

## PRESS RELEASE

### **Mapletree Industrial Trust to Acquire 18 Tai Seng in Singapore for S\$268.3 million**

- Addition of a unique integrated industrial development with office and retail spaces
- Sole property in Paya Lebar iPark with underground pedestrian link to Tai Seng MRT station
- Proposed Acquisition expected to be distribution per Unit (“DPU”) and net asset value (“NAV”) accretive to Unitholders

13 December 2018 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that DBS Trustee Limited, in its capacity as trustee of MIT (the “Trustee”), has entered into a conditional unit purchase agreement with Mapletree Tai Seng Pte. Ltd., an indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd (“MIPL”), to acquire all the units of Marina Trust, which holds 18 Tai Seng located at 18 Tai Seng Street, Singapore (the “Property”) at an agreed property value of S\$268.3 million (the “Proposed Acquisition”).

The Property is a nine-storey high-specification mixed-use development with a total gross floor area of about 443,810 square feet (“sq ft”), which comprises Business 2 industrial, office and retail spaces. Centrally located in the Paya Lebar iPark, the Property has prominent frontage along the busy Upper Paya Lebar Road and enjoys accessibility via major expressways (Kallang-Paya Lebar Expressway, Pan-Island Expressway and Central Expressway). The Property is directly connected to Tai Seng MRT station (CC11) by an underground link, which enhances pedestrian connectivity for the community at the Paya Lebar iPark.

**Mapletree Industrial Trust Management Ltd.**

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Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “This is a rare opportunity to acquire a unique integrated industrial development in the modern Paya Lebar iPark. With its excellent connectivity as well as a wide variety of food and beverage offerings and amenities, 18 Tai Seng is a choice location for tenants who are looking for high quality business space in the city fringe. The Proposed Acquisition marks another milestone in our strategy to grow the Hi-Tech Buildings segment. Following the acquisition, MIT’s total assets under management will increase from S\$4.4 billion<sup>1</sup> to S\$4.7 billion, with the Hi-Tech Buildings segment accounting for 42.7% (up from 39.2%<sup>1</sup>).”

With a high committed portfolio occupancy of 94.3%<sup>2</sup>, the Property is leased to 44 high-quality tenants, including multinational companies in high value-added sectors such as medical technology, information and communications technology and automotive technology. Built-in annual rental escalations are included in 95.7%<sup>3</sup> of leases (by gross rental income). The Property has a weighted average lease to expiry of about 3.6 years<sup>3</sup>, with 78.0%<sup>3</sup> of leases expiring in Financial Year 2022/2023 and beyond. Following the acquisition, the gross rental income contribution by the top 10 tenants will decrease from 26.3% to 25.8% with an enlarged portfolio. These will enhance the income stability and diversification for the MIT portfolio.

Completed on 1 November 2016, the Property was developed to high specifications by MIPL. The Property offers businesses the flexibility in designing efficient work spaces through large column-free floor plates of over 50,000 sq ft and 20-metre core-to-window depth. The Property was conferred the Green Mark Gold Award by the Building and Construction Authority for its sustainable environment design and features.

The total acquisition outlay is about S\$271.0 million<sup>4</sup>. MIT has sufficient capacity to fully finance the Proposed Acquisition through debt. Depending on the market conditions, MIT may

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<sup>1</sup> As at 30 September 2018 and included 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.

<sup>2</sup> The actual occupancy rate of the Property was 87.4% as at 30 September 2018. All committed leases will commence progressively by 1 March 2019.

<sup>3</sup> As at 30 September 2018.

<sup>4</sup> Refer to the announcement dated 13 December 2018 titled “The Proposed Acquisition of 18 Tai Seng, Singapore” for details.

consider a combination of debt and equity. The Proposed Acquisition is expected to be DPU and NAV accretive to MIT unitholders<sup>5</sup>.

The agreed property value of S\$268.3 million for the Property represents a 0.6% discount to the independent valuation conducted by Savills (Singapore) Pte Ltd (“Savills”) and is in line with the independent valuation conducted by Colliers International (Singapore) Pte Ltd (“Colliers”). Savills (commissioned by the Manager) and Colliers (commissioned by the Trustee) have valued the Property at S\$270.0 million and S\$268.3 million respectively<sup>6</sup> as at 30 November 2018.

As MIPL is a “controlling unitholder” of MIT and a “controlling shareholder” of the Manager under the listing manual of the Singapore Exchange Securities Trading Limited and Property Funds Appendix, the Proposed Acquisition will constitute an “interested person transaction” (for the purposes of the Listing Manual) and an “interested party transaction” (for the purposes of the Property Funds Appendix). Accordingly, the Proposed Acquisition is subject to the approval of MIT’s Unitholders at an extraordinary general meeting, which will be held at an appropriate time.

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<sup>5</sup> Based on pro forma financial impact of the Proposed Acquisition for the financial year ended 31 March 2018. Refer to the announcement dated 13 December 2018 titled “The Proposed Acquisition of 18 Tai Seng, Singapore”.

<sup>6</sup> Both Savills and Colliers relied on the income capitalisation method and the discounted cash flow analysis to conduct the valuation and used the comparison method as a check.



18 Tai Seng, Singapore

## Key Property Details

<b>Address</b>	18 Tai Seng Street, Singapore 539775
<b>Land Area</b>	126,799 sq ft
<b>Gross Floor Area</b>	443,810 sq ft
<b>Net Lettable Area (“NLA”)</b>	384,212 sq ft  Industrial: 283,703 sq ft Office: 53,441 sq ft Retail: 47,068 sq ft
<b>Land Tenure</b>	30 years commencing from 26 March 2014
<b>Plot Ratio</b>	3.5  Business 2 Industrial: 2.5 White: 1.0
<b>Average Passing Rental Rates (As at 30 September 2018)</b>	S\$4.58 per square foot per month (“psf/mth”)  Industrial: S\$4.04 psf/mth Office: S\$5.15 psf/mth Retail: S\$7.64 psf/mth
<b>Number of Tenants</b>	44
<b>Top 3 Tenants (By Gross Rental Income as at 30 September 2018)</b>	1. Sivantos Pte. Ltd. 2. Silicon Laboratories International Pte. Ltd. 3. Schaeffler (Singapore) Pte. Ltd. (“Schaeffler”) <sup>7</sup>
<b>Car Park Lots</b>	190
<b>Building Completion Date</b>	Temporary Occupation Permit obtained on 1 November 2016

<sup>7</sup> 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.

For further information, please contact:

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**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 86 industrial properties in Singapore and 14 data centres in the United States (40% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 30 September 2018, MIT’s total assets under management was S\$4.4 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 and property 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 REIT and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom and the United States.

As at 31 March 2018, MIPL owns and manages S\$46.3 billion of office, retail, logistics, industrial, residential, corporate housing / 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 United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.