



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 July 2004 (as amended))

**ANNOUNCEMENT
ACQUISITION OF TANG LOGISTICS CENTRE
FROM TANG LOGISTICS CENTRE PTE. LTD.**

1 In relation to the initial public offering of MapleTree Logistics Trust ("MapleTreeLog"), the joint financial advisers, underwriters and bookrunners were DBS Bank and UBS AG, acting through its business group, UBS Investment Bank.

2 INTRODUCTION

The Acquisition

2.1 MapleTree Logistics Trust Management Ltd., as manager of MapleTreeLog (the "Manager"), has identified Tang Logistics Centre at 10 Changi South Street 3 Singapore 486147 (the "Property") for acquisition by MapleTreeLog at the purchase price of S\$20.0 million (the "Acquisition").

2.2 In connection with the Acquisition, HSBC Institutional Trust Services (Singapore) Limited, as trustee of MapleTreeLog (the "Trustee"), has entered into a conditional put and call option agreement (the "Option Agreement"), with Tang Logistics Centre Pte. Ltd. ("Tang Logistics").

2.3 Under the Option Agreement:-

- (i) Tang Logistics has granted to the Trustee a call option (the "Call Option") to require Tang Logistics to enter into an agreement with the Trustee for the sale of the Property (in the form of the purchase agreement appended to the Option Agreement (the "Purchase Agreement")) to the Trustee; and
- (ii) the Trustee has granted to Tang Logistics a put option (the "Put Option") to require the Trustee to enter into the Purchase Agreement for the purchase of the Property from Tang Logistics.

3 INFORMATION ON THE PROPERTY

3.1 The Property is owned by Tang Logistics and comprises a part one-storey / part five-storey / part six-storey warehouse cum office building with a proposed warehouse extension. The proposed warehouse extension will be redeveloped from an existing adjoining block that currently houses a 30-metre high Automatic Storage and Retrieval System ("ASRS"). Plans are for the ASRS to be dismantled and removed from the block, and be replaced with floor slabs that will link to each floor of the current five-storey warehouse. It is located in the Changi South industrial estate which has easy access to both the airport and the city via Pan-Island Expressway ("PIE").

- 3.2 Completed in year 1998, the Property, with a gross floor area (“GFA”) of 9,573 sqm (excluding the GFA of 5,504 sqm for the proposed warehouse extension), sits on land covering an area of 7,675 sqm. The leasehold land has a leasehold term of 30 + 30 years from JTC Corporation (“JTC”), commencing from 1 March 1995.

4 VALUE OF THE PROPERTY

The Property was valued at S\$12.7 million without the proposed warehouse extension and S\$20.0 million with the proposed warehouse extension in a valuation report dated 15 November 2005 prepared by Jones Lang Lasalle Property Consultants Pte Ltd in accordance with the instructions issued by the Trustee. The valuation was prepared using the discounted cash flow approach, direct capitalisation approach as well as the direct comparison method.

5 PRINCIPAL TERMS OF THE ACQUISITION

5.1 The Option Agreement

The principal terms of the Option Agreement relating to the Property (the “Option Agreement”) are as follows:-

- (i) **Purchase to be on the terms and conditions of the Purchase Agreement:** The Call Option granted by Tang Logistics to the Trustee and the Put Option granted by the Trustee to Tang Logistics provide for the sale and purchase of the Property to be on the terms and conditions of the Purchase Agreement relating to the Property (the “Purchase Agreement”) in the event that either the Trustee or Tang Logistics becomes entitled to exercise, respectively, the Call Option or the Put Option and so exercises its option;
- (ii) **Conditions Precedent:** The rights of the Trustee and Tang Logistics to exercise, respectively, the Call Option and the Put Option depend upon, *inter alia*, the following conditions (the “Relevant Conditions”) being fulfilled by 12 weeks from the date of the Option Agreement (or such other date as may be determined in accordance with the Option Agreement) (the “Target Date”), unless otherwise waived by the Trustee in writing:-
 - (a) The approval of the shareholders of Tang Logistics for the sale of the Property; and
 - (b) The approval from JTC for the sale and leaseback of the Property to MapletreeLog;
- (iii) **Purchase Price:** The purchase price of the Property is S\$20.0 million (including the option fee of S\$200,000) comprising an initial payment of S\$12.7 million which will be paid in cash upon completion of the Acquisition and a balance of S\$7.3 million which will be paid upon the completion of and the commencement of leaseback of the proposed warehouse extension. The option fee was paid by the Trustee upon the execution of the Option Agreement. The option fee is wholly refundable, *inter alia*, in the event that any of the Relevant Conditions are not met by the Target Date but will otherwise be applied towards the deposit of S\$2.0 million upon entry of the Purchase Agreement between Tang Logistics and the Trustee, which deposit shall form part of the purchase price; and

- (iv) **Termination of the Option Agreement:** If any of the Relevant Conditions (other than those which the Trustee has confirmed in writing to Tang Logistics as having been waived by the Trustee) is not fulfilled by the Target Date, the Option Agreement shall cease and determine and, save for the obligation of Tang Logistics to refund the option fee to the Trustee, neither party shall have any further claim against the other for costs, damages, compensation or otherwise.

5.2 The Purchase Agreement

The Purchase Agreement provides that Tang Logistics will lease the Property for 7 years upon completion at an initial annual rental income of S\$0.833 per square foot per month for the first year of the term with stepped rental increases in the subsequent years of lease.

6 RATIONALE AND BENEFIT OF THE ACQUISITION TO MAPLETREELOG

6.1 Continued Growth in Core Market

The Acquisition is in line with the Manager's objective to grow MapletreeLog based on a yield plus growth investment strategy. Singapore is a core market as part of our regional growth strategy. Singapore is expected to continue to play an important role as a regional logistics hub in Asia.

6.2 Accretive and Stable Rental Streams

- 6.2.1 The Manager aims to achieve distribution growth and to enhance the value of MapletreeLog's property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager's investment criteria. The Acquisition of the Property will be immediately accretive to MapletreeLog's distributable income. Based on the initial payment of S\$12.7 million for the existing building, the Property is expected to deliver an ungeared property yield of 7.2% (before acquisition costs) in the first year compared to an implied net property income yield of 4.7%¹ based on the S\$1.00 closing price on 9 December 2005.
- 6.2.2 The Property will allow stable rental streams from the long term leaseback as well as rental escalations which will further add on to the defensiveness and stability of the distributions in the portfolio.
- 6.2.3 Besides the expected accretion and growth potential, the Acquisition also enhances the overall profile of MapletreeLog's portfolio in diversification of tenants' concentration and mix.

¹ The Manager is unable to show the effect of the Acquisitions on the net tangible asset per Unit and on the distribution per Unit for the most recently completed financial year, assuming that the Acquisitions had been effected at the beginning of that financial year, as the relevant historical financial information is not available. The prospectus of MapletreeLog dated 18 July 2005 (the "Prospectus") had set out the reasons why the Manager was unable to prepare pro forma statements of total return, cash flow statements and balance sheets to show the pro forma historical financial performance of MapletreeLog. On the basis of these reasons, MapletreeLog was granted a waiver by the SGX-ST from the requirement to prepare historical pro forma statements of total return, cash flow statements and balance sheets and none were shown in the Prospectus. Further, the net profits attributable to the Properties are not available because the Properties are being occupied by their respective vendors prior to their acquisitions by MapletreeLog and will be leased back to their respective vendors thereafter. The implied property yield is computed based on the annualised net property income for 2005 (based on third quarter 2005 financial results).

6.3 **Diversification of MapletreeLog's Portfolio**

The Acquisition will further improve MapletreeLog's portfolio of properties and tenant mix as well as improve the overall occupancy rate. The Property is 100% leased back. The design of the Property is well suited to meet the needs of third party logistics providers and distribution operators.

6.4 **Good Location**

The Property is well located with easy access to expressways which connect to the airport, seaports and industrial areas in Singapore.

7 **METHOD OF FINANCING AND THE FINANCIAL EFFECTS OF THE ACQUISITION**

The Acquisition of the Property is expected to be completed by the first quarter of 2006. MapletreeLog has adequate debt capacity to complete the Acquisition. If the acquisition is totally funded by debt, the leveraged ratio would increase from 28.2%² to 30.1%. However, this does not preclude the Manager from considering alternative funding options such as the issuance of new units in MapletreeLog in the near future to complete the Acquisition and/or to refinance the debt taken to complete the Acquisition.

8 **INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS**

No directors of the Manager or substantial Unitholders are interested in the Acquisition.

9 **OTHER INFORMATION**

9.1 **Directors' Service Contracts**

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transaction contemplated in relation to the Acquisition.

9.2 **Documents for Inspection**

Copies of the following documents are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 1 Maritime Square #13-01 HarbourFront Centre Singapore 099253 for a period of 3 months commencing from the date of this Announcement:-

- (i) the Option Agreement;
- (ii) the form of the Purchase Agreement (as appended to the Option Agreement); and
- (iii) the valuation report on the Property.

² The leveraged ratio is determined based on total borrowings and deferred consideration over total assets as of 30 September 2005.

By Order of the Board
Giam Lay Hoon (Ms)
Company Secretary
Mapletree Logistics Trust Management Ltd.
(Company Registration No. 200500947N)
As Manager of Mapletree Logistics Trust

12 December 2005

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

This Announcement 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events. The past performance of MapletreeLog and the Manager are not necessarily indicative of the future performance of any of them.

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 MapletreeLog 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 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.