

## **PRESS RELEASE**

### **Mapletree Industrial Trust to Grow Hi-Tech Buildings Segment with Acquisition and Upgrading of 7 Tai Seng Drive**

27 April 2018 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT has today executed a novation agreement in respect of an Option to Purchase (“OTP”) for an industrial property located at 7 Tai Seng Drive (the “Property”) with its Sponsor, Mapletree Investments Pte Ltd (through its wholly-owned private trust) (the “Sponsor”) and the vendor of the Property, Mapletree Logistics Trust (“MLT”) (the “Novation”)<sup>1</sup>. In connection with the Novation, MIT has also signed an agreement to lease (“ATL”) with an established information and communication technology company (the “Tenant”). Pursuant to the ATL, MIT will be upgrading the Property into a high-specification building.

The OTP was originally granted to the Sponsor by MLT for the Sponsor to acquire the Property at a purchase consideration of S\$68.0 million in August 2017. Subject to the exercise of the OTP by MIT and approval from JTC Corporation, MIT will acquire the Property from MLT at a purchase consideration of S\$68.0 million (the “Proposed Acquisition”). In connection with the Novation of the OTP, MIT will also reimburse the Sponsor for the option fee of S\$680,000 paid by the Sponsor to MLT in August 2017<sup>2</sup>.

The seven-storey Property is located within the Tai Seng Industrial Estate. It has a gross floor area of about 256,600 square feet (“sq ft”) on a land area of about 96,500 sq ft. The site is zoned for Business 2 use with its land lease tenure of 30 years commencing from 16 March 1993 and an option to extend for an additional 30 years.

---

<sup>1</sup> Pursuant to the Novation, the Sponsor is substituted by MIT in the OTP so that MIT becomes entitled to exercise the OTP.

<sup>2</sup> The purchase consideration of S\$68.0 million includes the option fee of S\$680,000 to be reimbursed to the Sponsor.

**Mapletree Industrial Trust Management Ltd.**

10 Pasir Panjang Road #13-01 Mapletree Business City, Singapore 117438  
tel (65) 6377 6111 fax (65) 6273 8607 www.mapletreeindustrialtrust.com  
Co. Reg. No. 201015667D

MIT will be undertaking upgrading works to increase the power capacity and floor loading capacity, and to provide additional telecommunication infrastructure as well as space for mechanical and electrical equipment. Subject to the approval of JTC Corporation and relevant authorities, upon the completion of the upgrading works in the second half of 2019, the Property will be fully leased to the Tenant for an initial term of 25 years<sup>3</sup> with annual rental escalations and an option to renew exercisable by the Tenant for the remaining land lease tenure. The total cost of the Proposed Acquisition and upgrading works is expected to be S\$95 million.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “Upon completion of upgrading works, the addition of a new high-specification building will reinforce our strategy to grow the Hi-Tech Buildings segment. The long-term lease commitment from a high-quality tenant will enhance the portfolio resilience. This project will underscore MIT’s ability to deliver customised industrial real estate solutions.”

### **Interested Party Transactions**

The Novation of the OTP and the Proposed Acquisition are considered “interested person transactions” under Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “Listing Manual”) and “interested party transactions” under Appendix 6 (Property Funds) of the Code on Collective Investment Schemes (the “Property Funds Appendix”) issued by the Monetary Authority of Singapore. Pursuant to Rule 908 of the Listing Manual<sup>4</sup>, the value of the Proposed Acquisition need not be aggregated with the value of the Novation of the OTP for the purposes of Rules 905 and 906 of the Listing Manual. The respective aggregate value of all transactions by MIT with each of the Sponsor and MLT during the current financial year ending 31 March 2019, is less than 3% of MIT’s latest audited net asset value<sup>5</sup>. Accordingly, the Novation of the OTP and the Proposed Acquisition would not require approval of the unitholders of MIT.

---

<sup>3</sup> Subject to MIT exercising the option to extend the land lease for the additional 30 years.

<sup>4</sup> The Sponsor and the manager of MLT (i) have boards the majority of whose directors are different and who are not accustomed to act on the instructions of any of the other interested persons and their associates and (ii) have audit committees whose members are completely different.

<sup>5</sup> As at the date of this press release, the value of all transactions (including the Novation of the OTP) entered into between MIT and the Sponsor, including its subsidiaries and associates, during the current financial year is S\$0.68 million. At the same time, the value of all transactions (including the Proposed Acquisition) entered into between MIT and MLT during the current financial year is S\$68.0 million.

To ensure that the Proposed Acquisition would be carried out at an arm’s length basis, two independent valuations have been obtained from Cushman & Wakefield VHS Pte Ltd (appointed by DBS Trustee Limited, as trustee of MIT) and Savills (Singapore) Pte Ltd (appointed by the Manager). The purchase consideration of S\$68.0 million is not more than the higher of the two valuations provided:

Valuers	Valuations
Cushman & Wakefield VHS Pte Ltd	S\$68 million
Savills (Singapore) Pte Ltd	S\$70 million

All the independent directors of the Manager have approved the Novation of the OTP and the Proposed Acquisition and are of the view that these transactions are on normal commercial terms and are not prejudicial to the interests of MIT and its minority unitholders.

In accordance with MIT’s Trust Deed, the Manager will receive an acquisition fee of 1.0% of the purchase consideration, which amounts to S\$0.68 million. As the Proposed Acquisition is considered an “interested party transaction” under the Property Funds Appendix, the total acquisition fees payable to the Manager will be in the form of units in MIT, which shall not be sold within one year from the date of issuance.

**Sufficient Financial Capacity**

MIT has sufficient financial flexibility and capacity to fund the Proposed Acquisition and upgrading works. Assuming the cost of the Proposed Acquisition and upgrading works of approximately S\$95 million are fully funded by debt, the aggregate leverage ratio is expected to increase from 33.1% (as at 31 March 2018) to 34.6%.

For further information, please contact:

**Mapletree Industrial Trust Management Ltd.**

Melissa TAN

Vice President, Investor Relations

Tel: +65 6377 6113

Email: melissa.tanhl@mapletree.com.sg

CHENG Mui Lian

Assistant Manager, Investor Relations

Tel: +65 6377 4536

Email: cheng.muilian@mapletree.com.sg

Website: [www.mapletreeindustrialtrust.com](http://www.mapletreeindustrialtrust.com)

## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore, and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

MIT’s property portfolio comprises 85 industrial properties in Singapore and 14 data centres in the US (40.0% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Flatted Factories, Hi-Tech Buildings, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 31 March 2018, MIT’s total assets under management was S\$4.3 billion.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

## **About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

## **About Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd (“MIPL”) is a leading real estate development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths as a developer, an investor and a capital manager, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REITs and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom (“UK”) and the United States (“US”).

As at 31 March 2017, MIPL owns and manages S\$39.5 billion of office, retail, logistics, industrial, residential, corporate housing and serviced apartment, and student accommodation properties.

MIPL’s assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.