



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

---

**ANNOUNCEMENT  
ACQUISITION OF THREE PROPERTIES WORTH S\$35.6 MILLION**

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 Acquisitions**

2.1 Mapletree Logistics Trust Management Ltd., as manager of MapletreeLog (the “Manager”), has identified the following properties:-

- (i) 4 Toh Tuck Link Singapore 596226 (the “Markono Property”);
- (ii) 4 Tuas Avenue 5 Singapore 639331 (the “Nutrade Property”); and
- (iii) 20 Old Toh Tuck Road Singapore 597655 (the “Popular Property”);

(together, the “Properties”) for acquisition by MapletreeLog at an aggregate purchase price of S\$35.6 million (together, the “Acquisitions” and each an “Acquisition”).

2.2 In connection with the Acquisitions, HSBC Institutional Trust Services (Singapore) Limited, as trustee of MapletreeLog (the “Trustee”), has entered into separate conditional put and call option agreements (together, the “Option Agreements” and each an “Option Agreement”), with the respective vendors of the Properties.

2.3 Under each of the Option Agreements:-

- (i) the vendors have granted to the Trustee the relevant call options (together, the “Call Options” and each a “Call Option”) to require the relevant vendors to enter into separate agreements with the Trustee for the sale of the Properties (in the form of the purchase agreements appended to the respective Option Agreements (together, the “Purchase Agreements” and each a “Purchase Agreement”)) to the Trustee; and
- (ii) the Trustee has granted to the vendors the relevant put options (together, the “Put Options” and each a “Put Option”) to require the Trustee to enter into separate Purchase Agreements for the purchase of the Properties from the respective vendors.

### **3 INFORMATION ON THE PROPERTIES**

#### **3.1 4 Toh Tuck Link Singapore 596226**

- 3.1.1 The Markono Property is owned by Markono Logistics Pte Ltd (“Markono”) and comprises a four-storey warehousing / industrial building and ancillary office. It is located in the Toh Tuck Logispark which has easy access to both the airport and the city via Pan-Island Expressway (“PIE”) and Ayer Rajah Expressway (“AYE”).
- 3.1.2 The Markono Property, with an approximate gross floor area of 8,641 sqm, sits on land covering an approximate area of 5,761 sqm. The leasehold land has a leasehold term of 30 + 30 years from JTC Corporation (“JTC”), commencing from 16 November 1996.

#### **3.2 4 Tuas Avenue 5 Singapore 639331**

- 3.2.1 The Nutrade Property is owned by Nutrade Logistics & Distribution Centre Pte. Ltd. (“Nutrade”) and comprises a three-storey warehouse with ancillary offices and a single-storey warehouse which is presently under construction. The Temporary Occupation Permit (“TOP”) for the single-storey warehouse is expected to be obtained by February 2006. It is located in Tuas which has easy access to both the airport and the city via PIE and AYE.
- 3.2.2 Completed in year 1992, the Nutrade Property, with a gross floor area of 11,504 sqm (including the single-storey warehouse), sits on leasehold land covering an area of 11,514 sqm. The land has a leasehold term of 30 + 30 years from JTC, commencing from 16 November 1989.

#### **3.3 20 Old Toh Tuck Road Singapore 597655**

- 3.3.1 The Popular Property is owned by Popular Holdings Limited (“Popular”) and comprises a four-storey warehousing / industrial building with a basement car park and ancillary office. It is located in the Toh Tuck Logispark which has easy access to both the airport and the city via PIE and AYE.
- 3.3.2 Completed in year 1999, the Popular Property, with an approximate gross floor area of 7,658 sqm, sits on leasehold land covering an approximate area of 5,103 sqm. The leasehold land has a leasehold term of 30 + 30 years from JTC, commencing from 16 November 1996.

### **4 VALUES OF THE PROPERTIES**

#### **4.1 4 Toh Tuck Link Singapore 596226**

The Markono Property was valued at S\$11.0 million in a valuation report dated 15 November 2005 prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) in accordance with the instructions issued by the Trustee. The valuation was prepared using the capitalisation approach, discounted cash flow analysis and direct comparison method.

#### **4.2 4 Tuas Avenue 5 Singapore 639331**

The Nutrade Property was valued at S\$13.0 million in a valuation report dated 15 November 2005 prepared by Colliers in accordance with the instructions issued by the Trustee. The valuation was prepared using the capitalisation approach, discounted cash flow analysis and direct comparison method.

#### 4.3 **20 Old Toh Tuck Road Singapore 597655**

The Popular Property was valued at S\$11.6 million in a valuation report dated 15 November 2005 prepared by Colliers in accordance with the instructions issued by the Trustee. The valuation was prepared using the capitalisation approach, discounted cash flow analysis and direct comparison method.

### 5 **PRINCIPAL TERMS OF THE ACQUISITIONS**

#### 5.1 **The Option Agreements**

##### 5.1.1 **4 Toh Tuck Link Singapore 596226**

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

- (i) **Purchase to be on the terms and conditions of the Purchase Agreement:** The Call Option granted by Markono to the Trustee and the Put Option granted by the Trustee to Markono provide for the sale and purchase of the Markono Property to be on the terms and conditions of the Purchase Agreement relating to the Markono Property (the "Markono Purchase Agreement") in the event that either the Trustee or Markono 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 Markono to exercise, respectively, the Call Option and the Put Option depend upon, *inter alia*, the following conditions (the "Markono Relevant Conditions") being fulfilled by 16 weeks from the date of the Markono Option Agreement (or such other date as may be determined in accordance with the Markono Option Agreement) (the "Markono Target Date"), unless otherwise waived by the Trustee in writing:-
  - (a) the approval of the shareholders of Markono for the sale of the Markono Property; and
  - (b) the approval from JTC for the sale and leaseback of the Markono Property to MapletreeLog;
- (iii) **Purchase Price:** The purchase price of the Markono Property is S\$11.0 million (including the option fee of S\$110,000) which will be paid in cash upon completion of the Acquisition. The option fee was paid by the Trustee upon the execution of the Markono Option Agreement. The option fee is wholly refundable, *inter alia*, in the event that the Markono Relevant Conditions are not met by the Markono Target Date but will otherwise be applied towards the deposit of S\$1.1 million upon entry of the Markono Purchase Agreement between Markono and the Trustee, which deposit shall form part of the purchase price; and
- (iv) **Termination of the Markono Option Agreement:** If the Markono Relevant Conditions (unless otherwise waived by the Trustee in writing) is not fulfilled by the Markono Target Date, the Markono Option Agreement shall cease and determine and, save for the obligation of Markono to refund the option fee to the Trustee, neither party shall have any further claim against the other for costs, damages, compensation or otherwise.

#### 5.1.2 4 Tuas Avenue 5 Singapore 639331

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

- (i) **Purchase to be on the terms and conditions of the Purchase Agreement:** The Call Option granted by Nutrade to the Trustee and the Put Option granted by the Trustee to Nutrade provide for the sale and purchase of the Nutrade Property to be on the terms and conditions of the Purchase Agreement relating to the Nutrade Property (the "Nutrade Purchase Agreement") in the event that either the Trustee or Nutrade 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 Nutrade to exercise, respectively, the Call Option and the Put Option depend upon, *inter alia*, the following conditions (the "Nutrade Relevant Conditions") being fulfilled by 16 weeks from the date of the Nutrade Option Agreement (or such other date as may be determined in accordance with the Nutrade Option Agreement) (the "Nutrade Target Date"), unless otherwise waived by the Trustee in writing:-
  - (a) the approval of the shareholders of Nutrade for the sale of the Nutrade Property;
  - (b) the approval from JTC for the sale and leaseback of the Nutrade Property to MapletreeLog; and
  - (c) the obtaining of TOP for the single-storey warehouse and the Trustee's receipt of written confirmation from JTC that Nutrade has met its investment criteria for the grant of the initial leasehold term of thirty (30) years commencing from 16 November 1989 and for a further term of thirty (30) years commencing on the date immediately following the expiration of the initial leasehold term of the Nutrade Property;
- (iii) **Purchase Price:** The purchase price of the Nutrade Property is S\$13.0 million (including the option fee of S\$130,000) which will be paid in cash upon completion of the Acquisition. The option fee was paid by the Trustee upon the execution of the Nutrade Option Agreement. The option fee is wholly refundable, *inter alia*, in the event that any of the Nutrade Relevant Conditions are not met by the Nutrade Target Date but will otherwise be applied towards the deposit of S\$1.3 million upon entry of the Nutrade Purchase Agreement between Nutrade and the Trustee, which deposit shall form part of the purchase price; and
- (iv) **Termination of the Nutrade Option Agreement:** If any of the Nutrade Relevant Conditions (other than those which the Trustee has confirmed in writing to Nutrade as having been waived by the Trustee) is not fulfilled by the Nutrade Target Date, the Nutrade Option Agreement shall cease and determine and, save for the obligation of Nutrade to refund the option fee to the Trustee, neither party shall have any further claim against the other for costs, damages, compensation or otherwise.

### 5.1.3 20 Old Toh Tuck Road Singapore 597655

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

- (i) **Purchase to be on the terms and conditions of the Purchase Agreement:** The Call Option granted by Popular to the Trustee and the Put Option granted by the Trustee to Popular provide for the sale and purchase of the Popular Property to be on the terms and conditions of the Purchase Agreement relating to the Popular Property (the "Popular Purchase Agreement") in the event that either the Trustee or Popular 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 Popular to exercise, respectively, the Call Option and the Put Option depend upon, *inter alia*, the approval from JTC for the sale of the Popular Property to the Trustee and the leaseback of the Popular Property by the Trustee to Popular (the "Popular Relevant Condition") being fulfilled by 3 months from the date of the Popular Option Agreement (or such other date as may be determined in accordance with the Popular Option Agreement) (the "Popular Target Date"), unless otherwise waived by the Trustee in writing;
- (iii) **Purchase Price:** The purchase price of the Popular Property is S\$11.6 million (including the option fee of S\$116,000) which will be paid in cash upon completion of the Acquisition. The option fee was paid by the Trustee upon the execution of the Popular Option Agreement. The option fee is wholly refundable, *inter alia*, in the event that the Popular Relevant Condition is not met by the Popular Target Date but will otherwise be applied towards the deposit of S\$1.16 million upon entry of the Popular Purchase Agreement between Popular and the Trustee, which deposit shall form part of the purchase price; and
- (iv) **Termination of the Popular Option Agreement:** If the Popular Relevant Condition (unless otherwise waived by the Trustee in writing) is not fulfilled by the Popular Target Date, the Popular Option Agreement shall cease and determine and, save for the obligation of Popular 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 Agreements

### 5.2.1 4 Toh Tuck Link Singapore 596226

The Markono Purchase Agreement provides that Markono will lease the Markono Property for 10 years upon completion at an initial annual rental income of S\$1,004,530 for the first year of the term with stepped rental increases in the subsequent years of lease.

### 5.2.2 4 Tuas Avenue 5 Singapore 639331

The Nutrade Purchase Agreement provides that Kim Seng Holdings Pte Ltd will lease the Nutrade Property for 10 years upon completion at an initial annual rental income of S\$1,129,290 for the first year of the term with stepped rental increases from the third year of lease onwards.

### 5.2.3 20 Old Toh Tuck Road Singapore 597655

The Popular Purchase Agreement provides that Popular will lease the Popular Property for 5 years upon completion at an initial annual rental income of S\$951,794 for the first year of the term with stepped rental increases in the subsequent years of lease.

## 6 RATIONALE AND BENEFIT OF THE ACQUISITIONS TO MAPLETREELOG

### 6.1 Continued Growth in Core Market

The Acquisitions are 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 Acquisitions of the Properties will be immediately accretive to MapletreeLog's distributable income. Based on the total purchase price of S\$35.6 million for the Acquisitions, the Properties are expected to deliver an ungeared property yield of 7.5% (before acquisition costs) in the first year compared to an implied net property income yield of 4.2%<sup>1</sup> based on the S\$1.00 closing price on 23 November 2005.

6.2.2 The Properties will allow stable rental streams from the long term leasebacks as well as rental escalations from three important customers 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 Acquisitions also enhance the overall profile of MapletreeLog's portfolio in diversification of tenants' concentration and mix.

### 6.3 Diversification of MapletreeLog's Portfolio

The Acquisitions will further improve MapletreeLog's portfolio of properties and tenant mix as well as improve the overall occupancy rate. The existing warehouses are 100% leased back. The designs of the Properties are well suited to meet the needs of third party logistics providers and distribution operators.

### 6.4 Good Locations

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

---

<sup>1</sup> 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.

## **7 METHOD OF FINANCING AND THE FINANCIAL EFFECTS OF THE ACQUISITIONS**

The Acquisitions of the Properties are expected to be completed by the first quarter of 2006. MapletreeLog has adequate debt capacity to complete the Acquisitions. 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 Acquisitions and/or to refinance the debt taken to complete the Acquisitions.

## **8 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS**

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

## **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 Acquisitions or any other transaction contemplated in relation to the Acquisitions.

### **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 Agreements;
- (ii) the form of the Purchase Agreements (as appended to the respective Option Agreements); and
- (iii) the valuation report on the Properties.

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

24 November 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.