



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

ANNOUNCEMENT

PROPOSED ACQUISITION OF PROPERTIES IN AUSTRALIA

1.0 INTRODUCTION

Mapletree Logistics Trust Management Ltd., as manager (the “**Manager**”) of Mapletree Logistics Trust (“**MLT**”), wishes to announce the proposed acquisition of a portfolio of four logistics properties located in Victoria, Australia (the “**Properties**”) by MLT at a purchase consideration of A\$142.2 million (approximately S\$151.9 million¹) in cash (the “**Acquisition**”).

A sale and purchase agreement (the “**SPA**”) in relation to the Acquisition has today been entered into between HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT, through VIC Assets Trust, an indirect wholly-owned sub-trust², and Growthpoint Properties Australia Limited (the “**Vendor**”), being an unrelated third party vendor. Pursuant to the SPA, VIC Assets Trust will acquire the Properties from the Vendor.

2.0 INFORMATION ON THE PROPERTIES

2.1 The Properties comprise four quality logistics properties located in Victoria, Australia, with a total gross floor area (“**GFA**”) of approximately 103,517 square metres (“**sqm**”) on a combined land area of 362,230 sqm. The Properties are 100% leased to established Australian companies and multinational corporations and have a weighted average lease expiry (“**WALE**”) (by revenue)³ with respective annual rent escalations.

2.2 The table below sets out a summary of selected information on the Properties:

Property	Purchase Consideration (A\$ million)	GFA (sqm)	Land Tenure	Occupancy	Tenants
101-103 William Angliss Drive, Laverton North, VIC	28.1	8,871	Freehold	100%	Scott's Refrigerated Freightways
213-215 Robinsons Road, Ravenhall, VIC	27.9	21,092	Freehold	100%	Fuji Xerox Businessforce
365 Fitzgerald Road, Derrimut, VIC	18.0	16,114	Freehold	100%	Bridgestone Australia
28 Bilston Drive, Albury-Wodonga, VIC	68.2	57,440	300 years with remaining 290 years	100%	Woolworths Limited
Total	142.2	103,517			

¹ Unless otherwise stated, all S\$ equivalent figures are derived based on the exchange rate of A\$1 = S\$1.068.

² The Properties will be held by a sub-trust named VIC Assets Trust under MapletreeLog Frontier Trust (the “Head Trust”). The trusts are established in Australia, pursuant to trust deeds entered into with The Trust Company (Australia) Limited and The Trust Company Limited, being appointed as the respective trustees of the Head Trust and VIC Assets Trust.

³ As of 16 December 2016.

- 2.3** The Properties are located in Victoria, the second most populous state and second largest economy in Australia after New South Wales. Strong economic growth in Victoria has translated into healthy leasing demand for logistics facilities. Victoria's logistics market also benefits from the Port of Melbourne being the largest container port in Australia.
- 2.4** Three of the Properties are sited in the prime logistics hub of western Melbourne, a choice location for distribution centres of major retailers and third-party logistics service providers. The three properties are strategically located within fifteen kilometres of Melbourne city centre, Melbourne Airport and the Port of Melbourne, and also in close proximity to the interchanges of major roads and highways. They are 100% leased to tenants from diverse industries serving the domestic Australian economy, comprising: Scott's Refrigerated Freightways (a cold chain logistics provider), Fuji Xerox Businessforce (an information management and business process outsourcing provider) and Bridgestone Australia (a multinational tyre and auto parts manufacturer).
- 2.5** The fourth property is located in the regional city of Wodonga, which borders New South Wales. The property's location at the intersection of the Hume Freeway and Murray Valley Highway enables direct access to Melbourne, Canberra, Sydney and Adelaide, making it ideal for regional distribution. The property is leased to Woolworths Limited, Australia's leading retail and supermarket group, as its regional distribution centre providing 24/7 service to its network of supermarkets across northern Victoria, southern New South Wales and Canberra.

3.0 RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Manager's investment objective to deliver regular and stable distributions to its Unitholders through the acquisition of yield-accretive, quality income-producing assets. The Manager believes that the Acquisition will bring the following key benefits to MLT's Unitholders:

3.1 Geographical and income diversification

The Acquisition, representing MLT's third investment in Australia and increasing its portfolio to nine properties in the country, will increase MLT's exposure to Australia from 6.1% to 9.0% of its gross revenue base. The Acquisition will also provide income diversification from an enlarged tenant base with the addition of four quality tenants in Scott's Refrigerated Freightways, Fuji Xerox Businessforce, Bridgestone Australia and Woolworths Limited.

3.2 Addition of four quality, well-located logistics properties to MLT's portfolio

The Properties are purpose-built with good specifications for logistics use, including average height clearance of 10 metres and floor loading of 3 tonnes/sqm. They are strategically located in prime logistics hubs with good connectivity to major transport infrastructure.

3.3 Provides stable income stream with organic growth

The Properties are 100% leased to established Australian companies and multinational corporations. With a combined WALE (by revenue) of 6.4 years and annual rent escalations, the Acquisition is expected to benefit Unitholders by providing a stable income stream with organic growth.

3.4 Expected accretive acquisition

The Acquisition is expected to generate an initial net property income yield of approximately 7.6% based on the purchase consideration A\$142.2 million (S\$151.9 million) (“**Purchase Consideration**”) and will be accretive at the distribution level. The pro forma financial impact of the Acquisition on the distribution per unit (“**DPU**”) of MLT for the 12 months ended 31 March 2016 would be approximately 0.13 Singapore cents per unit in MLT (“**Unit**”) (Please see paragraph 5 for further details on the financial effects of the Acquisition.).

4.0 PURCHASE CONSIDERATION

The Purchase Consideration for the Acquisition of A\$142.2 million (S\$151.9 million) has been arrived at on a willing buyer and willing seller basis, and taking into account the valuation of the Properties by DTZ Australia (NSW) Pty Ltd (t/as Cushman & Wakefield) (the “**Valuer**”).

Valuation

The Properties have been appraised by the Valuer, which is an independent valuer appointed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of MLT), and its valuation of the Properties as at 3 November 2016 was A\$142.2 million (S\$151.9 million). The Valuer has estimated the open market value of the Properties using the capitalisation approach, discounted cashflow approach and direct comparison approach.

Payment Terms

5% of the Purchase Consideration was paid as deposit upon the execution of the SPA. The deposit is refundable if the SPA is rescinded or terminated. The balance 95% of the Purchase Consideration will be paid on completion.

Estimated Acquisition Cost

The current estimated total cost of the Acquisition is A\$152.1 million (S\$162.5 million) (“**Acquisition Cost**”) which comprises:

- (i) the Purchase Consideration of A\$142.2 million (S\$151.9 million);
- (ii) the stamp duty for the SPA of approximately A\$7.8 million (S\$8.3 million), computed at 5.5% of the Purchase Consideration;
- (iii) the acquisition fee payable to the Manager of A\$1.4 million (S\$1.5 million); and
- (iv) professional and other fees and expenses of approximately A\$0.7 million (S\$0.8 million).

5.0 METHOD OF FUNDING AND FINANCIAL EFFECTS

5.1 Method of Funding

The Acquisition will be funded by a combination of (i) the remaining proceeds from the S\$250 million perpetual securities issued in May 2016; and (ii) AUD denominated

debt facilities. Upon completion of the Acquisition which is expected to be by December 2016, the aggregate leverage ratio of MLT will increase from 37.6%⁴ to 39.4%.

5.2 Financial Effects

5.2.1 Assumptions

The pro forma financial effects of the Acquisition on DPU and NAV per Unit of MLT presented **are strictly for illustrative purposes only**. The following assumptions were made in computing the pro forma financial effects:

- (i) the Purchase Consideration and transaction costs are funded by a combination of the remaining proceeds from the S\$250 million perpetual securities issued in May 2016 and AUD denominated debt facilities;
- (ii) the acquisition fee payable to the Manager for the Acquisition is 100% paid in cash; and
- (iii) the management fee, lease management fee and property management fee in respect of the Properties is 100% paid in Units to the Manager for the first three years after acquisition.

The pro forma effects are for illustrative purposes only and do not represent MLT's actual DPU and NAV per Unit following the completion of the Acquisition.

5.2.2 Pro Forma Financial Effects for the 12 months ended 31 March 2016

(i) Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effect of the Acquisition on the DPU for the 12 months ended 31 March 2016, as if MLT had completed the Acquisition on 1 April 2015 and held and operated the Properties through to 31 March 2016, is as follows:

	Pro Forma Financial Effects of the Acquisition for the 12 months ended 31 March 2016	
	Before the Acquisition	After the Acquisition
Net Property Income (S\$'000)	290,869	302,440
Distributable Income (S\$'000)	180,250 ⁽¹⁾	184,109
Issued Units ('000)	2,490,122 ⁽²⁾	2,491,609 ⁽³⁾
DPU (cents)	7.26 ⁽¹⁾	7.39
DPU Yield (%) ⁽⁴⁾	7.2	7.3

Notes:

- (1) This excludes partial distribution of the gains from the divestments of 20 Tampines Street 92 and 134 Joo Seng amounting to S\$3,010,000 in Distributable Income and 0.12 Singapore cents in DPU.
- (2) Number of Units issued as at 31 March 2016.
- (3) Includes approximately 1,487,311 new Units issued to the Manager as payment of the management fee, lease management fee and property management fee in respect of the Properties at an issue price of S\$1.00 per Unit, based on the volume weighted average price of MLT units during the period of 10 market days preceding 31 March 2016.

⁴ Based on MLT's aggregate leverage ratio as at 30 September 2016.

(4) Based on MLT's closing price of S\$1.015 on 14 December 2016, the market day preceding the date of the SPA for the Acquisition.

(ii) **Pro Forma NAV per Unit**

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effect of the Acquisition on NAV per Unit as at 31 March 2016, as if MLT had completed the Acquisition on 31 March 2016, is as follows:

	Pro Forma Financial Effects of the Acquisition as at 31 March 2016	
	Before the Acquisition	After the Acquisition
NAV (S\$'000)	2,528,421	2,528,421
Issued Units ('000)	2,490,122	2,490,122
NAV per Unit (S\$)	1.02	1.02

6.0 OTHER INFORMATION

6.1 Disclosure under Rule 1010(13) of the Listing Manual

A proposed acquisition by MLT may fall into any of the categories set out in Rule 1004 of the Listing Manual of Singapore Exchange Securities Limited ("SGX-ST") depending on the size of the relative figures computed on the following applicable bases of comparison:

- (i) the net profits attributable to the assets acquired, compared with MLT's net profits; and
- (ii) the aggregate value of the consideration given, compared with MLT's market capitalisation.

The relative figures for the Acquisition using the aforesaid bases of comparison are set out in the table below:

Criteria	The Acquisition (S\$ million)	MLT (S\$ million)	Relative Percentage (%)
Net Property Income ⁽¹⁾	11.6	290.9	4.0
Purchase Consideration against MLT's market capitalisation ⁽²⁾	151.9	2,551.3	6.0

Notes:

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Based on the volume weighted average price of MLT units of S\$1.0205 on 14 December 2016 and for purposes of this computation, the transaction costs of the Acquisition is excluded.

6.2 Interest of Directors and Controlling Unitholders

None of the directors of the Manager ("**Directors**") has an interest, direct or indirect, in the Acquisition. The Directors are also not aware of any Controlling Unitholder (as defined in the Listing Manual of the SGX-ST) having any interest, direct or indirect, in

the Acquisition, and have not received any notification of interest in the Acquisition from any Controlling Unitholder.

6.3 Director's 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.

6.4 Completion

The Acquisition is expected to complete within the next few days.

6.5 Acquisition Fee

Upon completion of the Acquisition, an acquisition fee of A\$1.4 million (approximately S\$1.5 million), being 1% of the Purchase Consideration, is payable to the Manager pursuant to the Trust Deed dated 5 July 2004 (as amended) constituting MLT, which the Manager has elected to be paid in cash.

6.6 Documents for Inspection

Copies of the SPA dated 15 December 2016 and the valuation report on the Properties by the Valuer dated 3 November 2016 are available for inspection by prior appointment during normal business hours at the registered office of the Manager at 10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438 for three months from the date of this announcement.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MLT continues to be in existence.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Logistics Trust Management Ltd.
(Company Registration No. 200500947N)
As Manager of Mapletree Logistics Trust

15 December 2016

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MLT ("Units"). 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 MLT 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 past performance of MLT is not necessarily indicative of the future performance of MLT.

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.