"> ▪ The United States is the largest and most established data centre market in the world, which accounts for about 28%² of the global insourced and outsourced data centre space. The demand for data centre space in the United States remains robust, which is driven by the growth of data and cloud computing as well as the need for data storage. The COVID-19 pandemic inadvertently accelerates the pace of cloud adoption from the increased usage of remote working, video streaming and online gaming, which generate more data traffic. ▪ The Manager believes that the Proposed Acquisition will increase MIT’s exposure to a resilient asset class with growth opportunities in the world’s largest data centre market. Upon completion of the Proposed Acquisition, Data Centres will account for about 39.0% of MIT’s portfolio (by assets under management), up from 31.6% as at 31 March 2020. In addition, the Proposed Acquisition will improve the income

² By net operational square feet. Source: 451 Research, LLC as of Q1 2020.

	<p>stability of MIT's portfolio with the increased freehold land component and long leases with embedded annual rental growth.</p> <ul style="list-style-type: none"> It is difficult to forecast the worst-case scenario, given the uncertainty surrounding the COVID-19 situation and risks arising from geopolitical tensions. Nevertheless, the Manager believes that the Proposed Acquisition presents an opportunity to consolidate a good quality portfolio of data centres, which is expected to be DPU and NAV per unit accretive to Unitholders.
5.	<p>(i) After the completion of the Proposed Acquisition, what is the expected contribution of Data Centres (regardless of locations) to the quarterly DPU?</p> <p>(ii) Will MIT continue with the existing quarterly DPU payouts or are there considerations to change to semi-annual DPU payouts?</p>
	<ul style="list-style-type: none"> The Manager is unable to provide a guidance on DPU as it will constitute a forecast. MIT expects to continue with quarterly reporting and distributions in FY20/21³.
6.	<p>Given that Singapore Government has a moratorium on new data centres, does it mean MIT will look have to look outside of Singapore and likewise more acquisition of overseas data centres in order to compensate the red tape imposed here and what is MIT's take/view of this moratorium?</p>
	<ul style="list-style-type: none"> While the limitations on new data centre developments could pose a challenge in securing new projects in Singapore, the Manager will continue to pursue investment opportunities in established data centre markets, including Singapore. Countries of focus include the United States, Europe (Frankfurt, London, Amsterdam, Paris and Dublin) and Asia Pacific (Singapore, Hong Kong, Japan and Australia). These are strategically located markets (near submarine communications cables) in countries with highly developed infrastructure.
7.	<p>How will the COVID-19 pandemic, which is likely to remain for long, affect the cost of acquisition, which will drain the MIT's cash flow further during this challenging period whereby most countries are facing a recession? Will the cost of acquisition be reduced as recession becomes more prominent in due time? Is it not appropriate to make the acquisition during the pandemic?</p>
	<ul style="list-style-type: none"> The agreed value of the 14 data centres located in the United States (on the basis of a 100.0% interest) is US\$823.3 million, which is 0.7% lower than the independent valuation by Newmark Knight Frank Valuation & Advisory, LLC ("NKF") as at 31 May 2020 and in line with the independent valuation by Cushman & Wakefield Western, Inc. as at 31 March 2020. While the US economy, as a

³ FY20/21 denotes Financial Year 2020/2021 from 1 April 2020 to 31 March 2021.

	<p>whole, will be impacted by the pandemic crisis, NKF noted that data centres will be the least impacted and, in many cases, will benefit from the increased workloads from telecommuting, web conferencing, social media, streaming services, food/retail delivery applications and online gaming/video streaming. Its value opinions are as of 31 May 2020 and consider COVID-19 impacts⁴.</p> <ul style="list-style-type: none">▪ Based on the proposed method of financing and the <i>pro forma</i> financial effects of the Proposed Acquisition on DPU and NAV per Unit for MIT for FY19/20, the DPU accretion after the Proposed Acquisition would be approximately 2.7%. NAV per Unit would have increased from S\$1.62 to S\$1.69.▪ Given that the pandemic has provided favourable tailwinds for the data centre segment and the acquisition is expected to be DPU and NAV accretive to Unitholders upon completion, the Manager believes that this acquisition presents an opportunity to consolidate a good quality portfolio of data centres.
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⁴ Please refer to Appendix B (Valuation Certificate of NKF) in the circular to Unitholders dated 5 August 2020 in relation to the proposed acquisition of the remaining 60.0% interest in 14 data centres located in the United States of America, as an interested person transaction.