MAPLETREE LOGISTICS TRUST

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

CIRCULAR DATED 28 AUGUST 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you have sold or transferred all your units in Mapletree Logistics Trust ("**MLT**", and the units in MLT, the "**Units**"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction. Any proposed issue of new Units described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and any such new Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MLT in the United States.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

1. THE PROPOSED ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI, HONG KONG SAR WHICH IS AN INTERESTED PERSON TRANSACTION; AND
2. THE PROPOSED WHITEWASH RESOLUTION.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS	
Last date and time for lodgement of Proxy Forms	10 September 2017 (Sunday) at 3.30pm
Date and time of Extraordinary General Meeting ("EGM")	13 September 2017 (Wednesday) at 3.30pm
Place of EGM	10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438

Managed by

MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.

Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising (in alphabetical order)

citi DBS HSBC

Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of Mapletree Logistics Trust Management Ltd. in its capacity as Manager of Mapletree Logistics Trust and HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Mapletree Logistics Trust

KPMG

STRATEGIC ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI

- ***Modern logistics asset; high quality building specifications and LEED Gold Award accredited***
- ***Strong tenant base of 12 reputable tenants***
- ***Prime logistics location and close proximity to sea port, airport and key transportation infrastructure***
- ***Committed occupancy of 100%***

Overview of the Property	
Address	30 Tsing Yi Road, New Territories, Hong Kong SAR
Completion Year	2016
Land Tenure[1]	50-years leasehold expiring 1 July 2063 (46 years remaining)
Total Consideration[2]	S$834.8 million (HK$4.8 billion)
GFA[3]	84,951 sqm
NLA	148,065 sqm
Number of Storeys	11
Car Park Lots	300
Committed Occupancy[4] **(as at 30 June 2017)**	100%
Number of Tenants	12
WALE by NLA	3.0 years
Forecast NPI Yield[5]	5.7%

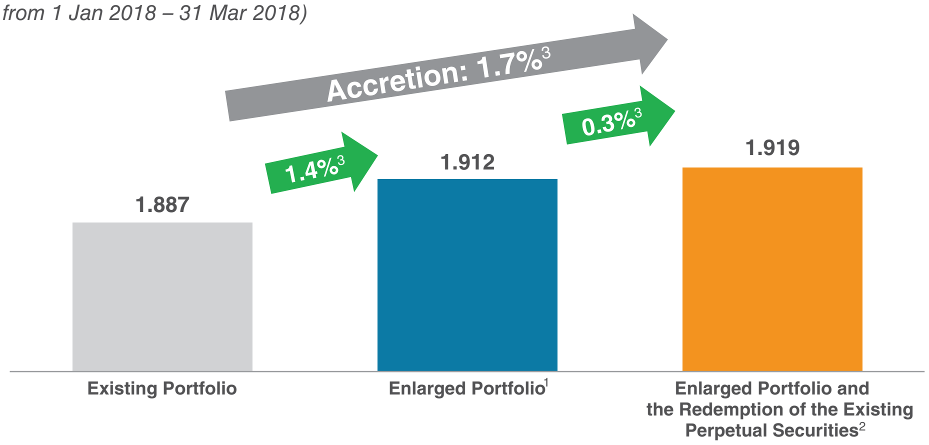
1) The land system in Hong Kong SAR is on a leasehold basis. The land lease of the Property will expire on 1 July 2063 (i.e. 50 years from the commencement of the government lease). According to the website of the Hong Kong Lands Department, non-renewable leases (i.e. those leases containing no right of renewal), may, upon expiry, be extended for a term of 50 years without payment of an additional premium but subject to payment of an annual rent from the date of extension at 3% of the rateable value as for new leases. The extension of such leases are wholly at the discretion of the Hong Kong Government, and the terms of such extension may be subject to the prevailing law at that point in time and the requirements of any other relevant authorities.
2) Subject to post-Completion adjustments to the Adjusted Net Asset Value, converted to S$ at an exchange rate of S$1.00 : HK$5.75.
3) In Hong Kong SAR, GFA is computed as excluding certain common areas such as driveways and carparks. However, the common area is included in the computation of NLA. Hence, the NLA is higher than GFA.
4) As at 30 June 2017, committed leases have been secured for 100% of the Property. With effect from 1 October 2017, the Property will be 100% occupied. The Enlarged Portfolio takes into account the full impact of rental income from the fully leased Property.
5) Based on Net Property Income (as defined in the Trust Deed) for the forecast period (1 January 2018 – 31 March 2018) annualised on a non-amortised basis and divided by the Agreed Property Value.

The Acquisition is Expected to be DPU Accretive

Forecast DPU for the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities

(S$ cents)

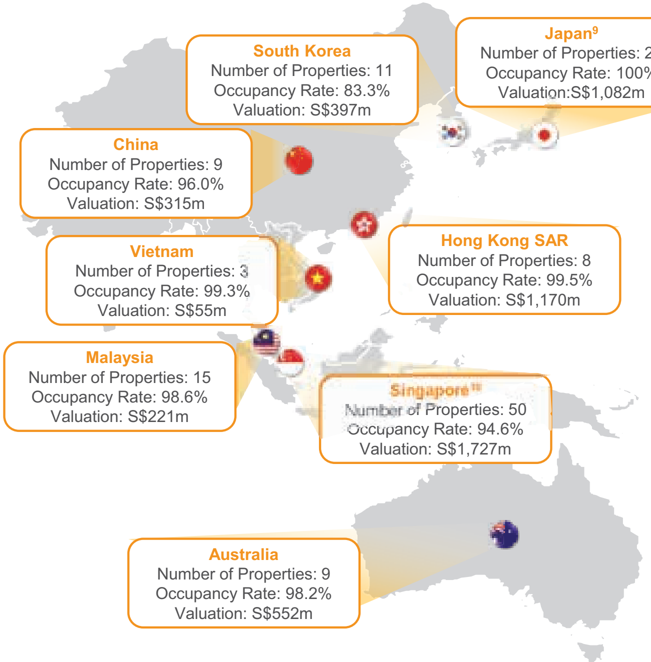
(3-month Period from 1 Jan 2018 – 31 Mar 2018)



The Enlarged Portfolio[4]

	Existing Portfolio[5]	The Property	Enlarged Portfolio
GFA (sq ft)	39,350,199	914,418	40,264,617
NLA (sq ft)	38,506,591	1,593,761	40,100,352
Number of Tenants	537	12	549
Valuation (S$ million)	5,518	839.5[6]	6,358
Occupancy Rate (%)	95.5%[7]	100%[8]	95.7%

Location of Properties[4]



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Mapletree Logistics Hub Tsing Yi, Hong Kong SAR

1) For the purpose of the Enlarged Portfolio, the forecast is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units. The issue price of New Units and Acquisition Fee Units is assumed to be at the illustrative issue price of S$1.15 per Unit.
2) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum. The issue price of New Units and Acquisition Fee Units is assumed to be at the illustrative issue price of S$1.15 per Unit.
3) Accretion is based on forecast numbers and does not take into account the impact from rounding.
4) As at 30 June 2017 (unless otherwise indicated).
5) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.
6) Based on Total Consideration of HK$4.8 billion and any capitalised costs.
7) Based on the actual occupancy.
8) Based on the committed occupancy.
9) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017.
10) Includes the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

RATIONALE FOR AND BENEFITS OF THE ACQUISITION

1 Strategic Addition of a High Quality Property in a Prime Logistics Location

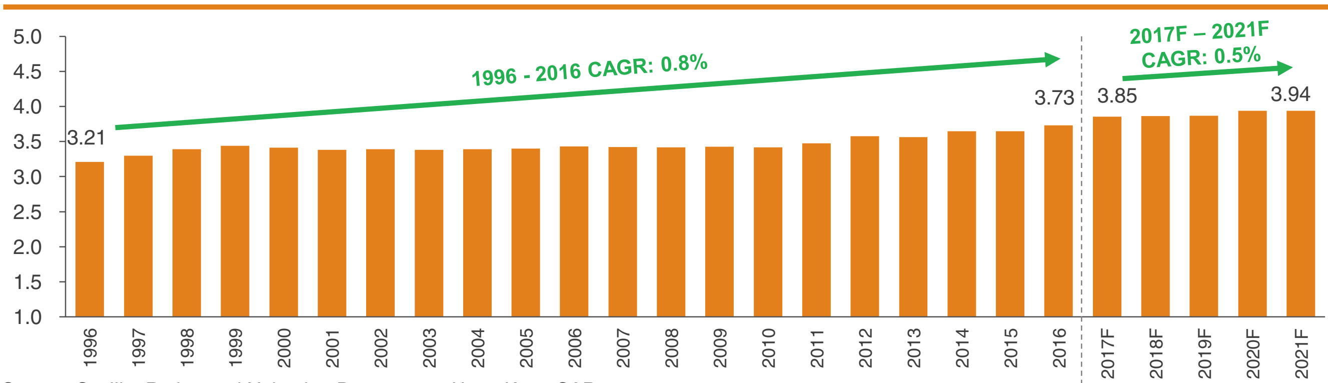
- Strategically located in Tsing Yi, a premium logistics cluster with a high concentration of warehouse facilities and a critical mass of modern warehouses
- Conveniently located with easy access to HKIA and the Kwai Chung-Tsing Yi container terminals

- The Property is the newest modern warehouse in Hong Kong SAR
  - Large, regular shaped floor plates (36,000 sq ft to 147,000 sq ft)
  - Column-to-column spacing of 12 metres by 11 metres
  - Clear height of 5.5 metres
  - Floor loading of 17.5kN
  - Designed for high level of throughput on a 24/7 basis
- Leadership in Energy and Environmental Design ("LEED") Gold Award
  - Resource efficient, water and energy saving
  - Reduce greenhouse gas emissions

❷ Increasing Exposure to Hong Kong SAR, an Attractive Logistics Market

- Robust trade growth supported by Hong Kong SAR's position as the key gateway to China and one of the major cities taking part in the "Belt and Road" ("B&R") initiative
  - B&R initiative is expected to cement Hong Kong SAR as a key global logistics and trading hub
- Hong Kong SAR is a key global transport hub – busiest airport in the world in terms of air cargo and fifth busiest container port in the world
- Growth of e-commerce in Hong Kong SAR and Mainland China is a major demand driver for logistics assets
- Hong Kong SAR's logistics market has limited warehouse supply due to land constraints

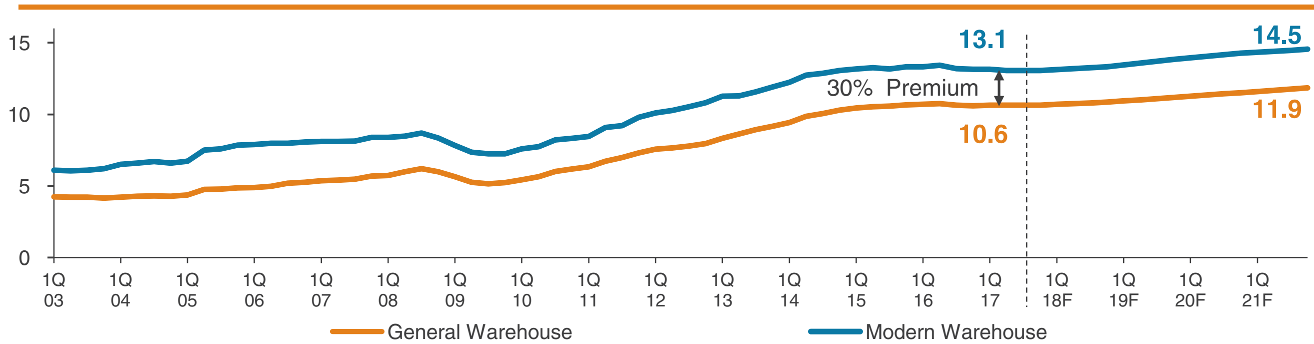
Total Warehouse Year-end Stock[1,2]
(million sqm)



Source: Savills, Rating and Valuation Department, Hong Kong SAR

- There are only at present 14 modern warehouses in Hong Kong SAR, which command a 30% premium over overall warehouse rents
  - Modern warehouses cater to the needs of demand groups such as value-added transshipment, fast-moving local distribution, emerging e-commerce distribution as well as cold storage needs
  - Strong demand for modern warehouses expected to support future rental growth

General Warehouse and Modern Warehouse Rental Rates
(HK$ per sq ft per month)



Source: Savills

1) Forecast excludes government land which has yet to be released. Including this, warehouse stock in 2021 would be 4.0 million sqm and CAGR from 2017 to 2021 would be 1.0%.
2) The Total Warehouse Year-end Stock is based on internal floor area as defined by the Rating and Valuation Department, Hong Kong SAR, which is different from gross floor area and is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/or party walls.

3 Strong Tenant Base

- Tenant base represents a wide range of logistics demand
- Extends across a broad range of trade sectors, which are largely consumer-related, such as consumer staples, fashion and apparel, food and beverage and healthcare products
- As at 30 June 2017, the Property has a committed occupancy of 100%

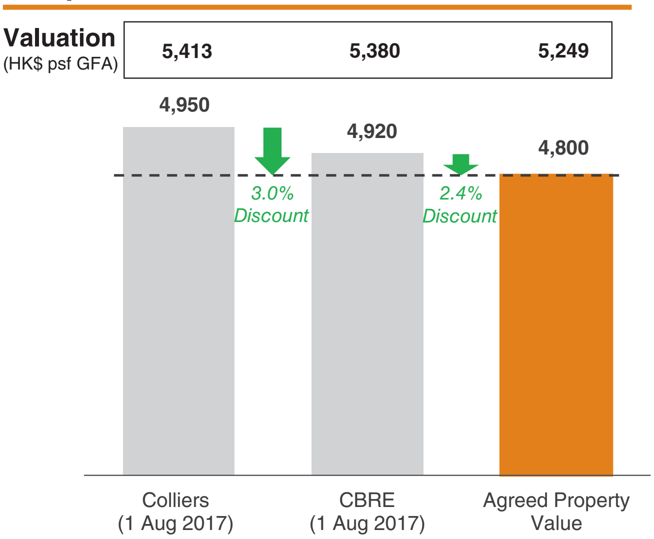
Tenant Breakdown by Trade Sector[1]

Top Ten Tenants	% of Gross Revenue	Logistics Segment
Ever Gain	24.1%	Consumer Staples
adidas	18.0%	Fashion, Apparel & Cosmetics
Angliss[2]	15.0%	F&B
HKTV	9.1%	Consumer Staples
Aramex	9.0%	Multi-sector
DKSH	8.1%	Healthcare & Medical-related Products
Crown	3.6%	Fashion, Apparel & Cosmetics
Swatch	3.1%	Fashion, Apparel & Cosmetics
Helu-Trans	2.8%	Others
Direct Link	2.7%	Multi-sector
Top Ten Total	**95.5%**	–

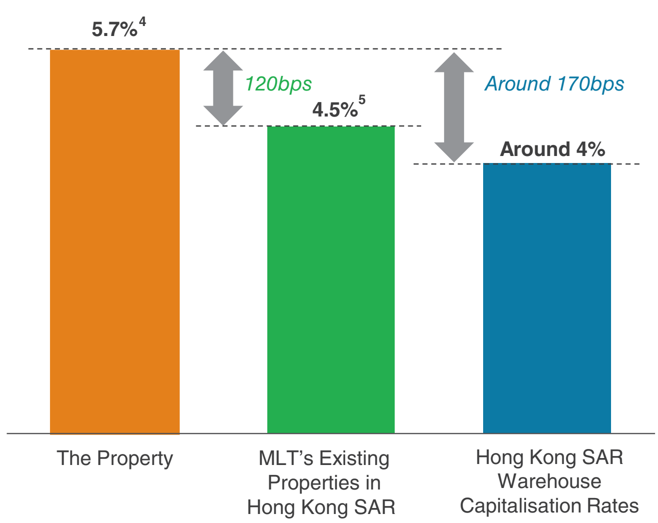
4 Attractive Valuation

- Attractive acquisition at approximately 2.4% and 3.0% discount to independent valuations
- Attractive implied valuation metrics compared to other logistics properties in Hong Kong SAR

Agreed Property Value Relative to Independent Valuations[3] (HK$ million)



Net Property Income Yield
(%)

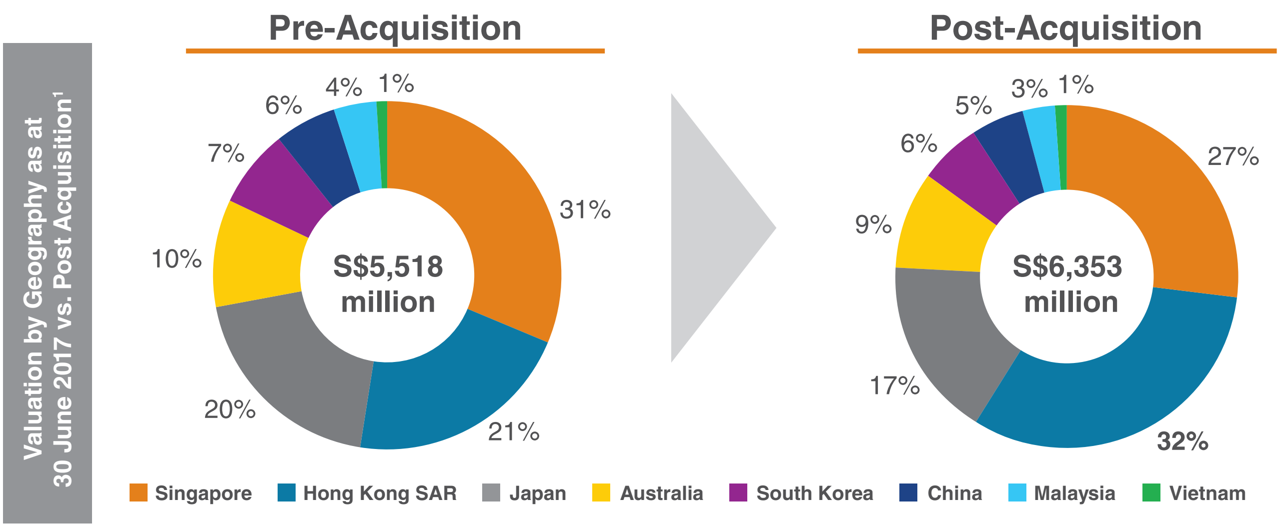


Source: Colliers, CBRE, Manager, Savills

1) The trade sector breakdown reflects the nature of the underlying goods that are handled by the respective tenants at the Property.
2) Angliss is part of the Bidvest Group.
3) The Manager has commissioned Colliers and the Trustee has commissioned CBRE to value the Property as at 1 August 2017.
4) Based on Net Property Income (as defined in the Trust Deed) for the forecast period (1 January 2018 – 31 March 2018) annualised on a non-amortised basis and divided by the Agreed Property Value.
5) Based on Net Property Income for 1Q 2017/18 annualised on a non-amortised basis and divided by the latest valuations of the existing properties in Hong Kong SAR as at 31 March 2017.

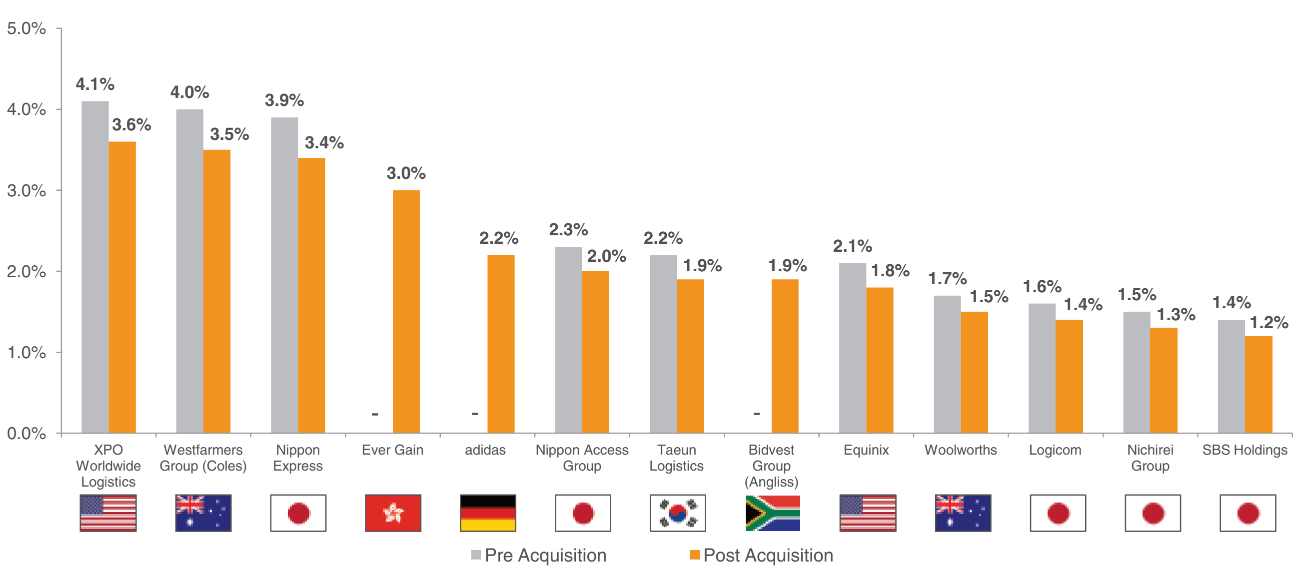
5 Positive Impact on the Enlarged Portfolio

Increasing Exposure to Hong Kong SAR's Attractive Logistics Market



- Increases overall occupancy rate and enhances tenant diversification
- Reduces concentration risk of any single tenant

Percentage of Gross Revenue by Tenant[1]



1) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

Method of Financing

The Manager intends to fund the Total Acquisition Cost of approximately S$847.6 million with a combination of debt and equity to provide overall DPU accretion to Unitholders while maintaining an optimum level of Aggregate Leverage.

The Equity Fund Raising may comprise a Private Placement and/or a Preferential Offering which part of the net proceeds will be used to finance part of the Total Acquisition Cost.

To demonstrate its support for MLT and the Equity Fund Raising, the Sponsor has irrevocably undertaken that in the event that the Equity Fund Raising includes a Preferential Offering, to (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), accept or procure that it and its subsidiaries take up its pro rata entitlement to the Preferential Offering and (ii) subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, apply for, or procure the application of, such number of excess Units under the Preferential Offering such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage.

In addition, it is intended that the balance of the proceeds from the Equity Fund Raising will be channeled towards the partial refinancing of the Redemption of the Existing Perpetual Securities. The balance required for the Redemption of the Existing Perpetual Securities is likely to be financed through a combination of loans and/or the proceeds from the issuance of the New Perpetual Securities.

The debt funding for the Acquisition and the Redemption of the Existing Perpetual Securities will be through the drawdown of the Loan Facilities. Assuming drawdown of approximately S$377.3 million from the Loan Facilities, MLT's Aggregate Leverage on a pro forma basis as at 30 June 2017 is expected to increase from 37.0%[1] to 38.0%[2].

1) As at 30 June 2017, and adjusted for the divestment of the two properties in Japan, Zama Centre and Shiroishi Centre as completed on 31 July 2017 and the proposed divestment of one property in Singapore, 4 Toh Tuck Link, as announced on 3 August 2017.

2) For the purpose of the Acquisition and the Redemption of the Existing Perpetual Securities, the pro forma is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

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CORPORATE INFORMATION

Directors of Mapletree Logistics Trust Management Ltd. (the manager of MLT) (the "Manager")	:	Mr Lee Chong Kwee (Non-Executive Chairman & Director) Mr Tan Ngiap Joo (Independent Non-Executive Director) Mr Lim Joo Boon (Independent Non-Executive Director) Mr Pok Soy Yoong (Independent Non-Executive Director) Mr Wee Siew Kim (Independent Non-Executive Director) Mrs Penny Goh (Lead Independent Non-Executive Director) Mr Tarun Kataria (Independent Non-Executive Director) Mr Hiew Yoon Khong (Non-Executive Director) Mr Chua Tiow Chye (Non-Executive Director) Mr Wong Mun Hoong (Non-Executive Director) Ms Ng Kiat (Executive Director & Chief Executive Officer)
Joint Company Secretaries	:	Mr Wan Kwong Weng Ms See Hui Hui
Registered Office of the Manager	:	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438
Trustee of MLT (the "Trustee")	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #13-02 HSBC Building Singapore 049320
Legal Adviser for the Acquisition and the Equity Fund Raising and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising (the "Joint Global Co-ordinators and Bookrunners") (in alphabetical order)	:	Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**") 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 DBS Bank Ltd. ("**DBS**") 12 Marina Boulevard Level 46 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982

		The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch ("**HSBC**") 21 Collyer Quay #10-01 HSBC Building Singapore 049320
Legal Adviser to the Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee of the Manager and the Trustee (the "IFA")	:	KPMG Corporate Finance Pte Ltd 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Independent Reporting Auditor	:	PricewaterhouseCoopers LLP 8 Cross Street #17-00 PWC Building Singapore 048424
Independent Valuers (the "Independent Valuers")	:	CBRE Limited ("**CBRE**") (appointed by the Trustee) 3/F, 4/F & 1204-06, Three Exchange Square 8 Connaught Place Central, Hong Kong Colliers International (Hong Kong) Limited ("**Colliers**") (appointed by the Manager) Suite 5701 Central Plaza 18 Harbour Road Wanchai Hong Kong
Independent Market Consultant	:	Savills (Hong Kong) Limited ("**Savills**") 23/F, Two Exchange Square Central, Hong Kong

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 56 to 63 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

For illustrative purposes, certain Hong Kong dollar amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate on 14 August 2017 of S$1.00 = HK$5.75. Such translations should not be construed as representations that the Hong Kong dollar amounts referred to could have been, or could be, converted into Hong Kong dollars, as the case may be, at that or any other rate or at all.

OVERVIEW

Mapletree Logistics Trust ("**MLT**") is the first Asia-focused logistics real estate investment trust ("**REIT**") established in Singapore. Listed on the SGX-ST in 2005, MLT's principal investment strategy is to invest in a diversified portfolio of quality, well-located, income-producing logistics real estate in Asia-Pacific.

As at 25 August 2017, MLT had a market capitalisation of approximately S$3.0 billion. As at 25 August 2017, MLT's portfolio comprised 125[1] properties located in Singapore, Hong Kong SAR, Japan, Australia, South Korea, China, Malaysia and Vietnam and its assets under management are approximately S$5.4 billion[2].

Following an expression of interest from the Manager, the Trustee entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Mapletree Overseas Holdings Ltd. ("**MOHL**") on 28 August 2017 to acquire Mapletree Logistics Hub Tsing Yi, located at 30 Tsing Yi Road, New Territories, Hong Kong SAR (the "**Property**"), through the acquisition of the Sale Shares (as defined herein) of Mapletree Titanium Ltd. ("**Mapletree Titanium**", and the acquisition of the Sale Shares, the "**Acquisition**"). In connection with this, the Existing RPS (as defined herein) will also be fully redeemed by Mapletree Titanium. The Property is held by Mapletree Titanium through its wholly-owned subsidiary, Mapletree TY (HKSAR) Limited ("**MTYL**").

For the purposes of this Circular, and unless otherwise stated, the "**Existing Portfolio**" means the 127 properties held by MLT as at 30 June 2017. The "**Enlarged Portfolio**" comprises (i) the Existing Portfolio and (ii) the Property.

Unless otherwise stated, the property information contained in this Circular on the Existing Portfolio and the Enlarged Portfolio is as at 30 June 2017.

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1 MLT had on 31 July 2017 completed the divestment of two properties in Japan, being Zama Centre and Shiroishi Centre. Following the divestment, MLT's portfolio currently stands at 125 properties, amounting to assets under management of S$5.4 billion. On 3 August 2017, MLT announced that it has entered into an option agreement for the proposed divestment of a property in Singapore, being 4 Toh Tuck Link. Following the proposed divestment of 4 Toh Tuck Link, which is expected to complete by September 2017, MLT's portfolio will stand at 124 properties, amounting to assets under management of S$5.3 billion. On 11 August 2017, MLT announced that it has granted an option to purchase to Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**") for the proposed divestment of 7 Tai Seng Drive in Singapore, which is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

2 Based on the book value of MLT's properties as at 30 June 2017 and after adjusting for the divestment of two properties in Japan, being Zama Centre and Shiroishi Centre, on 31 July 2017.

SUMMARY OF APPROVALS SOUGHT

The Manager seeks approval from unitholders of MLT (the "**Unitholders**") for the resolutions stated below:

(1) **Resolution 1**: the proposed acquisition of the Property, through the acquisition of Mapletree Titanium (Ordinary Resolution); and

(2) **Resolution 2**: the proposed Whitewash Resolution (Ordinary Resolution).

RESOLUTION 1: THE PROPOSED ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI, HONG KONG SAR, THROUGH THE ACQUISITION OF MAPLETREE TITANIUM

Description of the Property

Located at 30 Tsing Yi Road, New Territories, Hong Kong SAR, the Property is an 11-storey modern ramp-up warehouse with direct vehicular ramp access to every floor. The Property is well-connected to the city centre, the Hong Kong International Airport ("**HKIA**"), the Kwai Chung – Tsing Yi container terminals and the Mainland China boundary via major expressways.

The Property has a remaining leasehold period of approximately 46 years[1].

The Property has high quality building specifications which cater to modern logistics tenant needs, such as a column-to-column spacing of 12 metres by 11 metres, a large, regular shaped floor plate ranging from 36,000 square feet ("**sq ft**") to 147,000 sq ft, which allows for an efficient internal set-up, a clear height of 5.5 metres for three-pallet storage, and a floor loading of 17.5 kiloNewtons ("**kN**"). The Property is designed for operating at a high level of throughput on a 24/7 basis.

The Property is also accredited with the Leadership in Energy and Environmental Design ("**LEED**") Gold Award. LEED is the most widely used green building rating system in the world. LEED-certified buildings are resource efficient, use less water and energy and reduce greenhouse gas emissions.

The Property has a net lettable area ("**NLA**") of 148,065 square metres ("**sqm**") and a gross floor area ("**GFA**") of 84,951 sqm[2].

The Property is wholly-held directly by MTYL, which is in turn a direct wholly-owned subsidiary of Mapletree Titanium. Currently, 100.0% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Mapletree Titanium are owned by MOHL, while 100.0% of the redeemable preference shares (the "**Existing RPS**") in the issued share capital of Mapletree Titanium are owned by Mapletree Dextra Pte. Ltd. ("**MDPL**"). MOHL is a wholly-owned subsidiary of MDPL, which is in turn a wholly-owned subsidiary of Mapletree Investments Pte Ltd, the sponsor of MLT.

(See paragraph 2.1 of the Letter to Unitholders and **Appendix A** of this Circular for further details.)

1 The land system in Hong Kong SAR is on a leasehold basis. The land lease of the Property will expire on 1 July 2063 (i.e. 50 years from the commencement of the government lease). According to the website of the Hong Kong Lands Department, non-renewable leases (i.e. those leases containing no right of renewal), may, upon expiry, be extended for a term of 50 years without payment of an additional premium but subject to payment of an annual rent from the date of extension at 3% of the rateable value as for new leases. The extension of such leases are wholly at the discretion of the government of Hong Kong SAR (the "**Hong Kong Government**"), and the terms of such extension may be subject to the prevailing law at that point in time and the requirements of any other relevant authorities.

2 In Hong Kong SAR, GFA is computed as excluding certain common areas such as driveways and car parks. However, the common area is included in the computation of NLA. Hence, the NLA is higher than GFA.

Share Purchase Agreement

Pursuant to the Share Purchase Agreement dated 28 August 2017, the Trustee, on behalf of MLT, will acquire the Property through the acquisition of the Sale Shares, and in connection with this, the Existing RPS will also be fully redeemed by Mapletree Titanium.

The total purchase consideration payable by the Trustee in connection with the Acquisition (the "**Total Consideration**") is the adjusted consolidated net asset value (the "**Adjusted Net Asset Value**") of Mapletree Titanium as at the date of completion of the Acquisition ("**Completion**", and the date of Completion, the "**Completion Date**"). The Adjusted Net Asset Value shall take into account the agreed value of the Property (the "**Agreed Property Value**").

On Completion, simultaneously with the transfer of the Sale Shares:

(i) MOHL will procure that Mapletree Titanium issues new redeemable preference shares (the "**New RPS**") to the Trustee and part of the Total Consideration will be paid to Mapletree Titanium as consideration for such issuance; and

(ii) Mapletree Titanium will thereafter apply the proceeds from the issuance of the New RPS to redeem the Existing RPS.

Following Completion, the Trustee will own 100.0% of the ordinary shares and 100.0% of the redeemable preference shares in the issued share capital of Mapletree Titanium.

Valuation

The Agreed Property Value of HK$4.8 billion (S$834.8 million) was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

In this respect, the Trustee has commissioned an independent property valuer, CBRE, and the Manager has commissioned another independent property valuer, Colliers, to value the Property. CBRE, in its report dated 1 August 2017, stated that the open market value of the Property as at 1 August 2017 was HK$4.92 billion (S$855.7 million) and Colliers, in its report dated 1 August 2017, stated that the open market value of the Property as at 1 August 2017 was HK$4.95 billion (S$860.9 million). In arriving at the open market value, both CBRE and Colliers relied on the income capitalisation method and discounted cash flow method.

The Agreed Property Value of HK$4.8 billion (S$834.8 million) is at a discount of approximately 2.4% to CBRE's valuation and approximately 3.0% to Colliers' valuation.

(See paragraph 2.4 of the Letter to Unitholders for details of the Share Purchase Agreement dated 28 August 2017.)

Total Acquisition Cost

The total acquisition cost is estimated to be approximately S$847.6 million (HK$4.9 billion), comprising:

(i) the Total Consideration which is estimated to be S$834.8 million (HK$4.8 billion), subject to post-Completion adjustments to the Adjusted Net Asset Value;

(ii) the acquisition fee payable in Units[1] to the Manager for the Acquisition (the "**Acquisition Fee**") of approximately S$4.2 million (representing 0.5% of the Total Consideration); and

(iii) the estimated professional and other fees and expenses of approximately S$8.6 million incurred or to be incurred by MLT in connection with the Acquisition, the Equity Fund Raising and the Loan Facilities (both as defined herein),

(collectively, the "**Total Acquisition Cost**").

Payment of Acquisition Fee in Units

Pursuant to the Trust Deed (as defined herein), the Manager is entitled to receive an acquisition fee at the rate of 1% of the Total Consideration (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Total Consideration.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Acquisition in respect of which the Acquisition Fee is payable.

Based on an illustrative issue price of S$1.15 per Acquisition Fee Unit (being the illustrative issue price per New Unit (as defined herein) to be issued under the Equity Fund Raising), the number of Acquisition Fee Units issued shall be approximately 3.6 million Units.

Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Cost through the proceeds from an equity fund raising (the "**Equity Fund Raising**") and a drawdown of loan facilities (the "**Loan Facilities**").

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall distribution per Unit ("**DPU**") accretion to Unitholders while maintaining an optimum level of aggregate leverage.

Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined by the Manager. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion and subject to the then prevailing market conditions, comprise:

(i) a private placement of New Units to institutional and other investors (the "**Private Placement**", and the New Units to be issued pursuant to the Private Placement, the "**Private Placement Units**"); and/or

(ii) a non-renounceable preferential offering of New Units to the existing Unitholders on a *pro rata* basis (the "**Preferential Offering**" and the New Units to be issued pursuant to the Preferential Offering, the "**Preferential Offering Units**").

1 As the Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**MAS**", and Appendix 6, the "**Property Funds Appendix**"), the Acquisition Fee will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The issue price for the new Units to be issued under the Equity Fund Raising (the "**New Units**") will comply with Rules 811(1) and 811(5) of the Listing Manual (as defined herein), and will not be at more than a 10.0% discount to the volume-weighted average price for trades done on the SGX-ST for the full market day on which an underwriting agreement between the Manager and the Joint Global Co-ordinators and Bookrunners (the "**Underwriting Agreement**") is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement is signed, excluding (where applicable) accrued distributions provided that the holders of the New Units are not entitled to the accrued distributions. The Underwriting Agreement is anticipated to be signed upon the terms of the Equity Fund Raising being agreed upon, which will be after the receipt of approval in-principle from the SGX-ST for the listing of the New Units and the approval of the relevant resolutions by the Unitholders at the EGM having been received.

On 28 August 2017, the SGX-ST granted its in-principle approval for the listing and quotation of the New Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in paragraph 4 of the Letter to Unitholders.

The Manager will announce the details of the Equity Fund Raising on the SGXNET at the appropriate time when it launches the Equity Fund Raising in such structure and at such time as may be agreed with the Joint Global Co-ordinators and Bookrunners.

In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering, the issue price of the Private Placement Units may differ from the issue price of the Preferential Offering Units.

Further details pertaining to the use of proceeds of the Equity Fund Raising (including details on the percentage allocation for each use) will be announced at the appropriate time. (See paragraph 4 of the Letter to Unitholders for further details.)

Use of Proceeds

For illustrative purposes in this Circular, the Equity Fund Raising is assumed to raise gross proceeds of approximately S$640.0 million. The Manager intends to utilise part of the net proceeds of the Equity Fund Raising to finance part of the Total Acquisition Cost.

In addition, it is intended that the balance of the proceeds from the Equity Fund Raising will be channelled towards the partial financing of the redemption of the S$350.0 million 5.375% perpetual securities issued on 19 March 2012 and callable on 19 September 2017[1] (the "**Redemption of the Existing Perpetual Securities**"). The balance required for the Redemption of the Existing Perpetual Securities is likely to be financed through a combination of loans and/or proceeds from the issuance of new perpetual securities (the "**New Perpetual Securities**"). Pending the completion of the Equity Fund Raising, the Manager may, in the interim, finance the Redemption of the Existing Perpetual Securities (that is intended to be partially financed through the proceeds from the Equity Fund Raising) through additional loans and such loans may then be repaid from the proceeds of the Equity Fund Raising.

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1 On 18 August 2017, the Trustee, as the issuer of the S$350.0 million 5.375% perpetual securities issued on 19 March 2012 and callable on 19 September 2017 (the "**Existing Perpetual Securities**", and the Trustee as issuer of the Existing Perpetual Securities, the "**Issuer**"), gave irrevocable notice to the holders of the Existing Perpetual Securities that the Issuer has elected to, and will, redeem all of the outstanding Existing Perpetual Securities on 19 September 2017.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in MLT's announcements on the use of proceeds and in MLT's annual report, and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

Consequential Adjustment to Distribution Period and Status of New Units

MLT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

However, pursuant to the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the New Units are issued under the Private Placement.

In the event that the Manager undertakes a Preferential Offering, the Preferential Offering Units will, upon issue and allotment, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Preferential Offering Units are issued, including the right to any distributions which may accrue prior to the issuance of the Preferential Offering Units.

Further details pertaining to any adjustments to the distribution period, if any, and the status of the New Units issued pursuant to the Equity Fund Raising will be announced at the appropriate time.

(See paragraph 4.4 of the Letter to Unitholders for further details.)

Undertaking by the Sponsor

To demonstrate its support for MLT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 39.46% of the total number of Units in issue through its wholly-owned subsidiaries as at 14 August 2017, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), has irrevocably undertaken to the Manager and the Joint Global Co-ordinators and Bookrunners on 28 August 2017 (the "**Undertaking**") that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will accept, or procure that its subsidiaries (together with MIPL, the "**Relevant Entities**") accept, subscribe and pay in full for, the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Whitewash Resolution by Unitholders other than MIPL and parties acting in concert with it (the "**Concert Party Group**") and parties not independent of them (the "**Independent Unitholders**")), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, or procure the application of, such number of excess Preferential Offering Units (the "**Sponsor Excess Units**"), so that if the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding in MLT at the level immediately prior to the Private Placement (the "**Pre-Placement Percentage**")[1]. For the avoidance of doubt, the Relevant Entities, among others, will rank last in the allocation of excess Preferential Offering Unit applications. If the Whitewash Resolution is not approved, the Undertaking shall apply only to the Relevant Entities' total provisional allotment of the Preferential Offering Units.

Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 987,357,573 Units, which is equivalent to approximately 39.46% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MLT under both the listing manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As MOHL is an indirect wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, MOHL (being a wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

(See paragraph 5.3 of the Letter to Unitholders for further details.)

RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

(i) Strategic addition of a high quality property in a prime logistics location

    (a) Prime logistics location with excellent connectivity

    (b) The newest modern warehouse in Hong Kong SAR

    (c) High quality building specifications

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding in MLT will decrease immediately after the Private Placement as the Sponsor is not participating in the Private Placement.

(ii) Increasing exposure to Hong Kong SAR, an attractive logistics market

  (a) Robust trade growth supported by Hong Kong SAR's position as a key gateway to China

  (b) Hong Kong SAR is a key global transport hub

  (c) E-commerce activity a major demand driver for logistics assets

  (d) Hong Kong SAR's logistics market has limited warehouse supply

  (e) Strong demand for modern warehouses expected to support future rental growth

(iii) Strong tenant base

(iv) Attractive valuation

(v) Positive impact on the Enlarged Portfolio

  (a) The Acquisition is expected to be DPU accretive

  (b) Increasing exposure to Hong Kong SAR's attractive logistics market

  (c) Increases overall occupancy rate and enhances tenant diversification

  (d) Reduces concentration risk of any single tenant

  (e) Increase in free float and liquidity

(See paragraph 3 of the Letter to Unitholders for further details.)

RESOLUTION 2: THE PROPOSED WHITEWASH RESOLUTION

Waiver of the Singapore Code of Take-overs and Mergers

The Securities Industry Council ("**SIC**") has on 10 August 2017 granted a waiver (the "**SIC Waiver**") of the requirement for the Concert Party Group to make a mandatory offer ("**Mandatory Offer**") for the remaining Units not owned or controlled by the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code of Take-overs and Mergers (the "**Code**") as a result of:

(a) the issuance of the Private Placement Units such that MIPL's percentage unitholding in MLT would decrease, as MIPL will not be participating in the Private Placement;

(b) the subscription by the Relevant Entities of the Preferential Offering Units following a Private Placement (the "**MIPL Preferential Offering Units**") in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage (see paragraph 6 of the Letter to Unitholders for details);

(c) the receipt by the Manager in its personal capacity of 3,629,489 Acquisition Fee Units[1];

(d) the receipt by the Manager in its personal capacity of 365,046 Units (the "**2Q Management Fee Units**") as payment for the management fees for the period from 1 July 2017 to 30 September 2017 ("**2Q 2017/18**" and the management fees, "**2Q Management Fee**") that the Manager in its personal capacity is entitled to for 2Q 2017/18[2]; and

(e) the receipt by Mapletree Property Management Pte. Ltd. ("**MPM**" or the "**Property Manager**") in its personal capacity of 141,610 Units (the "**2Q Property Management Fee Units**") as payment for the property management fees and lease management fees that the Property Manager in its personal capacity is entitled to for 2Q 2017/18 (the "**2Q Property Management Fee**")[3],

subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in paragraph 6 of the Letter to Unitholders) including the Independent Unitholders approving a resolution (the "**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer for their Units from the Concert Party Group.

In addition to the taking up by the Relevant Entities of their pro rata entitlement to the Preferential Offering, MIPL has, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, irrevocably undertaken to apply for, or procure the application of, such number of Sponsor Excess Units such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage. The exact percentage increase in unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to Rule 877(10) of the Listing Manual, the Relevant Entities, among others, will rank last in the allocation of excess Preferential Offering Unit applications. In the event that the Relevant Entities are allocated in full its application for the Sponsor Excess Units, MIPL's percentage unitholding in MLT will increase to its Pre-Placement Percentage. MIPL's percentage unitholding in MLT after the Preferential Offering will therefore vary depending on zero allocation and full allocation of the Sponsor Excess Units applied, respectively.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MLT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MLT. If MIPL's percentage unitholding in MLT after the Preferential Offering increases by more than 1.0% as a result of any allocation further to the application of the Relevant Entities for the Sponsor Excess Units, the Concert Party Group would then be required to make a Mandatory Offer unless waived by the SIC. A waiver is accordingly sought by MIPL and the SIC Waiver was granted subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in paragraph 6.2 of the Letter to Unitholders), including the Whitewash Resolution being approved by Independent Unitholders by way of a poll at the EGM.

It should be noted that in the event the Equity Fund Raising is structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding in MLT will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that the Relevant Entities are allocated in full their application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding in MLT will increase after completion of the Preferential Offering to its Pre-Placement Percentage.

1 This is based on an illustrative issue price of S$1.15 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$1.15 per 2Q Management Fee Unit.

3 This is based on an illustrative issue price of S$1.15 per 2Q Property Management Fee Unit.

Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding in MLT immediately after the Preferential Offering will actually be equal to or lower than its Pre-Placement Percentage.

Accordingly, the Manager is seeking approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of:

- the issuance of Private Placement Units such that MIPL's percentage unitholding in MLT would decrease, as MIPL will not be participating in the Private Placement;
- the subscription by the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage;
- the receipt by the Manager in its personal capacity of 3,629,489 Acquisition Fee Units[1];
- the receipt by the Manager in its personal capacity of approximately 365,046 2Q Management Fee Units[2]; and
- the receipt by the Property Manager in its personal capacity of approximately 141,610 2Q Property Management Fee Units[3].

Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable:

- the subscription by the Relevant Entities of the Sponsor Excess Units;
- the receipt by the Manager in its personal capacity of the Acquisition Fee Units;
- the receipt by the Manager in its personal capacity of the 2Q Management Fee Units as payment for the 2Q Management Fee that the Manager is entitled to in its personal capacity for 2Q 2017/18 pursuant to the Trust Deed; and
- the receipt by the Property Manager in its personal capacity, of the 2Q Property Management Fee Units as payment for the 2Q Property Management Fee that the Property Manager is entitled to in its personal capacity for 2Q 2017/18 pursuant to the Master Property Management Agreement (as amended and restated) dated 24 June 2005 and entered into between the Trustee, the Manager and the Property Manager, as well as the Overseas Properties Property Management Agreement (as amended and restated) dated 18 January 2006 and entered into between the Trustee, the Manager and the Property Manager.

1 This is based on an illustrative issue price of S$1.15 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$1.15 per 2Q Management Fee Unit.

3 This is based on an illustrative issue price of S$1.15 per 2Q Property Management Fee Unit.

INDICATIVE TIMETABLE

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	10 September 2017 (Sunday) at 3:30 p.m.
Date and time of the EGM	:	13 September 2017 (Wednesday) at 3:30 p.m.

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

Directors of the Manager	**Registered Office**
Mr Lee Chong Kwee (Non-Executive Chairman & Director) Mr Tan Ngiap Joo (Independent Non-Executive Director) Mr Lim Joo Boon (Independent Non-Executive Director) Mr Pok Soy Yoong (Independent Non-Executive Director) Mr Wee Siew Kim (Independent Non-Executive Director) Mrs Penny Goh (Lead Independent Non-Executive Director) Mr Tarun Kataria (Independent Non-Executive Director) Mr Hiew Yoon Khong (Non-Executive Director) Mr Chua Tiow Chye (Non-Executive Director) Mr Wong Mun Hoong (Non-Executive Director) Ms Ng Kiat (Executive Director & Chief Executive Officer)	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438

28 August 2017

To: Unitholders of Mapletree Logistics Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution[1]:

(a) **Resolution 1**: the proposed acquisition of the Property, through the acquisition of Mapletree Titanium; and

(b) **Resolution 2**: the proposed Whitewash Resolution.

The Manager will be relying on the general mandate obtained at its annual general meeting held on 17 July 2017 for the issue of New Units if the Equity Fund Raising is undertaken by the Manager. Accordingly, it is not necessary to obtain Unitholders' approval for the Equity Fund Raising at the EGM.

2. THE PROPOSED ACQUISITION

2.1 Description of the Property

Located at 30 Tsing Yi Road, New Territories, Hong Kong SAR, the Property is an 11-storey modern ramp-up warehouse with direct vehicular ramp access to every floor. The Property is well-connected to the city centre, the HKIA, the Kwai Chung – Tsing Yi container terminals and the Mainland China boundary via major expressways.

1 "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

The Property has a remaining leasehold period of approximately 46 years[1].

The Property has high quality building specifications which cater to modern logistics tenant needs, such as a column-to-column spacing of 12 metres by 11 metres, a large, regular shaped floor plate ranging from 36,000 sq ft to 147,000 sq ft, which allows for an efficient internal set-up, a clear height of 5.5 metres for three-pallet storage, and a floor loading of 17.5kN. The Property is designed for operating at a high level of throughput on a 24/7 basis.

The Property is also accredited with the LEED Gold Award. LEED is the most widely used green building rating system in the world. LEED-certified buildings are resource efficient, use less water and energy and reduce greenhouse gas emissions.

The Property is held by MTYL, a wholly-owned subsidiary of Mapletree Titanium.

(See **Appendix A** of this Circular for further details.)

2.2 Structure of the Acquisition

Pursuant to the Share Purchase Agreement dated 28 August 2017, the Trustee, on behalf of MLT, will acquire the Property through the acquisition of the Sale Shares, and in connection with this, the Existing RPS will also be fully redeemed by Mapletree Titanium.

The Total Consideration payable by the Trustee in connection with the Acquisition is the Adjusted Net Asset Value of Mapletree Titanium as at the Completion Date. The Adjusted Net Asset Value shall take into account the Agreed Property Value. As the Adjusted Net Asset Value also takes into account other assets and liabilities of Mapletree Titanium and MTYL, there may be differences between the Adjusted Net Asset Value and the Agreed Property Value which are not expected to be material.

On Completion, simultaneously with the transfer of the Sale Shares:

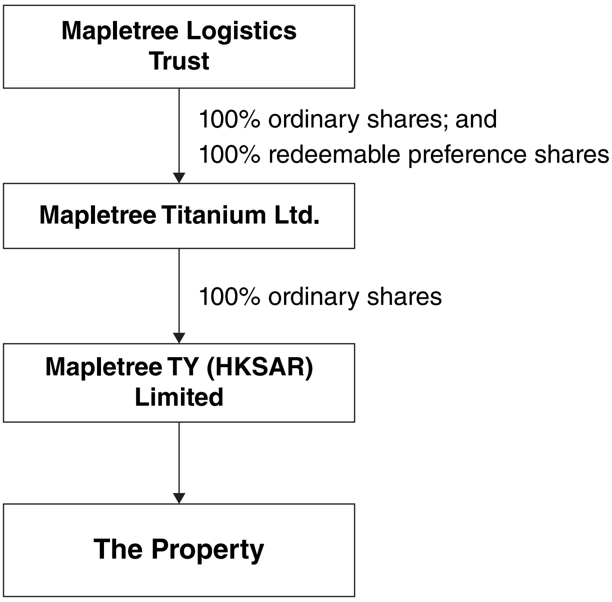
(i) MOHL will procure that Mapletree Titanium issues the New RPS to the Trustee and part of the Total Consideration will be paid to Mapletree Titanium as consideration for such issuance; and

(ii) Mapletree Titanium will thereafter apply the proceeds from the issuance of the New RPS to redeem the Existing RPS.

Following the completion of the Acquisition, the Trustee will own 100.0% of the ordinary shares and 100.0% of the redeemable preference shares in the issued share capital of Mapletree Titanium.

1 The land system in Hong Kong SAR is on a leasehold basis. The land lease of the Property will expire on 1 July 2063 (i.e. 50 years from the commencement of the government lease). According to the website of the Hong Kong Lands Department, non-renewable leases (i.e. those leases containing no right of renewal), may, upon expiry, be extended for a term of 50 years without payment of an additional premium but subject to payment of an annual rent from the date of extension at 3% of the rateable value as for new leases. The extension of such leases are wholly at the discretion of the Hong Kong Government, and the terms of such extension may be subject to the prevailing law at that point in time and the requirements of any other relevant authorities.

The diagram below sets out the relationship between the various parties following Completion.



2.3 Valuation

The Agreed Property Value of HK$4.8 billion (S$834.8 million) was arrived at on a willing-buyer and willing-seller basis and derived based on the two independent valuations of the Property.

The Trustee has commissioned an independent property valuer, CBRE, and the Manager has commissioned another independent property valuer, Colliers, to value the Property. CBRE, in its report dated 1 August 2017, stated that the open market value of the Property as at 1 August 2017 was HK$4.92 billion (S$855.7 million) and Colliers, in its report dated 1 August 2017, stated that the open market value of the Property as at 1 August 2017 was HK$4.95 billion (S$860.9 million). In arriving at the open market value, both CBRE and Colliers relied on the income capitalisation method and discounted cash flow method.

The Agreed Property Value of HK$4.8 billion (S$834.8 million) is at a discount of approximately 2.4% to CBRE's valuation and approximately 3.0% to Colliers' valuation.

2.4 Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement dated 28 August 2017 include, among others, the following conditions precedent:

(i) the approval of Unitholders at the EGM in connection with the Acquisition;

(ii) the receipt of in-principle approval of the SGX-ST for the listing and quotation of the New Units to be issued pursuant to the Equity Fund Raising, and there not having occurred any revocation or withdrawal of such approval;

(iii) the listing and commencement of trading of the New Units to be issued pursuant to the Equity Fund Raising;

(iv) the receipt by the Trustee of the proceeds of the Equity Fund Raising and/or external borrowings to fully fund the Acquisition;

(v) the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Acquisition by the Trustee, having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms satisfactory to the Trustee and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect;

(vi) there being no material damage to the Property on or before Completion;

(vii) there being no compulsory acquisition of the Property or any part of it, and no notice, demand, direction or order of such intended compulsory acquisition or resumption affecting the Property or other notice, demand, direction or order materially and adversely affecting the Property has been given by the government or other competent authority;

(viii) no statute, regulation or decision which would prohibit, restrict or materially delay or adversely affect the Acquisition or the operation of any of Mapletree Titanium and/or MTYL or the operation of the Property having been proposed, enacted or taken by any governmental or official authority; and

(ix) MTYL having and being able to show, prove and give good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong SAR), free from all encumbrances and MTYL having vacant possession of those portions of the Property which are not subject to the tenancies.

2.5 Total Acquisition Cost

The Total Acquisition Cost is estimated to be approximately S$847.6 million (HK$4.9 billion), comprising:

(i) the Total Consideration which is estimated to be S$834.8 million (HK$4.8 billion), subject to post-Completion adjustments to the Adjusted Net Asset Value;

(ii) the Acquisition Fee payable in Units[1] to the Manager for the Acquisition of approximately S$4.2 million (representing 0.5% of the Total Consideration); and

(iii) the estimated professional and other fees and expenses of approximately S$8.6 million incurred or to be incurred by MLT in connection with the Acquisition, the Equity Fund Raising and the Loan Facilities.

2.6 Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1% of the Total Consideration (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has elected to receive an acquisition fee at the rate of 0.5% of the Total Consideration.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Acquisition in respect of which the Acquisition Fee is payable.

1 As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of Acquisition Fee Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on an illustrative issue price of S$1.15 per Acquisition Fee Unit (being the illustrative issue price per New Unit to be issued under the Equity Fund Raising), the number of Acquisition Fee Units issued shall be approximately 3.6 million Units.

2.7 Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Cost through the Equity Fund Raising and a drawdown of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU accretion to Unitholders while maintaining an optimum level of aggregate leverage.

3. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

3.1 Strategic Addition of a High Quality Property in a Prime Logistics Location

3.1.1 Prime Logistics Location with Excellent Connectivity

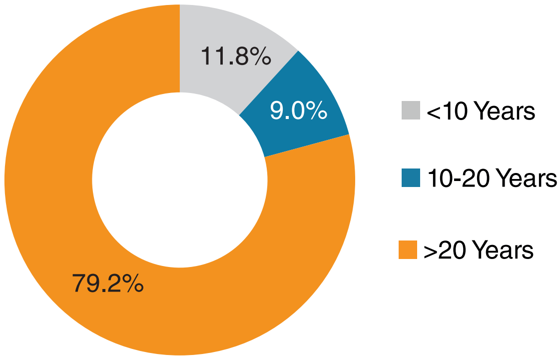
The Property is strategically located in Tsing Yi, Hong Kong SAR, which is a premium logistics cluster with a high concentration of warehouse facilities and a critical mass of modern warehouses. It is also conveniently located with easy access to HKIA (approximately 25 kilometres ("**km**") or 20 minutes away) and the Kwai Chung – Tsing Yi container terminals (approximately 5 km or 7 to 10 minutes away).

Location of the Property

3.1.2 The Newest Modern Warehouse in Hong Kong SAR

As at the Latest Practicable Date, the Property is the newest modern warehouse in Hong Kong SAR, having been completed in 2016. This is noteworthy given that approximately 79% of the supply of warehouses in Hong Kong SAR are more than 20 years of age and only approximately 12% of the supply of warehouses are less than 10 years of age.

Hong Kong SAR Warehouse Stock by Age Profile



Source: Rating and Valuation Department, Hong Kong SAR

3.1.3 High Quality Building Specifications

The Property is an 11-storey modern ramp-up warehouse with direct vehicular ramp access to every floor. The Property has high quality building specifications that enable tenants to achieve greater efficiency in managing their warehousing and logistics operations. These include large, regular shaped floor plates ranging from 36,000 sq ft to 147,000 sq ft and column-to-column spacing of 12 metres by 11 metres, which allow for an efficient internal set up, a clear height of 5.5 metres for three pallet storage, and a floor loading of 17.5kN. The Property is designed for a high level of throughput on a 24/7 basis.

The Property is also accredited with the LEED Gold Award. LEED is the most widely used green building rating system in the world. LEED-certified buildings are resource efficient, use less water and energy and reduce greenhouse gas emissions.

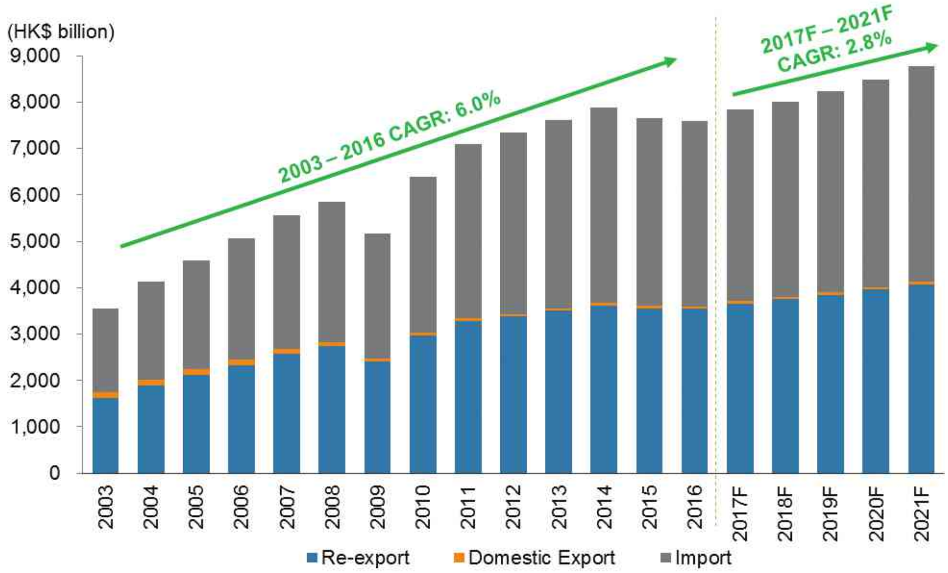
3.2 Increasing Exposure to Hong Kong SAR, an Attractive Logistics Market

3.2.1 Robust Trade Growth Supported by Hong Kong SAR's Position as a Key Gateway to China

The external sector of Hong Kong SAR has recorded robust growth since 2003 under the Closer Economic Partnership Arrangement ("**CEPA**"), which is a free trade agreement to strengthen the trading and investment between Hong Kong SAR and China and to foster the economic integration and long term trade development of both places. Total exports and imports have more than doubled from HK$3,548 billion (S$617 billion) in 2003 to HK$7,597 billion (S$1,321 billion) in 2016. With the positive GDP growth outlook for Hong Kong SAR's four major trading partners (China, United States, European Union and Japan), total imports and exports are expected to grow to HK$8,770 billion (S$1,525 billion) by 2021[1].

1 Source: Savills.

Hong Kong SAR Total Exports and Imports



Source: Census and Statistics Department, FocusEconomics, Savills

Hong Kong SAR, as the key gateway to China, is also one of the major cities taking part in the "Belt and Road" ("**B&R**") initiative. The B&R initiative is a new platform for cross-region cooperation covering more than 60 countries across Asia, Europe and Africa, which account for more than 30% of global GDP and world's merchandise trade. According to Savills, the B&R initiative is expected to cement Hong Kong SAR as a key logistics and trading hub in the world. The Manager believes that Hong Kong SAR's focal point as a logistics hub for China and the region will underpin demand for warehouse space in Hong Kong SAR.

Source: Savills

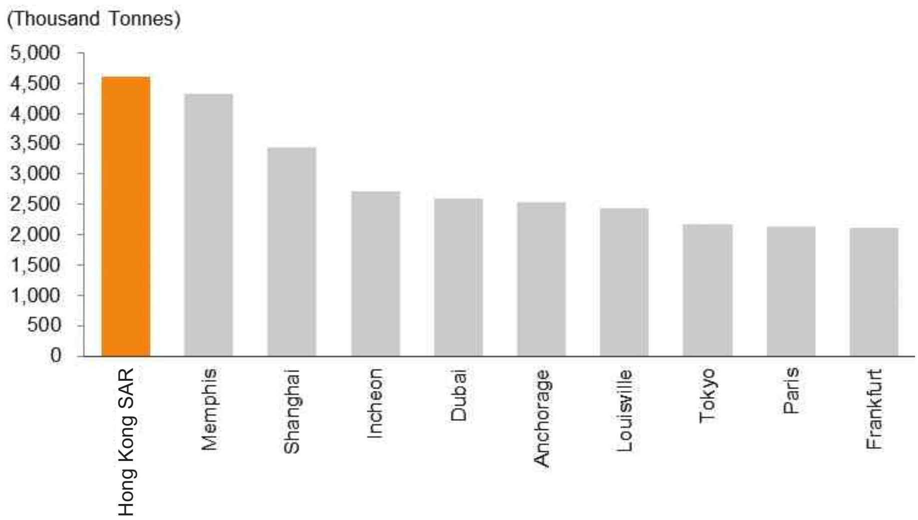
3.2.2 Hong Kong SAR is a Key Global transport Hub

Hong Kong SAR is the world's busiest international air cargo centre and the fifth busiest container port in the world. It is Asia's premier international transport and logistics hub, with trade and logistics accounting for 22.3% of its gross domestic product. Major upcoming infrastructure projects, including the third runway at HKIA and the Hong Kong – Zhuhai – Macao Bridge, are expected to enhance Hong Kong SAR's position as a key transport hub which will strengthen its competitive edge in the global logistics business.

HKIA the busiest airport in the world

HKIA continues to be the busiest airport in the world in terms of cargo traffic in 2016, handling a total of 4.62 million tons of freight during the year. Air cargo trade value has also demonstrated strong growth since 2000, increasing by 257%, or at a CAGR of 8.3% per annum from 2000 to 2016. Although air cargo comprises only 1.6% of total cargo throughput from sea, road, rail and air in 2016, it contributes 40.5% of total trade value as goods by air cargo are typically of higher value[1].

Top 10 Airports by Cargo Traffic in 2016



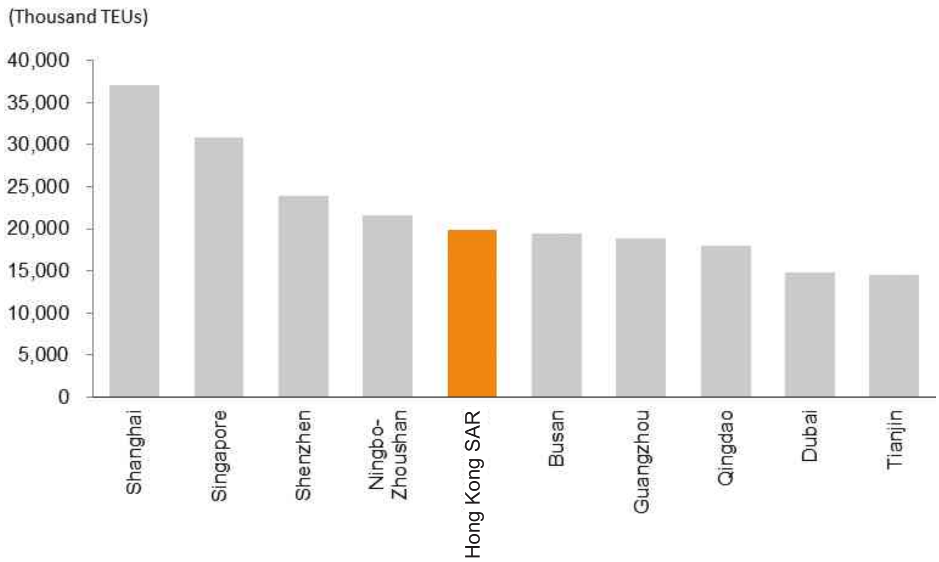
Source: Airports Council International, Savills

Hong Kong SAR's container port the fifth busiest in the world

Hong Kong SAR has historically been one of the world's busiest container ports and is currently the fifth busiest container port in the world in 2016, handling 19.8 million twenty-foot equivalent units ("**TEUs**"). Total port throughput by seaborne and river transports recorded a steadily rising trend from 2000 to 2016 with a CAGR of 2.4% per annum over the period[1].

1 Source: Savills.

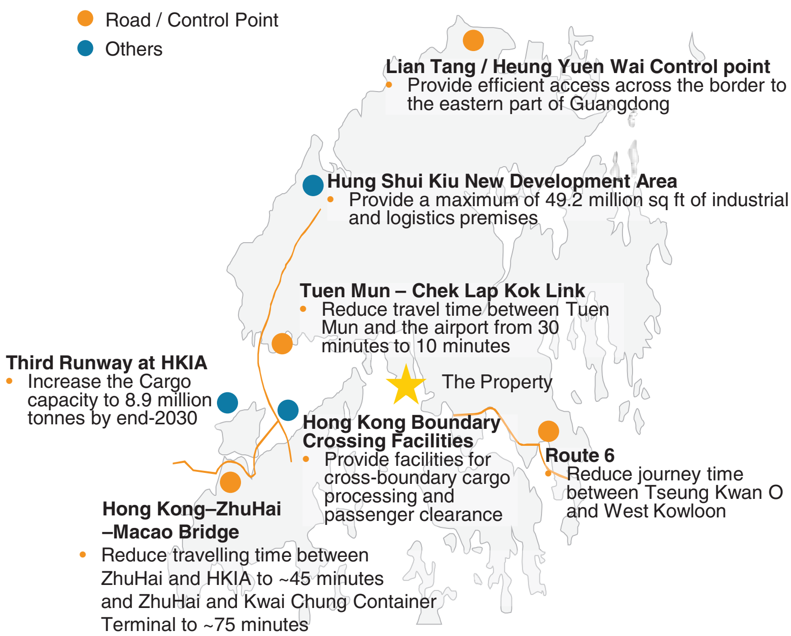
Top 10 Container Ports of the World in 2016



Source: Hong Kong Port Development Council, Savills

Major upcoming infrastructure projects

In order to support future trade flows, Hong Kong SAR maintains a substantial programme of infrastructure development to support the growth of the trade and logistics sector in air and land freight, as well as enhance the connectivity of Hong Kong SAR and Mainland China. The diagram below illustrates some of the planned/ongoing infrastructure developments in Hong Kong SAR.



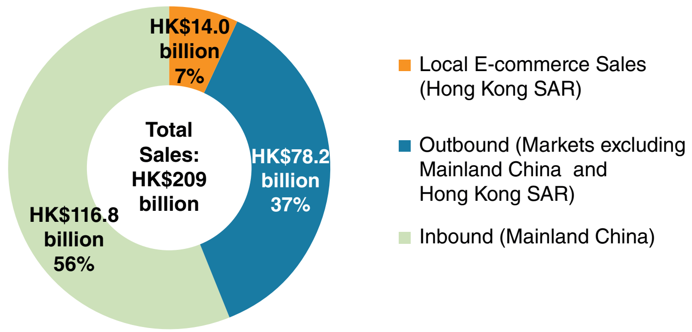
Source: Savills

3.2.3 E-commerce Activity a Major Demand Driver for Logistics Assets

The growth of e-commerce in both Hong Kong SAR and Mainland China is expected to be a major driver for the logistics sector in Hong Kong SAR as e-commerce activities require comprehensive logistics and warehousing support.

According to a Hong Kong Trade Development Council ("**HKTDC**") survey and industry estimates, there are 32,000 Hong Kong SAR e-commerce merchants with a total transaction value of HK$209 billion (S$36 billion) in 2016. Local sales accounted for HK$14 billion (S$2 billion), with outbound trades (to markets other than Mainland China and Hong Kong SAR) and inbound trades (to Mainland China as the main market) accounting for the remaining HK$195 billion (S$34 billion).

Estimated Sales of E-commerce Merchants in 2016
(HK$ billion)

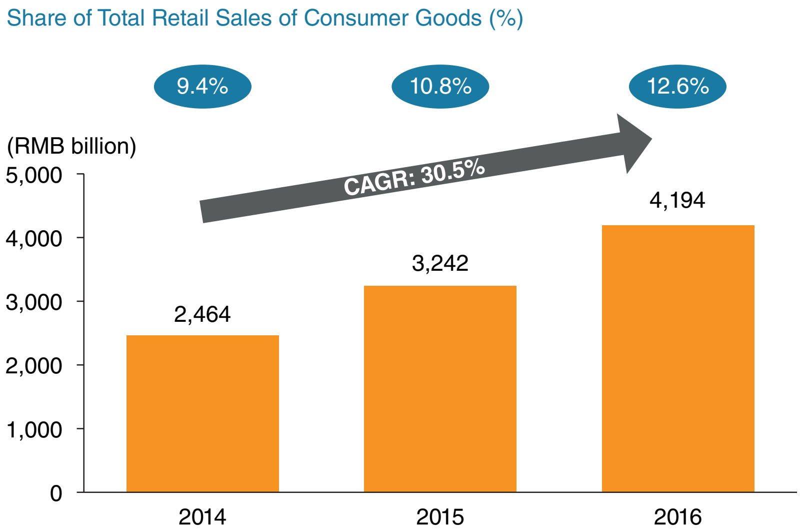


Source: HKTDC, Savills

According to another HKTDC survey, 51% of total online orders were re-exported through Hong Kong SAR, validating Hong Kong SAR's advantage in handling e-commerce logistics, attributed to the city's good air-connectivity.

As a gateway to China, Hong Kong SAR is expected to benefit from the growth of e-commerce in China. In both 2015 and 2016, sales value of online retail sales of physical goods recorded approximately 30% growth per annum, with RMB3,242 billion (S$663 billion) and RMB4,194 billion (S$858 billion) in 2015 and 2016 respectively. Online retail sales of physical goods' share of total retail sales of consumer goods also increased from 9.4% in 2014 to 12.6% in 2016. Online retail sales are set to grow in line with higher mobile handset penetration and growing GDP in the coming years.

Online Retail Sales of Physical Goods in China



Source: Savills

As online retail increases the requirement for stocking inventory at warehouses, e-commerce growth in Hong Kong SAR and China will provide strong demand for modern warehouses.

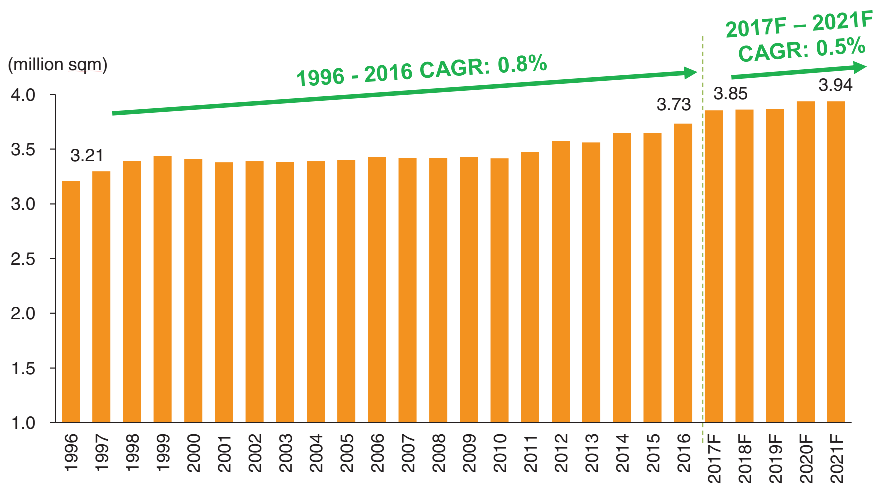
3.2.4 Hong Kong SAR's Logistics Market has Limited Warehouse Supply

Hong Kong SAR's warehouse stock grew at a relatively low CAGR of 0.8% over the past 20 years. This is largely due to land constraints in Hong Kong SAR, leading to limited supply for warehouse use.

Hong Kong SAR's logistics market is currently experiencing a low vacancy rate, with an overall market and modern warehouses vacancy rates of 2.5% and 1.4% as at the second calendar quarter of 2017, being 1 April 2017 to 30 June 2017 ("**Q2 2017**").

According to Savills, Hong Kong SAR's logistics market is expected to continue to have a low vacancy rate going forward, due to limited supply and expected continued strong demand for modern warehouses.

Total Warehouse Year-end Stock[(1)(2)]



Source: Savills, Rating and Valuation Department, Hong Kong SAR

Note(s):

(1) Forecast excludes government land which has yet to be released. Including this, warehouse stock in 2021 would be 4.0 million sqm and CAGR from 2017 to 2021 would be 1.0%.

(2) The Total Warehouse Year-end Stock is based on internal floor area as defined by the Rating and Valuation Department, Hong Kong SAR, which is different from gross floor area and is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/or party walls.

3.2.5 Strong Demand for Modern Warehouses Expected to Support Future Rental Growth

At present, there are only 14 modern warehouses in Hong Kong SAR.

No.	Buildings	Total Gross Floor Area (BPR)(1) (sq ft)	Year of completion	Key tenant type	Developer
1	Mapletree Logistics Hub Tsing Yi	1,297,590	2016	Distribution Centre/ E-commerce/ Cold Storage	Mapletree
2	Asia Logistics Hub – SF Centre	1,102,603	2014	3PL/Express	SF Express
3	Goodman Interlink	1,525,058	2012	3PL/Express/ E-commerce/ Cold Storage	Goodman
4	NWS Kwai Chung Logistics Centre	694,265	2011	Sea Freight/3PL	China Resources
5	Tradeport	337,358	2002	Air Freight	CNAC, Fraport AG, HongkongLand, Schiphol Group
6	Kerry Cargo Centre	1,700,000	1999	3PL	Kerry
7	Global Gateway	853,050	1999	Air Freight/ Express	Goodman
8	AFFC	1,419,096	1999	Air Freight	Sun Hung Kai
9	Grandtech Centre	988,967	1996	3PL	Mapletree
10	Ever Gain Centre	642,266	1993	3PL	Mapletree
11	Hutchison Logistics Centre (HLC)	5,454,568	1990	Sea Freight/ Distribution Centre/3PL	Hutchison
12	ATL Logistics Centre	8,156,684	1988 and 94	Sea Freight/ Distribution Centre/3PL	Goodman/DP World
13	Sunshine Kowloon Bay Cargo Centre	757,973	1983	3PL	Strata-titled
14	Modern Terminals Ltd	717,701	1980 and 91	Sea Freight	Wharf/China Merchant/ Jebsen Securities

Source: Buildings Department of the Hong Kong Government, Savills

Note(s):

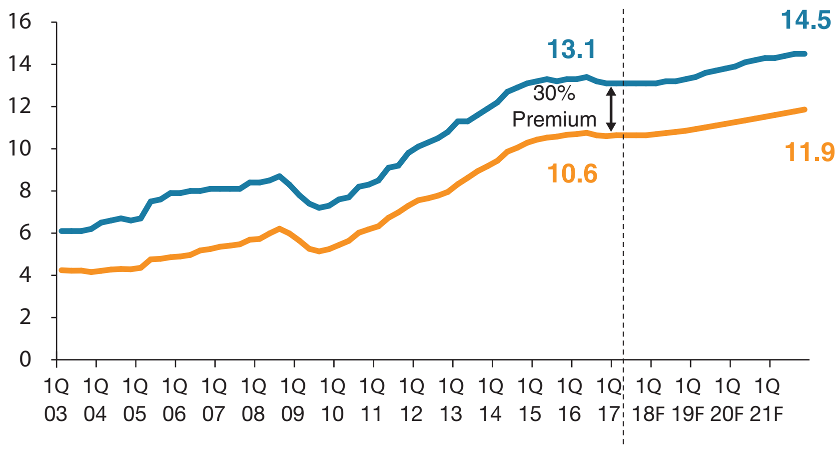
(1) The "**Total Gross Floor Area (BPR)**" is defined under the Building (Planning) Regulations (Cap. 123F of the Laws of Hong Kong SAR) and published by the Buildings Department of the Hong Kong Government. This is different from the gross floor area stipulated under the Land Grant. The Total Gross Floor Area (BPR) comprises the area contained within the external walls of the building, measured at each floor level, including any floor below the level of the ground, and takes into consideration any floor space that the Buildings Department of the Hong Kong Government is satisfied is constructed, intended to be used for parking motor vehicles, loading or unloading of motor vehicles or occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service based on the stipulated regulations.

Modern warehouses cater to the needs of demand groups managing value-added transshipment, fast-moving local distribution, emerging e-commerce distribution as well as cold storage. Such occupiers handle higher value goods in large volumes and are willing to pay premium rentals for modern warehouse facilities.

According to Savills, as of Q2 2017, modern warehouse market rents commanded a 30% premium over overall warehouse rents. The ageing existing warehouse stock is expected to encourage more air freight and high value-added logistics operators to relocate to more modern warehouses, increasing demand for high specifications. Savills therefore expect to see a sustained rental premium in the modern warehouse sector over the next four years.

Hong Kong SAR's market rental rate for modern warehouses grew by a CAGR of 6.1% between 2003 and 2016. As at Q2 2017, the average rental rate of modern warehouses is HK$13.1 psf per month ("**psfpm**") versus HK$10.6 psfpm for general warehouses. The Property's average rental rate of HK$13.0 psfpm is in line with the market rent of modern warehouses. The rental growth rate for modern warehouses has stabilised over the past two years and is projected to grow from 2018 onwards, in view of strong demand as described above.

General Warehouse and Modern Warehouse Rental Rates (HK$ psfpm)



Source: Savills

3.3 Strong Tenant Base

The Property has a strong tenant base of 12 high quality and reputable tenants. The tenant base represents a wide range of logistics demand, including air/sea freight, third-party logistics, e-commerce and cold storage. The tenant base extends across a broad range of trade sectors, which are largely consumer-related, such as consumer staples, fashion and apparel, food and beverage, and health care products. The top five tenants (in terms of Gross Revenue) are Ever Gain, adidas, Angliss, HKTV and Aramex.

Tenant Breakdown by Trade Sector(1)

Top Ten Tenants	% of Gross Revenue	Trade Sector
Ever Gain Company Limited (“**Ever Gain**”)	24.1%	Consumer Staples
adidas Hong Kong Limited (“**adidas**”)	18.0%	Fashion, Apparel & Cosmetics
Angliss Hong Kong Food Service Limited (“**Angliss**”) (part of the Bidvest Group)	15.0%	F&B
Hong Kong TV Logistics Network Company Limited (“**HKTV**”)	9.1%	Consumer Staples
Aramex Hong Kong Limited (“**Aramex**”)	9.0%	Multi-sector
DKSH Hong Kong Limited (“**DKSH**”)	8.1%	Healthcare & Medical-related Products
Crown Worldwide (HK) Limited (“**Crown**”)	3.6%	Fashion, Apparel & Cosmetics
The Swatch Group (HK) Limited (“**Swatch**”)	3.1%	Fashion, Apparel & Cosmetics
Helu-Trans (HK) Pte Ltd (“**Helu-Trans**”)	2.8%	Others
Direct Link Worldwide Company Limited (“**Direct Link**”)	2.7%	Multi-sector
Top Ten Total	**95.5%**	

Note(s):

(1) The trade sector breakdown reflects the nature of the underlying goods that are handled by the respective tenants at the Property.

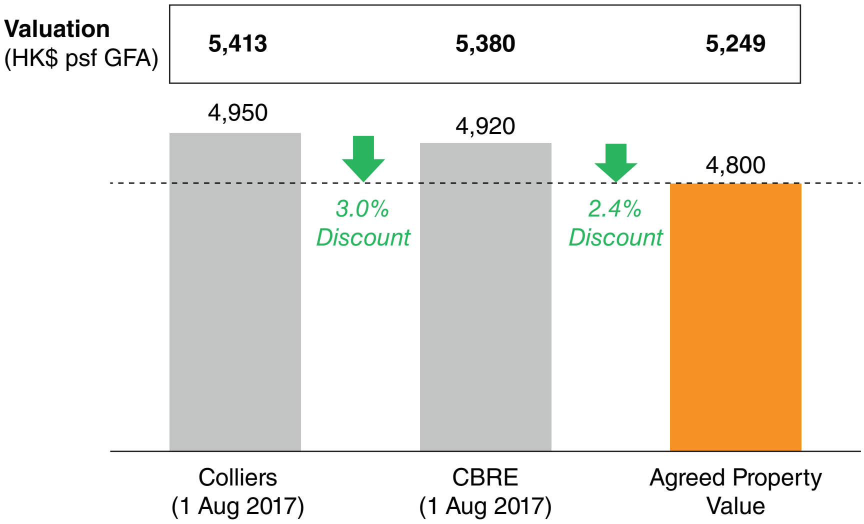
As at 30 June 2017, the Property has a committed occupancy of 100%. The Manager believes that the Acquisition will add high quality tenants to MLT’s overall portfolio, thus benefiting Unitholders.

3.4 Attractive Valuation

The Manager believes that the Property demonstrates an attractive value proposition in the current market given the discount to independent valuations and attractive implied valuation metrics compared to other logistics properties in Hong Kong SAR.

The Agreed Property Value is HK$4.8 billion (S$834.8 million), representing a discount of approximately 3.0% to Colliers’ valuation of HK$4.95 billion (S$860.9 million) and a discount of approximately 2.4% to CBRE’s valuation of HK$4.92 billion (S$855.7 million).

Agreed Property Value Relative to Independent Valuations[(1)]
(HK$ million)



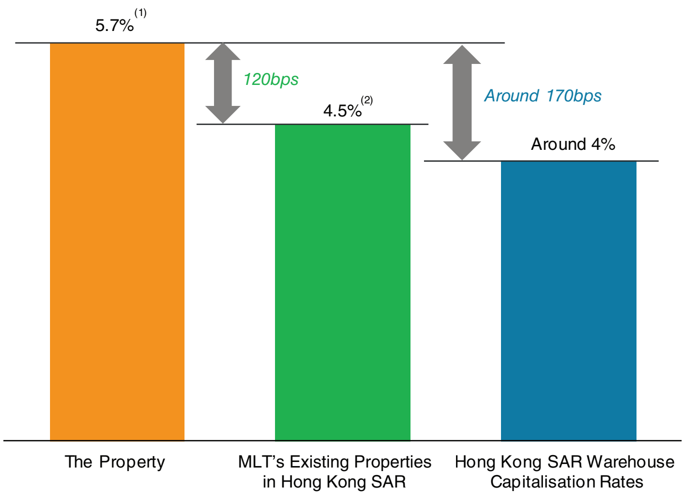
Source: Colliers, CBRE

Note(s):

(1) The Manager has commissioned Colliers and the Trustee has commissioned CBRE to value the Property as at 1 August 2017.

In addition, the Agreed Property Value implies a Net Property Income yield of 5.7%[1], which is higher than the average Net Property Income yield of MLT's existing properties in Hong Kong SAR of 4.5%[2] and the Hong Kong SAR warehouse capitalisation rates of around 4%.

Net Property Income Yield (%)



Source: Manager, Savills

Note(s):

(1) Based on Net Property Income for the forecast period (1 January 2018 – 31 March 2018) annualised on a non-amortised basis and divided by the Agreed Property Value.

(2) Based on Net Property Income for 1Q 2017/18 annualised on a non-amortised basis and divided by the latest valuations of the existing properties in Hong Kong SAR as at 31 March 2017.

1 Based on Net Property Income for the forecast period from 1 January 2018 to 31 March 2018 annualised on a non-amortised basis and divided by the Agreed Property Value.

2 Based on Net Property Income for 1Q 2017/18 annualised on a non-amortised basis and divided by the latest valuations of MLT's existing properties in Hong Kong SAR as at 31 March 2017.

3.5 Positive Impact on the Enlarged Portfolio

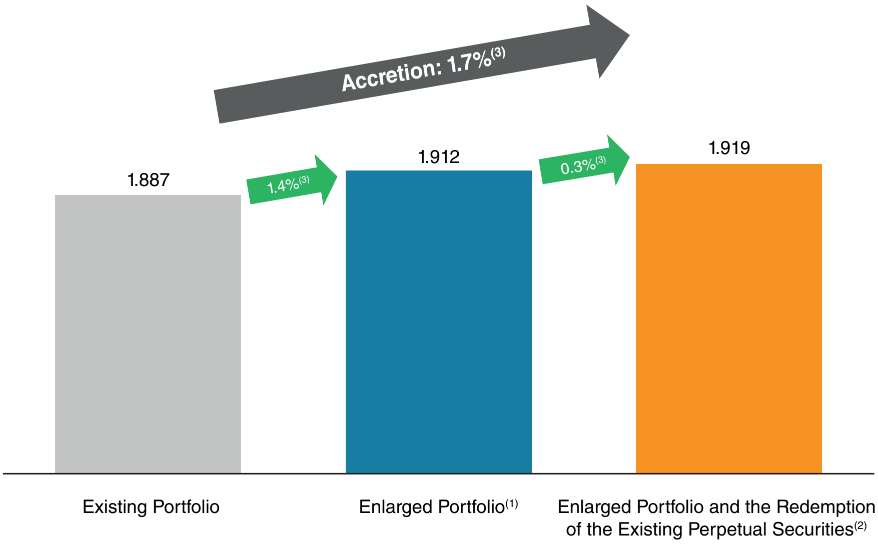
3.5.1 The Acquisition is Expected to be DPU Accretive

Based on the proposed method of financing, both the Acquisition (on a standalone basis) and the Acquisition and the Redemption of the Existing Perpetual Securities (on a combined basis) are expected to be DPU accretive. The chart below illustrates MLT's DPU for the forecast period from 1 January 2018 to 31 March 2018 (the "**Forecast Period**")[1] in relation to (a) the Existing Portfolio, (b) the Enlarged Portfolio, and (c) the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities.

Forecast DPU for the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities

(S$ cents)

(*3-month Period from 1 January 2018 – 31 March 2018*)



Note(s):

(1) For the purpose of the Enlarged Portfolio, the forecast is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units. The issue price of New Units and Acquisition Fee Units is assumed to be at the illustrative issue price of S$1.15 per Unit.

(2) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an initial distribution rate (the "**Initial Distribution Rate**") of 4.0% per annum. The issue price of New Units and Acquisition Fee Units is assumed to be at the illustrative issue price of S$1.15 per Unit.

(3) Accretion is based on forecast numbers and does not take into account the impact from rounding.

1 For the Forecast Period, the Existing Portfolio does not include the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and one property in Singapore, 4 Toh Tuck Link, which proposed divestment was announced on 3 August 2017. Although the Manager announced its proposed divestment on 11 August 2017, 7 Tai Seng Drive continues to be included in the Existing Portfolio for the Forecast Period as the completion date of the proposed divestment is not certain given that it is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

The pro forma Aggregate Leverage[1] of MLT as at 30 June 2017[2] is expected to increase from 37.0% to 37.7% (after the Acquisition) and 38.0% (after the Acquisition and the Redemption of the Existing Perpetual Securities).

FOR ILLUSTRATIVE PURPOSES ONLY: The table below shows the forecast DPU and DPU accretion at various issue prices, and should be read together with the detailed Profit Forecast as well as the accompanying assumptions and sensitivity analysis in **Appendix D** of this Circular and the Independent Reporting Auditor's Report on the Profit Forecast in **Appendix C** of this Circular.

Forecast DPU of MLT for the Forecast Period (1 January 2018 – 31 March 2018)

Range of issue price (S$)	Approximate number of New Units issued under the Equity Fund Raising (million)(1)	DPU for the Forecast Period (S$ cents)			DPU Accretion (%)	
		Existing Portfolio(2)	Enlarged Portfolio(3)	Enlarged Portfolio and the Redemption of the Existing Perpetual Securities(4)	After the Acquisition	After the Acquisition and the Redemption of the Existing Perpetual Securities
1.070	598.1	1.887	1.892	1.893	0.3%	0.3%
1.090	587.2	1.887	1.897	1.900	0.5%	0.7%
1.110	576.6	1.887	1.902	1.906	0.8%	1.0%
1.130	566.4	1.887	1.908	1.913	1.1%	1.4%
1.150	556.5	1.887	1.912	1.919	1.4%	1.7%
1.170	547.0	1.887	1.917	1.925	1.6%	2.0%
1.190	537.8	1.887	1.922	1.931	1.9%	2.3%
1.210	528.9	1.887	1.926	1.936	2.1%	2.6%
1.230	520.3	1.887	1.931	1.942	2.3%	2.9%

Note(s):

(1) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared based on gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising with the New Units issued at the respective issue prices.

(2) The total number of Units at the end of the period used in computing the DPU includes an estimated number of new Units issued to (a) the Manager as payment for base management fee, and (b) the Property Manager as payment for property management and lease management fees, for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Duong Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016, for such services rendered in the financial quarters 1 July 2017 to 30 September 2017 and 1 October 2017 to 31 December 2017, at the respective issue prices per New Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered in the financial year as performance management fees are payable annually in arrears.

1 "**Aggregate Leverage**" refers to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property.

2 As at 30 June 2017 and adjusted for the divestment of the two properties in Japan, Zama Centre and Shiroishi Centre as completed on 31 July 2017 and the proposed divestment of one property in Singapore, 4 Toh Tuck Link, as announced on 3 August 2017.

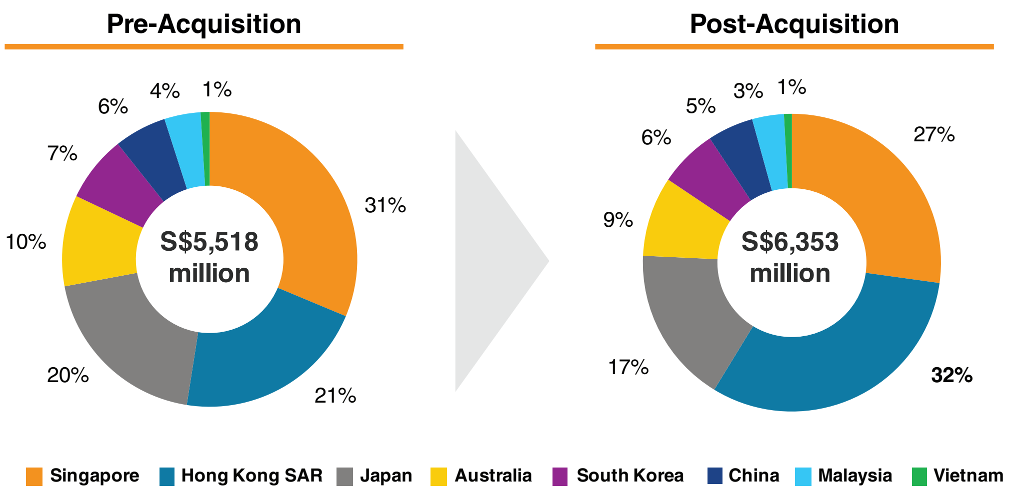
(3) The total number of Units at the end of the period used in computing the DPU includes that in Note (2) above as well as (a) New Units issued in connection with the Equity Fund Raising to raise gross proceeds of S$488.9 million to partially finance the Acquisition only, and (b) the Acquisition Fee Units. All new Units are issued at the respective issue prices per New Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the Forecast Period as performance management fees are payable annually in arrears.

(4) The total number of Units at the end of the period used in computing the DPU includes that in Note (3) above as well as additional New Units issued at the respective issue prices per New Unit in connection with the Equity Fund Raising to raise gross proceeds of S$151.1 million to partially finance the Redemption of the Existing Perpetual Securities.

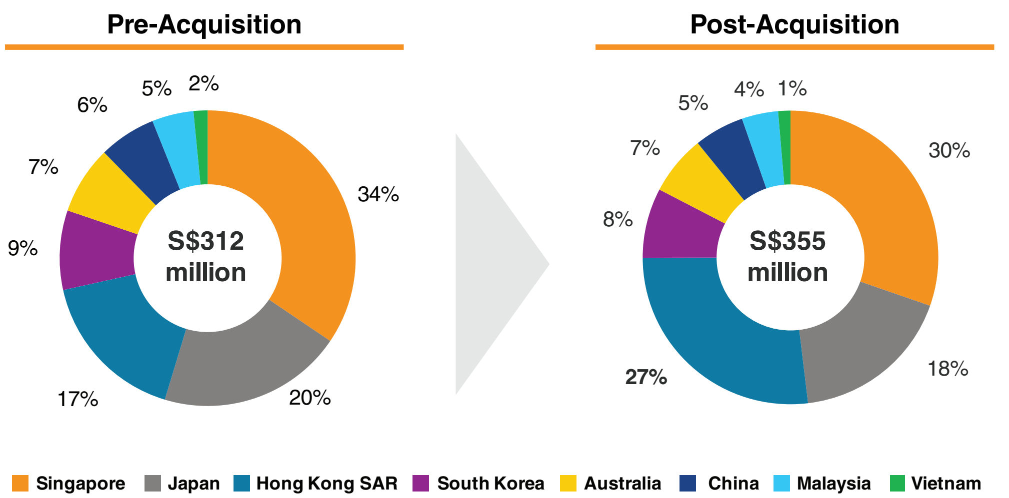
3.5.2 Increasing Exposure to Hong Kong SAR's Attractive Logistics Market

Following the Acquisition, MLT will have a greater exposure to Hong Kong SAR's attractive logistics market.

Valuation by Geography as at 30 June 2017 vs. Post-Acquisition(1)



Net Property Income by Geography for FY16/17 vs. Post-Acquisition(1)



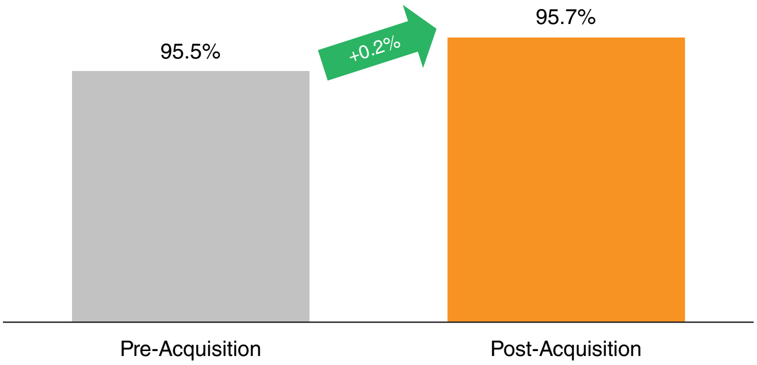
Note(s):

(1) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

3.5.3 Increases Overall Occupancy Rate and Enhances Tenant Diversification

After the Acquisition, MLT's overall portfolio occupancy rate will increase from 95.5% as at 30 June 2017, to 95.7%. In addition, the revenue contribution of multi-tenanted buildings to MLT's portfolio will increase from 58.6% as at 30 June 2017 to 63.7%, thereby enhancing tenant diversification.

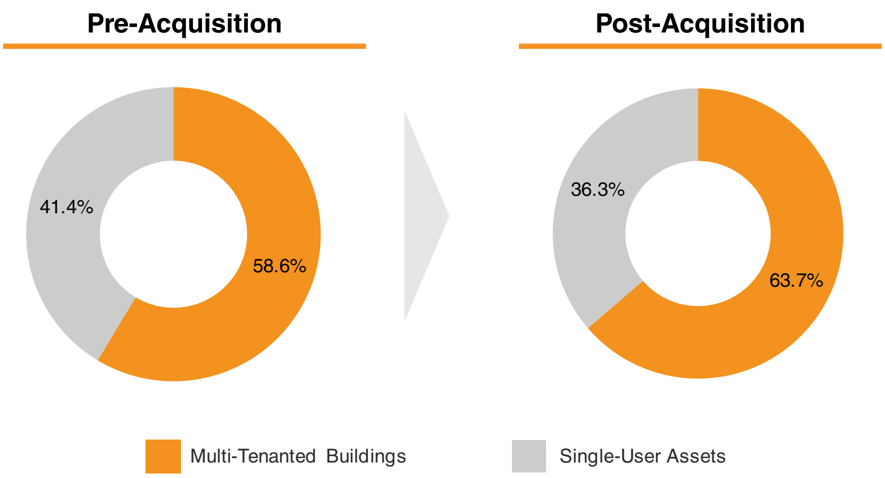
Portfolio Occupancy Rate[1]



Note(s):

(1) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

Single-User Assets vs. Multi-Tenanted Buildings[1]



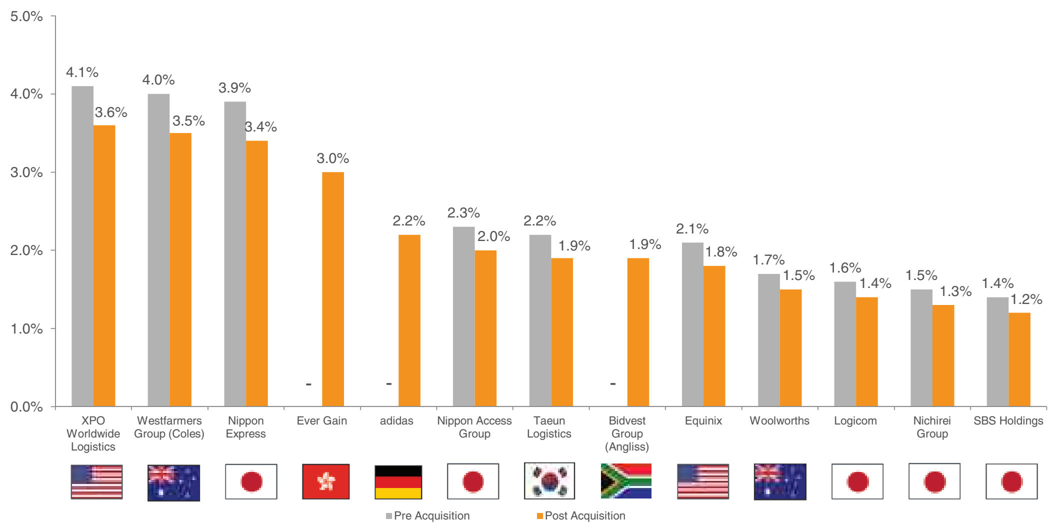
Note(s):

(1) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

3.5.4 Reduces Concentration Risk of Any Single Tenant

After the Acquisition, the maximum risk exposure to any single tenant, by Gross Revenue, will reduce from 4.1% to 3.6%.

Percentage of Gross Revenue by Tenant(1)



Note(s):

(1) Includes the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and the two properties in Singapore, 4 Toh Tuck Link and 7 Tai Seng Drive, which proposed divestments were announced on 3 August 2017 and 11 August 2017 respectively.

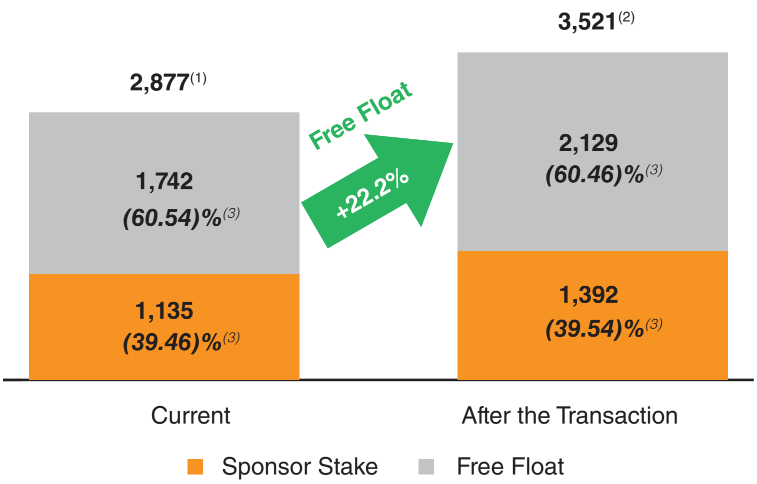
3.5.5 Increase in Free Float and Liquidity

The new Units, when issued, are expected to increase MLT's free float of Units on the SGX-ST, potentially resulting in improved trading liquidity and benefiting Unitholders.

For illustrative purposes, assuming drawdown of approximately S$377.3 million from the Loan Facilities and gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately 560.1 million new Units will be issued in connection with the Acquisition and the Redemption of the Existing Perpetual Securities (comprising approximately 556.5 million New Units to be issued in relation to the Equity Fund Raising and approximately 3.6 million Acquisition Fee Units) based on the illustrative issue price of S$1.15 per new Unit. At an illustrative price of S$1.15 per Unit, MLT's free float would increase by approximately 22.2% from approximately S$1,742 million to approximately S$2,129 million immediately following completion of the Acquisition and the Redemption of the Existing Perpetual Securities (assuming, for illustrative purposes, the Sponsor's percentage unitholding in MLT remained constant before and after the Acquisition and the Redemption of the Existing Perpetual Securities).

Given the expected increase in free float and improved trading liquidity, MLT is expected to benefit from increased demand from improved index representation.

Market Capitalisation and Free Float
(S$ million)



Note(s):

(1) Based on 2,501,872,921 Units in issue as at the Latest Practicable Date and the illustrative price of S$1.15 per Unit.

(2) Based on 2,501,872,921 Units in issue as at the Latest Practicable Date and the issue of approximately 556.5 million New Units under the Equity Fund Raising and approximately 3.6 million Acquisition Fee Units and the illustrative price of S$1.15 per Unit.

(3) Assuming for illustrative purposes, the Sponsor's ownership percentage in MLT remained constant before and after the Acquisition, and after including Acquisition Fee Units.

4. EQUITY FUND RAISING

4.1 Structure of the Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined by the Manager. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion and subject to the then prevailing market conditions, comprise:

(i) a Private Placement of New Units to institutional and other investors; and/or

(ii) a non-renounceable Preferential Offering of New Units to the existing Unitholders on a *pro rata* basis.

Unitholders should note that the Preferential Offering Units, if issued, will be on a non-renounceable basis. The ARE[1] will not be renounceable or transferable and will be for use only by entitled Unitholders.

1 "**ARE**" refers to the application for rights entitlement acceptance form for Preferential Offering Units provisionally allotted to entitled Unitholders under the Preferential Offering and applicable form for excess Preferential Offering Units.

It is anticipated that the New Units to be issued pursuant to any Equity Fund Raising that may be undertaken by the Manager (less the MIPL Preferential Offering Units to be subscribed under the Undertaking) will be underwritten by the Joint Global Co-ordinators and Bookrunners subject to, among others, then prevailing market conditions and mutual agreement to the terms of the Equity Fund Raising, such as the issue price of the New Units, and execution, on the terms and subject to the conditions of the Underwriting Agreement to be entered into between the Manager and the Joint Global Co-ordinators and Bookrunners upon the terms of the Equity Fund Raising being agreed upon and after the receipt of in-principle approval from the SGX-ST for the listing of the New Units and the approval of the relevant resolutions by the Unitholders at the EGM having been received.

If and when the Manager decides to undertake the Equity Fund Raising, the issue price for the New Units to be issued under the Equity Fund Raising will comply with Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than 10.0% discount to the volume-weighted average price for trades done on the SGX-ST for the full market day on which the Underwriting Agreement is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement, excluding (where applicable) accrued distributions provided that the holders of the New Units are not entitled to the accrued distributions. The Underwriting Agreement is anticipated to be signed upon the terms of the Equity Fund Raising being agreed upon, which will be after the receipt of approval in-principle from the SGX-ST for the listing of the New Units and the approval of the relevant resolutions by the Unitholders at the EGM having been received.

On 28 August 2017, the SGX-ST granted its in-principle approval for the listing and quotation of the New Units on the Main Board of the SGX-ST, subject to the following conditions:

(a) in respect of the Private Placement,

   (i) compliance with the SGX-ST's listing requirements, including Rules 806, 811(1) and 811(5) of the Listing Manual;

   (ii) submission of:

      (1) a written undertaking from the Manager that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Private Placement and where proceeds are to be used for working capital purposes, MLT will disclose a breakdown with specific details on the use of proceeds for working capital in MLT's announcements on use of proceeds and in the annual report;

      (2) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;

      (3) written undertakings from the Joint Global Co-ordinators and Bookrunners that they will ensure that MLT will comply with Rule 803 of the Listing Manual;

      (4) a written confirmation from the Manager that it will not issue the New Units to persons prohibited under Rule 812(1) of the Listing Manual; and

      (5) written confirmations from the Joint Global Co-ordinators and Bookrunners that the New Units will not be placed to persons prohibited under Rule 812(1) of the Listing Manual;

(b) in respect of the Preferential Offering,

    (i) compliance with the SGX-ST's listing requirements, including Rules 806 and 816(2) of the Listing Manual;

    (ii) submission of:

        (1) a written undertaking from the Manager that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the Preferential Offering and where proceeds are to be used for working capital purposes, MLT will disclose a breakdown with specific details on the use of proceeds for working capital in MLT's announcements on use of proceeds and in the annual report;

        (2) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess New Units; and

        (3) a written confirmation from the financial institution as required under Rule 877(9) of the Listing Manual that the Unitholders who have given an irrevocable undertaking have sufficient financial resources to fulfill their obligations under their undertakings.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Private Placement, the Preferential Offering, the New Units, MLT and/or its subsidiaries.

In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering, the issue price of the Private Placement Units may differ from the issue price of the Preferential Offering Units.

The Manager will announce the details of the Equity Fund Raising on the SGXNET at the appropriate time when it launches the Equity Fund Raising in such structure and at such time as may be agreed with the Joint Global Co-ordinators and Bookrunners.

4.2 Use of Proceeds of the Equity Fund Raising

For illustrative purposes in this Circular, the Equity Fund Raising is assumed to raise gross proceeds of approximately S$640.0 million.

The Manager intends to utilise the net proceeds of the Equity Fund Raising to finance part of the Total Acquisition Cost.

In addition, it is intended that the balance of the proceeds from the Equity Fund Raising will be channelled towards the partial financing of the Redemption of the Existing Perpetual Securities. The balance required for the Redemption of the Existing Perpetual Securities is likely to be financed through a combination of loans and/or proceeds from the issuance of New Perpetual Securities. Pending the completion of the Equity Fund Raising, the Manager may, in the interim, finance the Redemption of the Existing Perpetual Securities (that is intended to be partially financed through the proceeds from the Equity Fund Raising) through additional loans and such loans may then be refinanced from the proceeds of the Equity Fund Raising.

Further details pertaining to the use of proceeds of the Equity Fund Raising (including details on the percentage allocation for each use) will be announced at the appropriate time.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in MLT's announcements on the use of proceeds and in MLT's annual report, and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4.3 Undertaking by the Sponsor

To demonstrate its support for MLT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 39.46% of the total number of Units in issue through its wholly-owned subsidiaries as at the Latest Practicable Date, has given the Undertaking that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will accept, or procure that its subsidiaries accept, subscribe and pay in full for, the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, or procure the application of, such number of Sponsor Excess Units, so that if the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding in MLT at the Pre-Placement Percentage[1]. For the avoidance of doubt, the Relevant Entities, among others, will rank last in the allocation of excess Preferential Offering Unit applications. If the Whitewash Resolution is not approved, the Undertaking shall apply only to the Relevant Entities' total provisional allotment of the Preferential Offering Units.

4.4 Consequential Adjustment to Distribution Period and Status of the New Units

MLT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding in MLT will decrease immediately after the Private Placement as the Sponsor is not participating in the Private Placement.

However, pursuant to the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution or an advanced distribution, or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the Private Placement Units are issued.

In the event that the Manager undertakes a Preferential Offering, the Preferential Offering Units issued will, upon issue and allotment, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Preferential Offering Units are issued, including the right to any distributions which may accrue prior to the issuance of the Preferential Offering Units.

Further details pertaining to any adjustments to the distribution period, if any, and the status of the New Units issued pursuant to the Equity Fund Raising will be announced at the appropriate time.

5. DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITION AND THE REDEMPTION OF THE EXISTING PERPETUAL SECURITIES

5.1 Pro Forma Financial Effects of the Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and the Redemption of the Existing Perpetual Securities on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MLT for the financial year ended 31 March 2017 (the "**2016/17 Audited Financial Statements**") as well as the following assumptions that:

(i) the Property was fully occupied for the entire financial year ended 31 March 2017 and all leases were in place since 1 April 2016. All tenants were paying their rents in full[1];

(ii) the Acquisition is financed by the issuance of approximately 425.1 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S$488.9 million and drawdown of approximately S$354.5 million from Loan Facilities at an all-in interest rate of 2.75% per annum;

(iii) the Manager's Acquisition Fee is paid in the form of approximately 3.6 million Acquisition Fee Units at an illustrative issue price of S$1.15 per Acquisition Fee Unit; and

(iv) the Redemption of the Existing Perpetual Securities is financed by the issuance of approximately 131.4 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising raising gross proceeds of approximately S$151.1 million, drawdown of approximately S$22.8 million from Loan Facilities and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

1 The Property received its occupation permit on 14 March 2016. For the past financial year ended 31 March 2017, the average occupancy rate of the Property was around 55.8% as the Property was still in the process of stabilisation following its completion. As at the Latest Practicable Date, the Property's occupancy rate has increased to around 84.0% and committed leases have been secured for 100% of the Property. With effect from 1 October 2017, the Property will be 100% occupied.

5.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and the Redemption of the Existing Perpetual Securities on MLT's DPU for the 2016/17 Audited Financial Statements, as if the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities were completed on 1 April 2016, and MLT had held and operated the Property through to 31 March 2017 are as follows:

	Effects of the Acquisition and the Redemption of the Existing Perpetual Securities		
	Before the Acquisition	After the Acquisition(1)	After the Acquisition and the Redemption of the Existing Perpetual Securities(2)
Total return before income tax (S$'000)	252,847	279,933(3)	279,306(4)
Income available for distribution to Unitholders (S$'000)	186,085	221,433	232,419(5)
Units in issue at the end of the year (million)	2,500.5	2,933.4(6)	3,064.9(7)
DPU (S$ cents)	7.440	7.567	7.601
DPU accretion (%)(8)	–	1.7%	2.2%

Note(s):

(1) For the purpose of the Acquisition, the pro forma is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Acquisition and the Redemption of the Existing Perpetual Securities, the pro forma is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

(3) Assuming that the Property was fully occupied for the entire financial year ended 31 March 2017 and all leases were in place since 1 April 2016. All tenants were paying their rents in full. See the overall assumption in paragraph 5.1(i) above. Expenses comprising borrowing costs associated with the drawdown of S$354.5 million from Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Property have been deducted. For the Property only, HK$ amounts have been converted to S$ at an exchange rate of S$1.00 : HK$5.75.

(4) Include the effects of Note (3) above and after incurring additional borrowing costs associated with the additional Loan Facilities of approximately S$22.8 million to partially finance the Redemption of the Existing Perpetual Securities.

(5) The increase in income available for distribution to Unitholders is partly due to a reduction in payments to perpetual securities holders arising from the reduction in quantum of the outstanding perpetual securities as well as the assumption of a lower Initial Distribution Rate for the New Perpetual Securities compared to that of the Existing Perpetual Securities to be redeemed.

(6) The total number of Units in issue at the end of the year includes (a) approximately 425.1 million New Units issued in connection with the Equity Fund Raising to partially finance the Acquisition only and (b) approximately 3.6 million Acquisition Fee Units, both at the illustrative issue price of S$1.15 per Unit as well as (c) approximately 4.2 million new Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the Property Manager as payment for the property management and lease management fees for such services rendered to the Property for the financial quarters from 1 April 2016 to 30 June 2016, 1 July 2016 to 30 September 2016 and 1 October 2016 to 31 December 2016, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter. No new Units are issued during the financial quarter from 1 January 2017 to 31 March 2017 in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the said financial quarter as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the financial year as performance management fees are payable annually in arrears.

(7) The total number of Units in issue at the end of the year includes that in Note (6) above and approximately 131.4 million additional New Units issued at the illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to partially finance the Redemption of the Existing Perpetual Securities.

(8) The forecast DPU accretion of MLT for the Forecast Period (1 January 2018 to 31 March 2018) after (a) the Acquisition; and (b) the Acquisition and the Redemption of the Existing Perpetual Securities are 1.4% and 1.7% respectively. See paragraphs 3.5.1 and 5.2 of the Letter to Unitholders.

5.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and the Redemption of the Existing Perpetual Securities on the NAV per Unit as at 31 March 2017, as if the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities were completed on 31 March 2017, are as follows:

	Effects of the Acquisition and the Redemption of the Existing Perpetual Securities		
	Before the Acquisition	After the Acquisition(1)	After the Acquisition and the Redemption of the Existing Perpetual Securities(2)
NAV represented by Unitholders' funds (S$ million)	2,588.1	3,073.1	3,220.3
Units in issue at the end of the year (million)	2,500.5	2,929.2(3)	3,060.6(4)
NAV per Unit (S$)	1.04	1.05	1.05

Note(s):

(1) For the purpose of the Acquisition, the pro forma is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Acquisition and the Redemption of the Existing Perpetual Securities, the pro forma is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

(3) The total number of Units in issue at 31 March 2017 includes (a) approximately 425.1 million New Units issued in connection with the Equity Fund Raising to partially finance the Acquisition only and (b) approximately 3.6 million Acquisition Fee Units, both at the illustrative issue price of S$1.15 per Unit.

(4) The total number of Units in issue at 31 March 2017 includes that in Note (3) above and approximately 131.4 million additional New Units are issued at the illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to partially finance the Redemption of the Existing Perpetual Securities.

5.1.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma capitalisation of MLT as at 31 March 2017, as if MLT had completed the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities on 31 March 2017, are as follows:

	Before the Acquisition	After the Acquisition(1)	After the Acquisition and the Redemption of the Existing Perpetual Securities(2)
	(S$'000)	**(S$'000)**	**(S$'000)**
Short-term debt:			
Unsecured debt	224,340	224,340	224,340
Total short-term debt	**224,340**	**224,340**	**224,340**
Long-term debt:			
Unsecured debt	1,959,761	2,314,261	2,337,044
Total unsecured debt	**2,184,101**	**2,538,601**	**2,561,384**
Unitholders' funds	2,588,107	3,073,084	3,221,737
Perpetual securities holders	595,737	595,737	427,173
Non-controlling interest	5,833	5,833	5,833
Total Capitalisation	**5,373,778**	**6,213,255**	**6,216,127**

Note(s):

(1) For the purpose of the Acquisition, the pro forma is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Acquisition and the Redemption of the Existing Perpetual Securities, the pro forma is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

5.1.4 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma Aggregate Leverage of MLT as at 30 June 2017, as if MLT had completed the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities on 30 June 2017, are as follows:

	Before the Acquisition	After the Acquisition(1)	After the Acquisition and the Redemption of the Existing Perpetual Securities(2)
Aggregate Leverage (Pro forma as at 30 June 2017)(3)	**37.0%**	**37.7%**	**38.0%**

Note(s):

(1) For the purpose of the Acquisition, the pro forma is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Acquisition and the Redemption of the Existing Perpetual Securities, the pro forma is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

(3) As at 30 June 2017, and adjusted for the divestment of the two properties in Japan, Zama Centre and Shiroishi Centre as completed on 31 July 2017 and the proposed divestment of one property in Singapore, 4 Toh Tuck Link, as announced on 3 August 2017.

5.2 Profit Forecast

The following table sets out the forecast consolidated statement of total return and distribution statement for the Forecast Period for (a) the Existing Portfolio[1]; (b) the Enlarged Portfolio; and (c) the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, which have been prepared in accordance with the accounting policies adopted by MLT for FY16/17. The Profit Forecast has been examined by the Independent Reporting Auditor and must be read with the accompanying assumptions and sensitivity analysis in **Appendix D** of this Circular and the Independent Reporting Auditor's Report on the Profit Forecast in **Appendix C** of this Circular.

1 For the purpose of the Profit Forecast, the Existing Portfolio does not include the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and one property in Singapore, 4 Toh Tuck Link, which proposed divestment was announced on 3 August 2017. Although the Manager announced its proposed divestment on 11 August 2017, 7 Tai Seng Drive continues to be included in the Existing Portfolio for the Forecast Period as the completion date of the proposed divestment is not certain given that it is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

The Profit Forecast has been prepared assuming that:

(i) the Acquisition is financed by the issuance of approximately 425.1 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S$488.9 million and drawdown of approximately S$354.5 million from Loan Facilities at an all-in interest rate of 2.75% per annum;

(ii) the Manager's Acquisition Fee is paid in the form of approximately 3.6 million Acquisition Fee Units at an illustrative issue price of S$1.15 per Acquisition Fee Unit;

(iii) the Redemption of the Existing Perpetual Securities is financed by the issuance of approximately 131.4 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S$151.1 million, drawdown of approximately S$22.8 million from Loan Facilities and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum; and

(iv) the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities were completed on 1 January 2018.

For the Property only, HK$ amounts have been converted to S$ at an exchange rate of S$1.00 : HK$5.75.

The annualised DPU for the Forecast Period may not reflect actual performance over a one-year period.

Forecast Consolidated Statement of Total Return and Distribution Statement

	Forecast Period (1 January 2018 – 31 March 2018)		
(S$'000)	**Existing Portfolio**	**Enlarged Portfolio(1)**	**Enlarged Portfolio and the Redemption of the Existing Perpetual Securities(2)**
Gross revenue	95,203	107,373	107,373
Property operating expenses	(15,987)	(17,471)	(17,471)
Net property income	**79,216**	**89,902**	**89,902**
Finance income	120	120	120
Finance expenses	(13,441)	(15,878)	(16,034)
Manager's management fees	(9,754)	(11,188)	(11,188)
Trustee's fees	(195)	(222)	(222)
Other trust expenses	(1,128)	(1,143)	(1,143)
Net income before tax	**54,818**	**61,591**	**61,435**
Income tax	(4,291)	(5,194)	(5,194)
Total return for the Forecast Period before distribution and after income tax	**50,527**	**56,397**	**56,241**

(S$'000)	Forecast Period (1 January 2018 – 31 March 2018) Existing Portfolio	Enlarged Portfolio[(1)]	Enlarged Portfolio and the Redemption of the Existing Perpetual Securities[(2)]
Adjustment for net effect of non-tax deductible items and other adjustments	4,067	7,036	7,036
Attributable to perpetual securities holders	**(7,215)**	**(7,215)**	**(4,352)**
Attributable to non-controlling interests	**(150)**	**(150)**	**(150)**
Income available for distribution to Unitholders	**47,229**	**56,068**	**58,775**
Number of issued Units ('000)	2,502,886[(3)]	2,931,608[(4)]	3,063,037[(5)]
Distribution per Unit (S$ cents)[(6)]	**1.887**	**1.912**	**1.919**
Annualised distribution per Unit (S$ cents)	**7.548**	**7.648**	**7.676**
Illustrative issue price (S$)	1.15	1.15	1.15
Illustrative annualised distribution yield[(7)]	6.6%	6.7%	6.7%
DPU accretion (%)	–	1.4%	1.7%

Note(s):

(1) For the purpose of the Enlarged Portfolio, the forecast is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

(3) The total number of Units at the end of the period used in computing the DPU comprise approximately 1.0 million new Units to be issued to (a) the Manager as base management fee and (b) the Property Manager as property management and lease management fees for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Duong Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016, for such services rendered in the financial quarters 1 July 2017 to 30 September 2017 and 1 October 2017 to 31 December 2017 at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered in the financial year as performance management fees are payable annually in arrears.

(4) The total number of Units at the end of the period used in computing the DPU includes that in Note (3) above as well as (a) New Units issued in connection with the Equity Fund Raising to raise gross proceeds of S$488.9 million to partially finance the Acquisition only, and (b) approximately 3.6 million Acquisition Fee Units. All new Units are issued at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the Forecast Period as performance management fees are payable annually in arrears.

(5) The total number of Units at the end of the period used in computing the DPU includes that in Note (4) above as well as additional New Units issued at the illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of S$151.1 million to partially finance the Redemption of the Existing Perpetual Securities.

(6) On 11 August 2017, MLT announced the proposed divestment of 7 Tai Seng Drive with expected completion by the fourth quarter of FY17/18, subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation. Solely for illustrative purposes, assuming the divestment is completed on 1 January 2018 with a net divestment gain to be distributed over eight quarters, (i) the resulting DPU of the Existing Portfolio would be 1.985 cents; (ii) the resulting DPU of the Enlarged Portfolio would be 1.996 cents; and (iii) the resulting DPU of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities would be 1.999 cents.

(7) The illustrative annualised distribution yield is computed based on the forecast annualised distribution per Unit for the Forecast Period and divided by the illustrative issue price of S$1.15 per Unit.

5.3 Requirement of Unitholders' Approval

5.3.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by MLT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by MLT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with MLT's NAV;

(ii) the net profits attributable to the assets acquired, compared with MLT's net profits;

(iii) the aggregate value of the consideration given, compared with MLT's market capitalisation;

(iv) the number of Units issued by MLT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving MLT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 5.3.1(i) exceeds the relevant 20.0% threshold.

5.3.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Property using the applicable bases of comparison described in paragraphs 5.3.1(ii) and 5.3.1(iii) above are set out in the table below.

Comparison of	Property	MLT	Relative figure (%)
Net Property Income (S$ million)[(1)]	42.7[(2)]	312.2[(3)]	13.7
Consideration against market capitalisation (S$ million)	834.8[(4)]	2,977.2[(5)]	28.0

Note(s):

(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) Net property income on an amortised basis, assuming that the Property was fully occupied for the entire financial year ended 31 March 2017 and all leases were in place since 1 April 2016, and that all tenants were paying their rents in full as if the Property was held and operated by MLT throughout the period, and HK$ amounts are converted to S$ at an exchange rate of S$1.00 : HK$5.75.

(3) Based on MLT's audited financial statements for the period from 1 April 2016 to 31 March 2017.

(4) This figure represents the Total Consideration which is estimated to be S$834.8 million, subject to post-Completion adjustments to the Adjusted Net Asset Value, converted to S$ at an exchange rate of S$1.00 : HK$5.75.

(5) This figure is based on the closing price of S$1.19 per Unit on the SGX-ST as at 25 August 2017, being the trading day immediately prior to the entry into of the Share Purchase Agreement dated 28 August 2017.

The Manager is of the view that the Acquisition is in the ordinary course of MLT's business as the Property being acquired is within the investment policy of MLT and does not change the risk profile of MLT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual notwithstanding that the relative figure exceeds 20.0%. However, as the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

5.3.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MLT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MLT's latest audited net tangible asset ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the 2016/17 Audited Financial Statements, the NTA of MLT was S$2,588.1 million as at 31 March 2017. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MLT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$129.4 million, such a transaction would be subject to Unitholders' approval. Given the Total Consideration is estimated to be S$834.8 million, subject to post-Completion adjustments to the Adjusted Net Asset Value (which is 32.3% of the NTA of MLT as at 31 March 2017), the value of the Acquisition exceeds the said threshold.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MLT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of MLT's latest audited NAV. Based on the 2016/17 Audited Financial Statements, the NAV of MLT was S$2,588.1 million as at 31 March 2017. Accordingly, if the value of a transaction which is proposed to be entered into by MLT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S$129.4 million, such a transaction would be subject to Unitholders' approval. Given the Total Consideration is estimated to be S$834.8 million, subject to post-Completion adjustments to the Adjusted Net Asset Value (which is 32.3% of the NAV of MLT as at 31 March 2017), the value of the Acquisition exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 987,357,573 Units, which is equivalent to approximately 39.46% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MLT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As MOHL is an indirect wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, MOHL (being a wholly-owned subsidiary of a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In approving the Acquisition, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the Acquisition.

5.4 Advice of the Independent Financial Adviser

The Manager has appointed the IFA to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Acquisition. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix F** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA is of the opinion that the Acquisition is made on normal commercial terms and is not prejudicial to the interests of MLT and its minority Unitholders.

5.5 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 7,501,382 Units. Further details of the interests in Units of the directors of the Manager ("**Directors**") and Substantial Unitholders[1] are set out below.

Lee Chong Kwee is the Non-Executive Chairman and Director. Tan Ngiap Joo is the Independent Non-Executive Director and Chairman of the Audit and Risk Committee. Lim Joo Boon is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Pok Soy Yoong is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Wee Siew Kim is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Penny Goh is the Lead Independent Non-Executive Director and Chairperson of the Nominating and Remuneration Committee. Tarun Kataria is the Independent Non-Executive Director and member of the Nominating and Remuneration Committee. Hiew Yoon Khong is the Non-Executive Director and Member of the Nominating and Remuneration Committee. Chua Tiow Chye is the Non-Executive Director. Wong Mun Hoong is the Non-Executive Director. Ng Kiat is the Executive Director and Chief Executive Officer of the Manager.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

	Direct Interest		Deemed Interest			
Name of Directors	**No. of Units**	**%**	**No. of Units**	**%**	**Total No. of Units held**	**%(1)**
Lee Chong Kwee	54,000	0.002	–	–	54,000	0.002
Tan Ngiap Joo	–	–	–	–	–	–
Lim Joo Boon	–	–	–	–	–	–
Pok Soy Yoong	767,910	0.031	–	–	767,910	0.031
Wee Siew Kim	–	–	–	–	–	–
Penny Goh	–	–	–	–	–	–
Tarun Kataria	–	–	300,000	0.012	300,000	0.012
Hiew Yoon Khong	1,360,800	0.054	3,156,000	0.127	4,516,800	0.181
Chua Tiow Chye	203,584	0.008	1,534,088	0.061	1,737,672	0.069
Wong Mun Hoong	–	–	–	–	–	–
Ng Kiat	125,000	0.005	–	–	125,000	0.005

Note(s):

(1) The percentage is based on 2,501,872,921 Units in issue as at the Latest Practicable Date.

1 "**Substantial Unitholder**" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units	%	No. of Units	%		
Temasek Holdings (Private) Limited ("**Temasek**")(1)	–	–	1,002,348,122	40.06	1,002,348,122	40.06
Fullerton Management Pte Ltd(2)	–	–	987,357,573	39.46	987,357,573	39.46
Mapletree Investments Pte Ltd(3)	–	–	987,357,573	39.46	987,357,573	39.46
Mulberry Pte. Ltd. ("**Mulberry**")	351,443,702	14.05	–	–	351,443,702	14.05
Meranti Investments Pte. Ltd. ("**Meranti**")	318,457,440	12.73	–	–	318,457,440	12.73
Mapletree Logistics Properties Pte. Ltd. ("**MLP**")	154,910,070	6.19	–	–	154,910,070	6.19
Mangrove Pte. Ltd. ("**Mangrove**")	154,908,180	6.19	–	–	154,908,180	6.19

Note(s):

(1) Temasek is deemed to be interested in the 154,910,070 Units held by MLP, 154,908,180 Units held by Mangrove, 318,457,440 Units held by Meranti, 351,443,702 Units held by Mulberry, 7,228,025 Units held by the Manager and 410,156 Units held by MPM. MLP, Mangrove, Meranti and Mulberry are wholly-owned subsidiaries of MIPL. The Manager and MPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton Management Pte Ltd which is in turn a wholly-owned subsidiary of Temasek. In addition, Temasek is deemed to be interested in the 14,990,549 Units in which its associated companies have direct or deemed interests.

(2) Fullerton Management Pte Ltd is deemed to be interested in the 154,910,070 Units held by MLP, 154,908,180 Units held by Mangrove, 318,457,440 Units held by Meranti, 351,443,702 Units held by Mulberry, 7,228,025 Units held by the Manager and 410,156 Units held by MPM.

(3) MIPL is an indirect holding company of MOHL and a direct holding company of MDPL. MOHL is the seller of the Sale Shares pursuant to the Acquisition and MDPL holds 100.0% of the Existing RPS.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisition.

5.6 Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

6. THE PROPOSED WHITEWASH RESOLUTION

6.1 Rule 14 of the Code

The Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of:

(i) the issuance of Private Placement Units such that MIPL's percentage unitholding in MLT would decrease, as MIPL will not be participating in the Private Placement;

(ii) the subscription by the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage;

(iii) the receipt by the Manager in its personal capacity of 3,629,489 Acquisition Fee Units[1];

(iv) the receipt by the Manager in its personal capacity of approximately 365,046 2Q Management Fee Units[2]; and

(v) the receipt by the Property Manager in its personal capacity of approximately 141,610 2Q Property Management Fee Units[3].

In addition to the taking up by the Relevant Entities of their, pro rata entitlement to the Preferential Offering, MIPL will, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, apply for, or procure the application of, such number of Sponsor Excess Units such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage. The exact percentage increase in MIPL's percentage unitholding in MLT will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to the rules of the Listing Manual, the Relevant Entities, among others, will rank last in the allocation of excess Preferential Offering Unit applications. In the event that the Relevant Entities are allocated in full their application for the Sponsor Excess Units, MIPL's percentage unitholding in MLT will increase to its Pre-Placement Percentage. MIPL's percentage unitholding in MLT after the Preferential Offering will therefore vary based on zero allocation and full allocation of the Sponsor Excess Units applied, respectively.

It should be noted that in the event that the Equity Fund Raising is structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding in MLT will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that the Relevant Entities are allocated in full its application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding in MLT will increase after completion of the Preferential Offering to its Pre-Placement Percentage. Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding in MLT immediately after the Equity Fund Raising will actually be equal to or lower than its Pre-Placement Percentage.

Upon the occurrence of the events set out in sub-paragraphs 6.1(i) to (v) above, the Concert Party Group may possibly end up acquiring additional Units which exceed the threshold pursuant to Rule 14.1(b) of the Code.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MLT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MLT.

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1 This is based on an illustrative issue price of S$1.15 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$1.15 per 2Q Management Fee Unit.

3 This is based on an illustrative issue price of S$1.15 per 2Q Property Management Fee Unit.

Unless waived by the SIC, pursuant to Rule 14.1(b) of the Code, the Concert Party Group would then be required to make a Mandatory Offer. The SIC has granted this waiver on 10 August 2017 subject to, *inter alia*, Resolution 2 (the Whitewash Resolution) being approved by Independent Unitholders at the EGM.

To the best of the knowledge of the Manager and MIPL, the Concert Party Group holds, in aggregate, 998,204,997 Units representing 39.90% of the voting rights of MLT as at the Latest Practicable Date.

For illustrative purposes, the maximum possible increase in the unitholdings of the Concert Party Group would occur in the scenario where (i) 556,521,740 New Units are issued pursuant to the Equity Fund Raising; (ii) 3,629,489 Acquisition Fee Units are issued to the Manager in its personal capacity as payment for the Acquisition Fee; (iii) 365,046 new Units are issued to the Manager in its personal capacity as payment for the 2Q Management Fee; (iv) 141,610 new Units are issued to the Property Manager in its personal capacity as payment for the 2Q Property Management Fee.

Based on an illustrative issue price of (i) S$1.15 per Private Placement Unit; (ii) S$1.15 per Preferential Offering Unit; (iii) S$1.15 per Acquisition Fee Unit; (iv) S$1.15 per 2Q Management Fee Unit; and (v) S$1.15 per 2Q Property Management Fee Unit, the aggregated unitholding of the Concert Party Group immediately after the issue of all the above-mentioned new Units will be 39.94%[1] of the issued Units.

The following table sets out the respective unitholdings of the Concert Party Group if the Manager receives approximately 3,629,489 Acquisition Fee Units (based on an illustrative issue price of S$1.15 per Acquisition Fee Unit), 365,046 2Q Management Fee Units (based on an illustrative issue price of S$1.15 per 2Q Management Fee Unit) and 141,610 2Q Property Management Fee Units (based on an illustrative issue price of S$1.15 per 2Q Property Management Fee Unit).

	Before the Acquisition	**Immediately after the Acquisition, the Equity Fund Raising and the issuance of the Acquisition Fee Units, the 2Q Management Fee Units and the 2Q Property Management Fee Units**
Issued Units	2,501,872,921	3,062,530,806
Number of Units held by the Concert Party Group	998,204,997	1,223,055,726
Number of Units held by Unitholders, other than the Concert Party Group	1,503,667,924	1,839,475,080
% of issued Units held by the Concert Party Group	39.90%	39.94%(1)
% of issued Units held by Unitholders, other than the Concert Party Group	60.10%	60.06%

Note(s):

(1) The percentage is arrived at assuming that the Relevant Entities are allocated in full their application for the Sponsor Excess Units and assuming that all parties acting in concert with MIPL take up their provisional entitlement of the Preferential Offering Units.

1 The percentage is arrived at assuming that the Relevant Entities are allocated in full their application for the Sponsor Excess Units and assuming that all parties acting in concert with MIPL take up their provisional entitlement of the Preferential Offering Units.

6.2 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 25 July 2017 for the waiver of the obligation of the Concert Party Group to make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of:

(a) the subscription by the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage[1];

(b) the receipt by the Manager in its personal capacity of the Acquisition Fee Units;

(c) the receipt by the Manager in its personal capacity of the 2Q Management Fee Units; and

(d) the receipt by the Property Manager in its personal capacity of the 2Q Property Management Fee Units.

The SIC granted the SIC Waiver on 10 August 2017, subject to, *inter alia*, the satisfaction of the following conditions:

(i) a majority of Unitholders approve at a general meeting, before the issue of the Preferential Offering Units, the Acquisition Fee Units, the 2Q Management Fee Units or the 2Q Property Management Fee Units, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Concert Party Group;

(ii) the Whitewash Resolution is separate from other resolutions;

(iii) the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;

(iv) the Concert Party Group did not acquire or are not to acquire any Units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in this Circular):

    (1) during the period between the first announcement of the Acquisition and the date Unitholders' approval is obtained for the Whitewash Resolution; and

    (2) in the six months prior to the announcement of the Acquisition, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Acquisition;

(v) MLT appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;

1 See the table in paragraph 6.1 to the Letter to Unitholders and the assumptions stated therein.

(vi) MLT sets out clearly in this Circular:

(1) details of the issuance of the Preferential Offering Units, the Acquisition Fee Units, the 2Q Management Fee Units and the 2Q Property Management Fee Units;

(2) the dilution effect to existing Unitholders of issuing the Preferential Offering Units, the Acquisition Fee Units, the 2Q Management Fee Units and the 2Q Property Management Fee Units;

(3) the number and percentage of Units as well as the number of instruments convertible into, rights to subscribe for and options in respect of Units (if applicable) held by the Concert Party Group as at the Latest Practicable Date;

(4) the number and percentage of Units to be acquired by the Concert Party Group as a result of their acquisition of the Preferential Offering Units, the Acquisition Fee Units, the 2Q Management Fee Units and the 2Q Property Management Fee Units; and

(5) specific and prominent reference to the fact that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for Units in the past six months preceding the announcement of the Equity Fund Raising;

(vii) this Circular states that the waiver granted by SIC to the Concert Party Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions set out in sub-paragraphs 6.2(i) to (vi) above;

(viii) MLT obtains SIC's approval in advance for the paragraphs of this Circular that refer to the Whitewash Resolution; and

(ix) to rely on the Whitewash Resolution, the acquisition of the Preferential Offering Units, the Acquisition Fee Units, the 2Q Management Fee Units and the 2Q Property Management Fee Units by the Concert Party Group must be completed within three months of the date of approval of the Whitewash Resolution.

Independent Unitholders should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for Units in the six months preceding the announcement of the Equity Fund Raising.

6.3 Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable the subscription by the Relevant Entities of the Sponsor Excess Units such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage, the receipt by the Manager (in its own capacity) of the Acquisition Fee Units, the receipt by the Manager (in its own capacity) of the 2Q Management Fee Units, and the receipt of the Property Manager (in its own capacity) of the 2Q Property Management Fee Units.

6.4 Advice of the Independent Financial Adviser

The Manager has appointed the IFA to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the proposed Whitewash Resolution. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix F** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications and the grounds set out in the IFA Letter, the IFA has advised that the proposed Whitewash Resolution is fair and reasonable.

7. RECOMMENDATIONS

7.1 On the Proposed Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix F** of this Circular) and the rationale for and key benefits of the Acquisition as set out in paragraph 3 above, the Independent Directors and the Audit and Risk Committee believe that the Acquisition is based on normal commercial terms and would not be prejudicial to the interests of MLT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Acquisition.

7.2 On the Whitewash Resolution

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix F** of this Circular) and the rationale for the Whitewash Resolution as set out in paragraph 6.3 above, the Independent Directors and the Audit and Risk Committee believe that the Whitewash Resolution is fair and reasonable.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Whitewash Resolution.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 13 September 2017 (Wednesday) at 3:30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages G-1 to G-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of an Ordinary Resolution is required in respect of each of Resolution 1 relating to the Acquisition and Resolution 2 relating to the Whitewash Resolution.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

9. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, MIPL, through MLP, Mangrove, Mulberry, Meranti, Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd., has a deemed interest in 987,357,573 Units, which comprises approximately 39.46% of the total number of Units in issue.

Temasek, through its interests in Fullerton Management Pte Ltd and MIPL, has a deemed interest in 1,002,348,122 Units, which comprises approximately 40.06% of the total number of Units in issue.

(i) Resolution 1: the proposed acquisition of the Property, through the acquisition of Mapletree Titanium (Ordinary Resolution)

Given that the Property will be acquired from a wholly-owned subsidiary of MIPL, MIPL and its associates will abstain from voting on Resolution 1.

(ii) Resolution 2: the proposed Whitewash Resolution (Ordinary Resolution)

Pursuant to the SIC Waiver granted in relation to Resolution 2 (the proposed Whitewash Resolution), MIPL, parties acting in concert with it (which includes MIPL's subsidiaries) and parties not independent of them are required to abstain from voting on Resolution 2.

10. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach MLT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3:30 p.m. on 10 September 2017, being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of a resolution must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution. If a Unitholder (being an Independent Unitholder) wishes to appoint Mr Lee Chong Kwee, Mr Hiew Yoon Khong, Mr Chua Tiow Chye, Mr Wong Mun Hoong and/or Ms Ng Kiat as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolutions.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Whitewash Resolution, MLT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. The Directors are satisfied that the forecast consolidated statement of total return and distribution statement set out in paragraph 5.2 of the Letter to Unitholders and the Profit Forecast in Appendix D of this Circular have been stated after due and careful enquiry. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. JOINT GLOBAL CO-ORDINATORS AND BOOKRUNNERS' RESPONSIBILITY STATEMENT

To the best of the Joint Global Co-ordinators and Bookrunners' knowledge and belief, the information about the Equity Fund Raising contained in the "Overview" section and paragraphs 4.1 and 4.2 of the Letter to Unitholders in this Circular constitutes full and true disclosure of all material facts about the Equity Fund Raising, and the Joint Global Co-ordinators and Bookrunners are not aware of any facts the omission of which would make any statement about the Equity Fund Raising contained in the said paragraphs misleading.

13. CONSENTS

Each of the IFA (being KPMG Corporate Finance Pte Ltd), the Independent Reporting Auditor (being PricewaterhouseCoopers LLP), the Independent Market Consultant (being Savills (Hong Kong) Limited), and the Independent Valuers (being CBRE and Colliers) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Independent Reporting Auditor's Report on the Profit Forecast, the Independent Market Research Report, the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[1] at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the Share Purchase Agreement dated 28 August 2017;

(ii) the IFA Letter;

(iii) the independent valuation report on the Property issued by CBRE;

(iv) the independent valuation report on the Property issued by Colliers;

(v) the Independent Reporting Auditor's report on the Profit Forecast;

1 Prior appointment with the Manager (telephone: +65 6377 6111) will be appreciated.

(vi) the independent market research report issued by the Independent Market Consultant;

(vii) the 2016/17 Audited Financial Statements; and

(viii) the written consents of each of the IFA, the Independent Reporting Auditor, the Independent Market Consultant, and the Independent Valuers.

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

Yours faithfully

Mapletree Logistics Trust Management Ltd.
(Company Registration No. 200500947N)
As Manager of Mapletree Logistics Trust

Lee Chong Kwee
Non-Executive Chairman and Director

IMPORTANT NOTICE

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 may only deal in their Units through trading on the 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.

This Circular 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction. Any proposed issue of New Units described in this Circular will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MLT in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

"%"	:	Per centum or percentage
"1Q 2017/18"	:	The period from 1 April 2017 to 30 June 2017
"2016/17 Audited Financial Statements"	:	The audited financial statements of MLT for the financial year ended 31 March 2017
"2Q 2017/18"	:	The period from 1 July 2017 to 30 September 2017
"2Q Management Fee"	:	Management fees for 2Q 2017/18
"2Q Management Fee Units"	:	The Units payable to the Manager for the 2Q Management Fee
"2Q Property Management Fee"	:	Property management fees and lease management fees for 2Q 2017/18
"2Q Property Management Fee Units"	:	The Units payable to the Property Manager as payment for the 2Q Property Management Fee
"3PL"	:	Third-party logistics providers
"Acquisition"	:	The proposed acquisition of the Property through the acquisition of the Sale Shares
"Acquisition Fee"	:	The acquisition fee for the Acquisition which the Manager will be entitled to receive from MLT upon Completion
"Acquisition Fee Units"	:	The Units payable to the Manager for the Acquisition Fee
"Adjusted Net Asset Value"	:	The adjusted consolidated net asset value of Mapletree Titanium
"Aggregate Leverage"	:	The ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property
"Agreed Property Value"	:	The agreed property value of the Property of HK$4.8 billion (S$834.8 million)
"ARE"	:	The application for rights entitlement acceptance form for Preferential Offering Units provisionally allotted to entitled Unitholders under the Preferential Offering and applicable form for excess Preferential Offering Units
"Audit and Risk Committee"	:	The audit and risk committee of the Manager

“B&R”	:	Belt and Road
“CAGR”	:	Compound annual growth rate
“CBRE”	:	CBRE Limited
“CDP”	:	The Central Depository (Pte) Limited
“CEPA”	:	The Closer Economic Partnership Arrangement
“Circular”	:	This circular to Unitholders dated 28 August 2017
“Citi”	:	Citigroup Global Markets Singapore Pte. Ltd.
“Code”	:	The Singapore Code of Take-overs and Mergers
“Colliers”	:	Colliers International (Hong Kong) Limited
“Completion”	:	The completion of the Acquisition
“Completion Date”	:	The date of Completion
“Concert Party Group”	:	MIPL and parties acting in concert with it
“DBS”	:	DBS Bank Ltd.
“Deposited Property”	:	The gross assets of MLT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed
“Directors”	:	The directors of the Manager
“DPU”	:	Distribution per Unit
“EGM”	:	The extraordinary general meeting of Unitholders to be held on 13 September 2017 (Wednesday) at 3:30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438, to approve the matters set out in the Notice of Extraordinary General Meeting on pages G-1 to G-3 of this Circular
“Enlarged Portfolio”	:	The enlarged portfolio of properties held by MLT, consisting of (i) the Existing Portfolio and (ii) the Property
“Equity Fund Raising”	:	A proposed equity fund raising to raise capital via the issue of New Units, subject to, among others, prevailing market conditions and mutual agreement between the Manager and the Joint Global Co-ordinators and Bookrunners to the terms of such equity fund raising

"Existing Perpetual Securities"	:	The S$350.0 million 5.375% perpetual securities issued on 19 March 2012 and callable on 19 September 2017[1]
"Existing Portfolio"	:	The 127 properties held by MLT as at 30 June 2017, unless otherwise stated
"Existing RPS"	:	The existing redeemable preference shares in the issued share capital of Mapletree Titanium
"GFA"	:	Gross floor area
"Gross Revenue"	:	The gross revenue of the Property
"Group"	:	Mapletree Titanium and its wholly-owned subsidiary, MTYL
"HK$"	:	Hong Kong Dollars
"HKDTC"	:	Hong Kong Trade Development Council
"HKIA"	:	Hong Kong International Airport
"Hong Kong SAR"	:	The Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Government"	:	The government of Hong Kong SAR
"HSBC"	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
"IFA"	:	KPMG Corporate Finance Pte Ltd
"IFA Letter"	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice as set out in **Appendix F** of this Circular
"Independent Directors"	:	The independent directors of the Manager
"Independent Reporting Auditor"	:	PricewaterhouseCoopers LLP
"Independent Valuers"	:	CBRE and Colliers
"Independent Unitholders"	:	Unitholders other than the Concert Party Group and parties which are not independent of them
"Initial Distribution Rate"	:	The initial distribution rate for the New Perpetual Securities
"Issuer"	:	The Trustee, as the issuer of the Existing Perpetual Securities

1 On 18 August 2017, the Issuer gave irrevocable notice to the holders of the Existing Perpetual Securities that it has elected to, and will, redeem all of the outstanding Existing Perpetual Securities on 19 September 2017.

"**Joint Global Co-ordinators and Bookrunners**"	:	The joint global co-ordinators and bookrunners in relation to the Equity Fund Raising, being Citi, DBS, and HSBC
"**km**"	:	Kilometres
"**kN**"	:	KiloNewtons
"**Latest Practicable Date**"	:	14 August 2017, being the latest practicable date prior to the printing of this Circular
"**LEED**"	:	Leadership in Energy and Environmental Design
"**Listing Manual**"	:	The Listing Manual of the SGX-ST
"**Loan Facilities**"	:	The loan facilities taken up to part finance the Total Acquisition Cost and the Redemption of the Existing Perpetual Securities
"**Manager**"	:	Mapletree Logistics Trust Management Ltd., in its capacity as manager of MLT
"**Mandatory Offer**"	:	The mandatory offer for the remaining Units not owned or controlled by the Concert Party Group
"**Mangrove**"	:	Mangrove Pte. Ltd.
"**Mapletree Titanium**"	:	Mapletree Titanium Ltd.
"**MAS**"	:	Monetary Authority of Singapore
"**MDPL**"	:	Mapletree Dextra Pte. Ltd.
"**Meranti**"	:	Meranti Investments Pte. Ltd.
"**MIPL**" or "**Sponsor**"	:	Mapletree Investments Pte Ltd
"**MIPL Preferential Offering Units**"	:	New Units to be subscribed by the Relevant Entities under the Preferential Offering following the Private Placement
"**MLP**"	:	Mapletree Logistics Properties Pte. Ltd.
"**MLT**"	:	Mapletree Logistics Trust
"**MOHL**"	:	Mapletree Overseas Holdings Ltd.
"**MPM**" or "**Property Manager**"	:	Mapletree Property Management Pte. Ltd.
"**MTYL**"	:	Mapletree TY (HKSAR) Limited

"Mulberry"	:	Mulberry Pte. Ltd.
"NAV"	:	Net asset value
"Net Property Income"	:	Has the meaning ascribed to it in the Trust Deed
"New Perpetual Securities"	:	New perpetual securities which are proposed to be issued by MLT
"New RPS"	:	The new redeemable preference shares in Mapletree Titanium to be subscribed by the Trustee
"New Units"	:	The new Units to be issued under the Equity Fund Raising
"NLA"	:	Net lettable area
"Nominating and Remuneration Committee"	:	The nominating and remuneration committee of the Manager
"NTA"	:	Net tangible asset value
"Ordinary Resolution"	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
"Pre-Placement Percentage"	:	MIPL's unitholding percentage of 39.46% immediately prior to the Private Placement
"Preferential Offering"	:	The preferential offering of the Preferential Offering Units to Unitholders
"Preferential Offering Units"	:	The New Units to be issued to Unitholders pursuant to the Preferential Offering
"Private Placement"	:	The private placement of the Private Placement Units
"Private Placement Units"	:	The New Units to be issued pursuant to the Private Placement
"Property"	:	Mapletree Logistics Hub Tsing Yi, located at 30 Tsing Yi Road, New Territories, Hong Kong SAR
"Property Funds Appendix"	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS

"**Property Management Agreement**"	:	The Master Property Management Agreement (as amended and restated) dated 24 June 2005 and entered into between the Trustee, the Manager and the Property Manager, as well as the Overseas Properties Property Management Agreement (as amended and restated) dated 18 January 2006 and entered into between the Trustee, the Manager and the Property Manager
"**Proxy Form**"	:	The instrument appointing a proxy or proxies as set out in this Circular
"**psfpm**"	:	Per square foot per month
"**Q2 2017**"	:	The second calendar quarter of 2017, being 1 April 2017 to 30 June 2017
"**Redemption of the Existing Perpetual Securities**"	:	The redemption of the Existing Perpetual Securities
"**REIT**"	:	Real estate investment trust
"**Relevant Entities**"	:	MIPL and its subsidiaries
"**S$**" and "**S$ cents**" or "**cents**"	:	Singapore dollars and cents
"**Savills**" or "**Independent Market Consultant**"	:	Savills (Hong Kong) Limited
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Sale Shares**"	:	100.0% of the ordinary shares in the issued share capital of Mapletree Titanium
"**Securities Act**"	:	U.S. Securities Act of 1933, as amended
"**Share Purchase Agreement**"	:	The conditional share purchase agreement for the acquisition of the Sale Shares, entered into between the Trustee and MOHL dated 28 August 2017
"**SIC**"	:	The Securities Industry Council
"**SIC Waiver**"	:	The waiver granted by the SIC on 10 August 2017
"**Sponsor Excess Units**"	:	Excess Units under the Preferential Offering that the Sponsor has undertaken to, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, apply for, or procure the application of
"**sq ft**"	:	Square feet

"sqm"	:	Square metre
"Substantial Unitholder"	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
"Temasek"	:	Temasek Holdings (Private) Limited
"TEUs"	:	Twenty-foot equivalent units
"Total Acquisition Cost"	:	The total cost of the Acquisition as set out in paragraph 2.5 of the Letter to Unitholders
"Total Consideration"	:	The total purchase consideration payable by the Trustee in connection with the Acquisition. As at the date of this Circular, the Total Consideration is estimated to be S$834.8 million, subject to post-Completion adjustments to the Adjusted Net Asset Value
"Trust Deed"	:	The trust deed dated 5 July 2004 constituting MLT, as amended, restated and/or supplemented by a supplemental deed of appointment and retirement of manager dated 14 June 2005, a supplemental deed of appointment and retirement of trustee dated 24 June 2005, a first amending and restating deed dated 24 June 2005, a third supplemental deed dated 21 December 2005, a fourth supplemental deed dated 20 April 2006, a fifth supplemental deed dated 20 October 2006, a sixth supplemental deed dated 30 November 2006, a second amending and restating deed dated 18 April 2007 and a seventh supplemental deed dated 24 June 2010, a third amending and restating deed dated 6 January 2011, an eighth supplemental deed dated 18 May 2012 and the fourth amending and restating deed dated 26 April 2016, as amended, varied, or supplemented from time to time
"Trustee"	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT
"Undertaking"	:	The irrevocable undertaking dated 28 August 2017 given by MIPL to the Manager and the Joint Global Co-ordinators and Bookrunners as disclosed in paragraph 4.3 of the Letter to Unitholders
"Underwriting Agreement"	:	The underwriting agreement anticipated to be entered into between the Manager and the Joint Global Co-ordinators and Bookrunners, subject to, among others, prevailing market conditions and mutual agreement to the terms of the Equity Fund Raising, such as the issue price(s) of the New Units
"Unit"	:	A unit representing an undivided interest in MLT

"**Unitholder**"	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
"**Whitewash Resolution**"	:	The whitewash resolution to be approved by the Independent Unitholders, by way of a poll, to waive their rights to receive a general offer for their Units from the Concert Party Group

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

For illustrative purposes, certain Hong Kong dollar amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate on 14 August 2017 of S$1.00 = HK$5.75. Such translations should not be construed as representations that the Hong Kong dollar amounts referred to could have been, or could be, converted into Hong Kong dollars, as the case may be, at that or any other rate or at all.

DETAILS OF THE PROPERTY, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. THE PROPERTY

1.1 Description of the Property

Located at 30 Tsing Yi Road, New Territories, Hong Kong SAR, the Property is an 11-storey ramp-up modern warehouse which allows direct vehicular ramp access to every floor. The Property is well-connected to the city centre, the HKIA, the Kwai Chung – Tsing Yi container terminals and the Mainland China boundary via major expressways.

The Property has a remaining leasehold period of approximately 46 years[1].

The Property has high quality building specifications which cater to modern logistics tenant needs, such as a column-to-column spacing of 12 metres by 11 metres, a large, regular shaped floor plate ranging from 36,000 sq ft to 147,000 sq ft, which allows for an efficient internal set-up, a clear height of 5.5 metres for three-pallet storage, and a floor loading of 17.5kN. The Property is designed for a high level of throughput on a 24/7 basis.

The Property is also accredited with the LEED Gold Award. LEED is the most widely used green building rating system in the world. LEED-certified buildings are resource efficient, use less water and energy and reduce greenhouse gas emissions.

The Property is wholly-held directly by MTYL, which is in turn a direct wholly-owned subsidiary of Mapletree Titanium. Currently, the Sale Shares in the issued share capital of Mapletree Titanium are owned by MOHL, while the Existing RPS in the issued share capital of Mapletree Titanium are owned by MDPL. MOHL is a wholly-owned subsidiary of MDPL, which is in turn a wholly-owned subsidiary of MIPL.

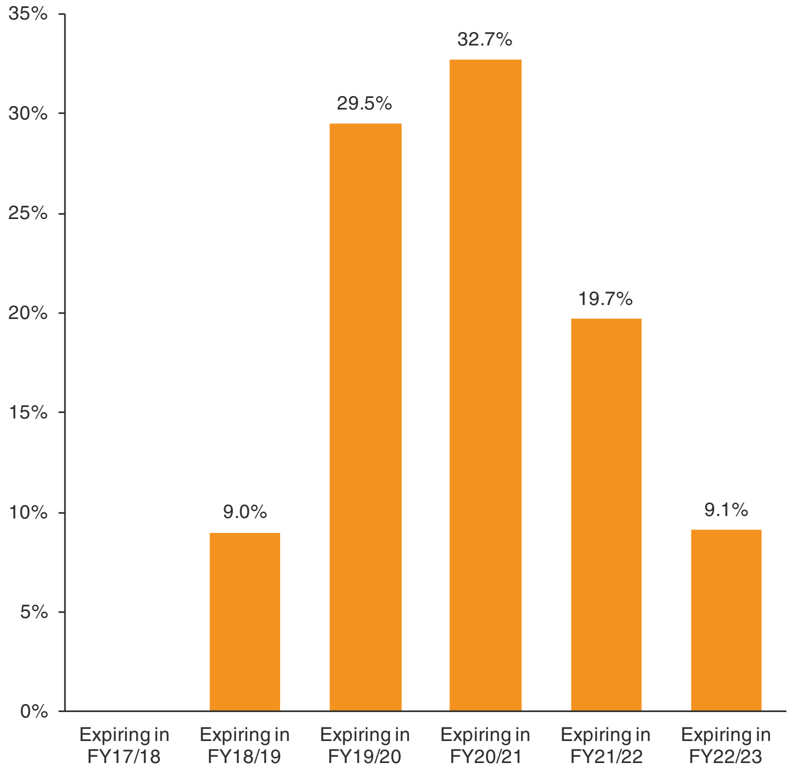
1 The land system in Hong Kong SAR is on a leasehold basis. The land lease of the Property will expire on 1 July 2063 (i.e. 50 years from the commencement of the government lease). According to the website of the Hong Kong Lands Department, non-renewable leases (i.e. those leases containing no right of renewal), may, upon expiry, be extended for a term of 50 years without payment of an additional premium but subject to payment of an annual rent from the date of extension at 3% of the rateable value as for new leases. The extension of such leases are wholly at the discretion of the Hong Kong Government, and the terms of such extension may be subject to the prevailing law at that point in time and the requirements of any other relevant authorities.

The table below sets out a summary of selected information on the Property as at 30 June 2017 (unless otherwise indicated).

Address	30 Tsing Yi Road, New Territories, Hong Kong SAR
Title	50-years leasehold expiring 1 July 2063 (46 years remaining)
Land Area	21,000 sqm
GFA[1]	84,951 sqm
NLA	148,065 sqm
Number of Storeys	11
Car Park Lots	300
Committed Occupancy[2] **(as at 30 June 2017)**	100%
Number of Tenants	12
Valuation by CBRE as at 1 August 2017	HK$4,920,000,000
Valuation by Colliers as at 1 August 2017	HK$4,950,000,000

1.2 Lease Profile for the Property (as at 30 June 2017)

The chart below illustrates the committed lease profile of the Property by NLA. As at 30 June 2017, the WALE by NLA for the Property is 3.0 years.

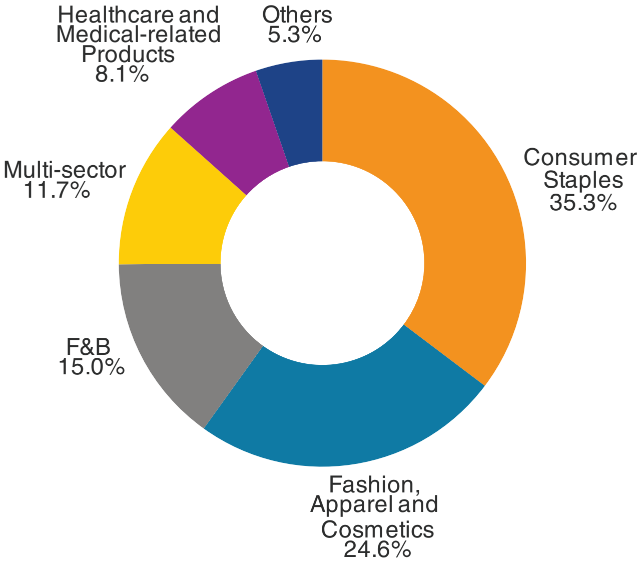


1 In Hong Kong SAR, GFA is computed as excluding certain common areas such as driveways and car parks. However, the common area is included in the computation of NLA. Hence, the NLA is higher than GFA.

2 As at 30 June 2017, committed leases have been secured for 100% of the Property. With effect from 1 October 2017, the Property will be 100% occupied. The Enlarged Portfolio takes into account the full impact of rental income from the fully leased Property.

1.3 Trade Sector Analysis for the Property (as at 30 June 2017)

The chart below provides a breakdown by committed Gross Revenue of the different trade sectors represented in the Property.



1.4 Top Ten Tenants of the Property

The table below shows the top ten tenants of the Property by committed Gross Revenue as at 30 June 2017.

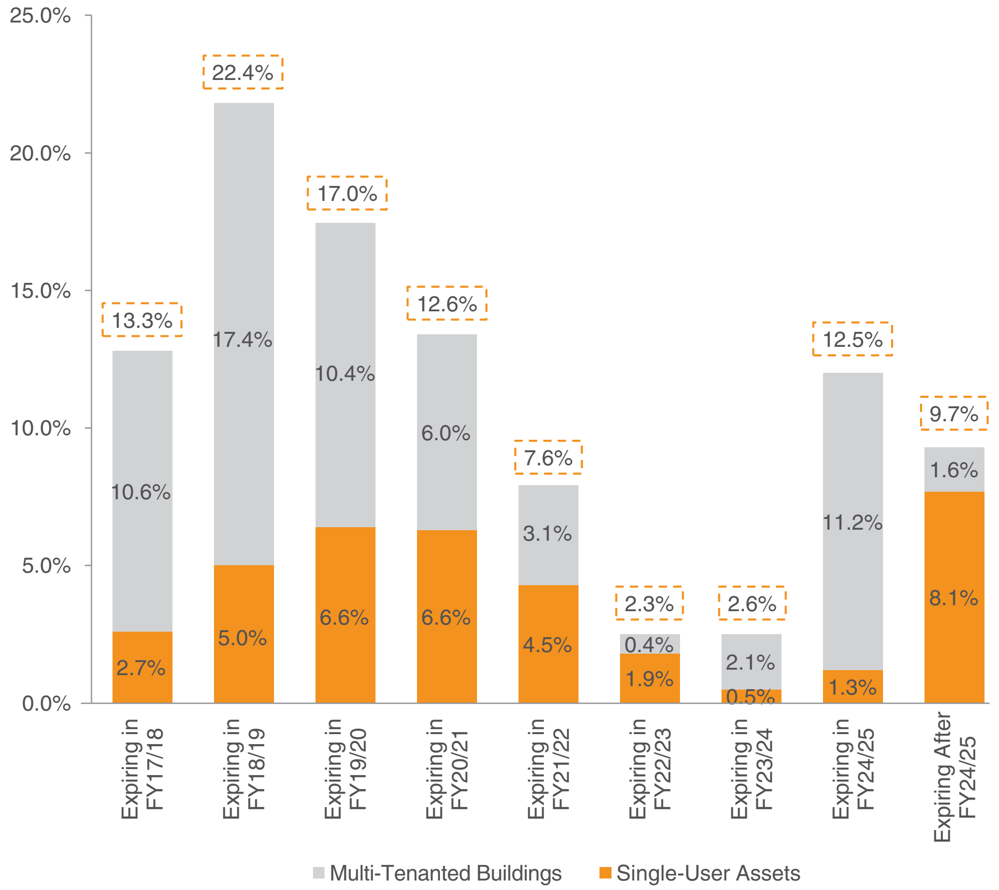
Top Ten Tenants	% of committed Gross Revenue	Trade Sector
Ever Gain	24.1%	Consumer Staples
adidas	18.0%	Fashion, Apparel & Cosmetics
Angliss	15.0%	F&B
HKTV	9.1%	Consumer Staples
Aramex	9.0%	Multi-sector
DKSH	8.1%	Healthcare & Medical-related Products
Crown	3.6%	Fashion, Apparel & Cosmetics
Swatch	3.1%	Fashion, Apparel & Cosmetics
Helu-Trans	2.8%	Others
Direct Link	2.7%	Multi-sector
Top Ten Total	**95.5%**	

2. EXISTING PORTFOLIO

As at 25 August 2017, MLT's portfolio comprised 125[1] properties located in Singapore, Hong Kong SAR, Japan, Australia, South Korea, China, Malaysia and Vietnam. The graphs and charts set out in this paragraph 2 of **Appendix A** are based on MLT's portfolio as at 30 June 2017, which comprised 127 properties.

2.1 Lease Profile for the Existing Portfolio (as at 30 June 2017)

The chart below illustrates the committed lease profile of the Existing Portfolio by NLA. As at 30 June 2017, the WALE by NLA for the Existing Portfolio is approximately 3.9[2] years.

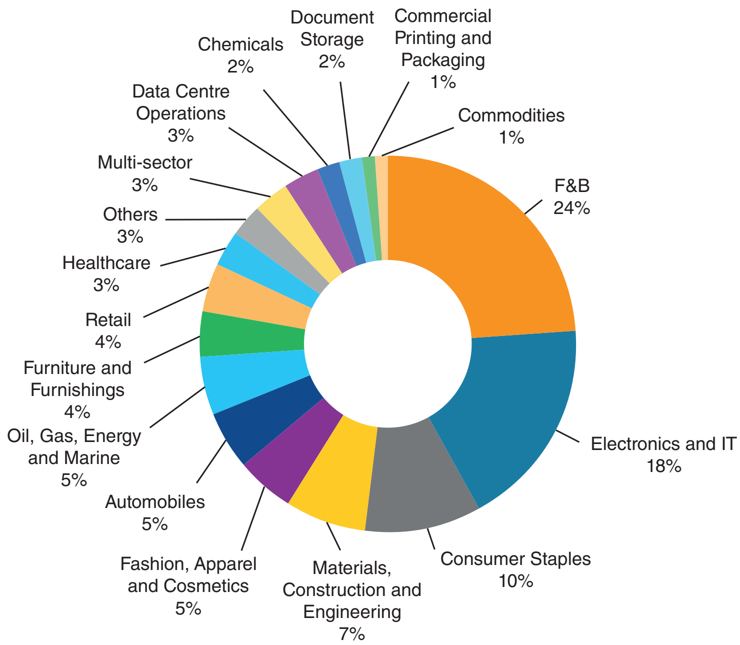


1 MLT had on 31 July 2017 completed the divestment of two properties in Japan, being Zama Centre and Shiroishi Centre. Following the divestment, MLT's portfolio currently stands at 125 properties, amounting to assets under management of S$5.4 billion. On 3 August 2017, MLT announced that it has entered into an option agreement for the proposed divestment of a property in Singapore, being 4 Toh Tuck Link. Following the proposed divestment of 4 Toh Tuck Link, which is expected to complete by September 2017, MLT's portfolio will stand at 124 properties, amounting to assets under management of S$5.3 billion. On 11 August 2017, MLT announced that it has granted an option to purchase to MIPL for the proposed divestment of 7 Tai Seng Drive in Singapore, which is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

2 WALE by Gross Revenue is 3.7 years.

2.2 Trade Sector Analysis for the Existing Portfolio[1] (as at 30 June 2017)

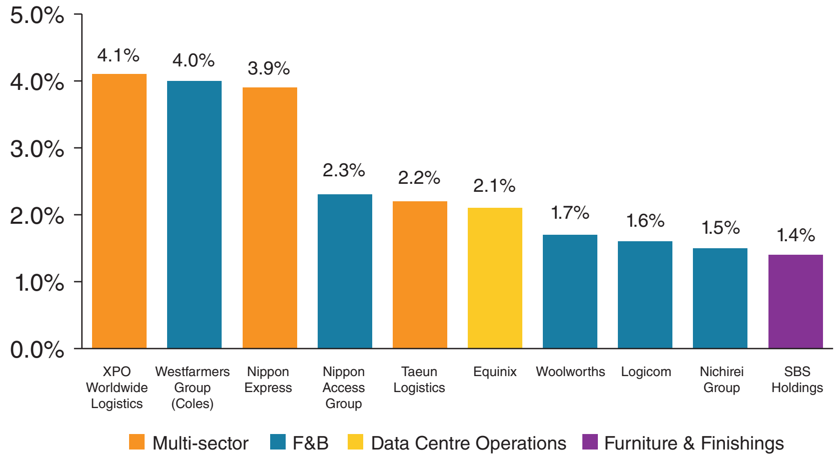
The chart below provides a breakdown by committed Gross Revenue of the different trade sectors represented in the Existing Portfolio.



2.3 Top 10 Tenants of the Existing Portfolio (as at 30 June 2017)

The chart below sets out the top 10 tenants (by Gross Revenue) of the Existing Portfolio (as at 30 June 2017).

Percentage of Gross Revenue by Tenant



1 The trade sector breakdown reflects the nature of the underlying goods that are handled by the respective tenants at the properties within the Existing Portfolio.

3. ENLARGED PORTFOLIO[1]

The table below sets out selected information on the Enlarged Portfolio as at 30 June 2017 (unless otherwise indicated).

	Existing Portfolio	Property	Enlarged Portfolio
GFA (sq ft)	39,350,199	914,418	40,264,617
NLA (sq ft)	38,506,591	1,593,761	40,100,352
Number of Tenants	537	12	549
Valuation (S$ million)	5,518	839.5(1)	6,358
Occupancy Rate (%)	95.5%(2)	100%(3)	95.7%

Note(s):

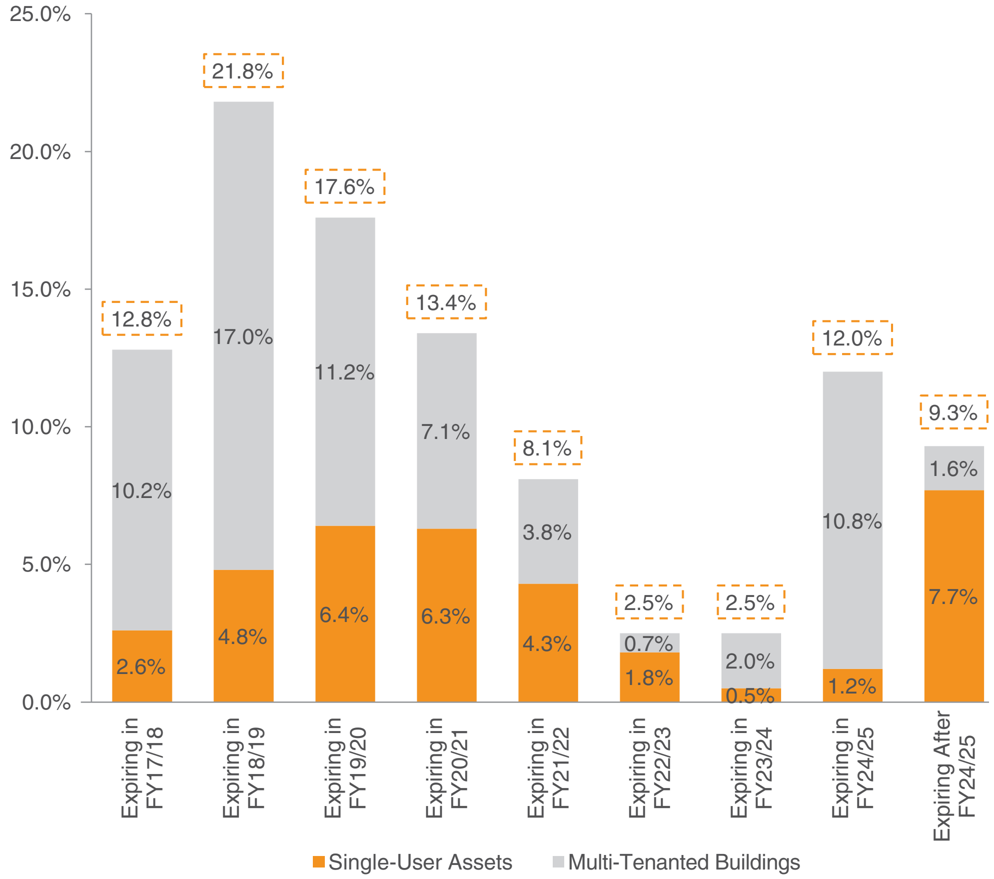
(1) Based on Total Consideration of HK$4.8 billion and any capitalised costs.

(2) Based on the actual occupancy.

(3) Based on the committed occupancy.

3.1 Lease Profile for the Enlarged Portfolio (as at 30 June 2017)

The chart below illustrates the committed lease profile of the Enlarged Portfolio by NLA. The WALE by NLA for the Enlarged Portfolio is approximately 3.9[2] years.

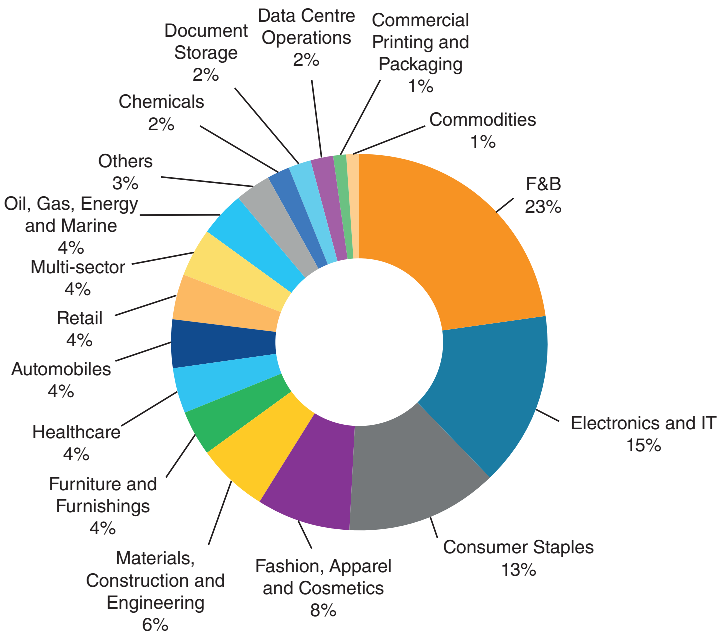


1 As at 30 June 2017, committed leases have been secured for 100% of the Property. With effect from 1 October 2017, the Property will be 100% occupied. The Enlarged Portfolio takes into account the full impact of rental income from the fully leased Property.

2 WALE by Gross Revenue is 3.6 years.

3.2 Trade Sector Analysis for the Enlarged Portfolio[1] (as at 30 June 2017)

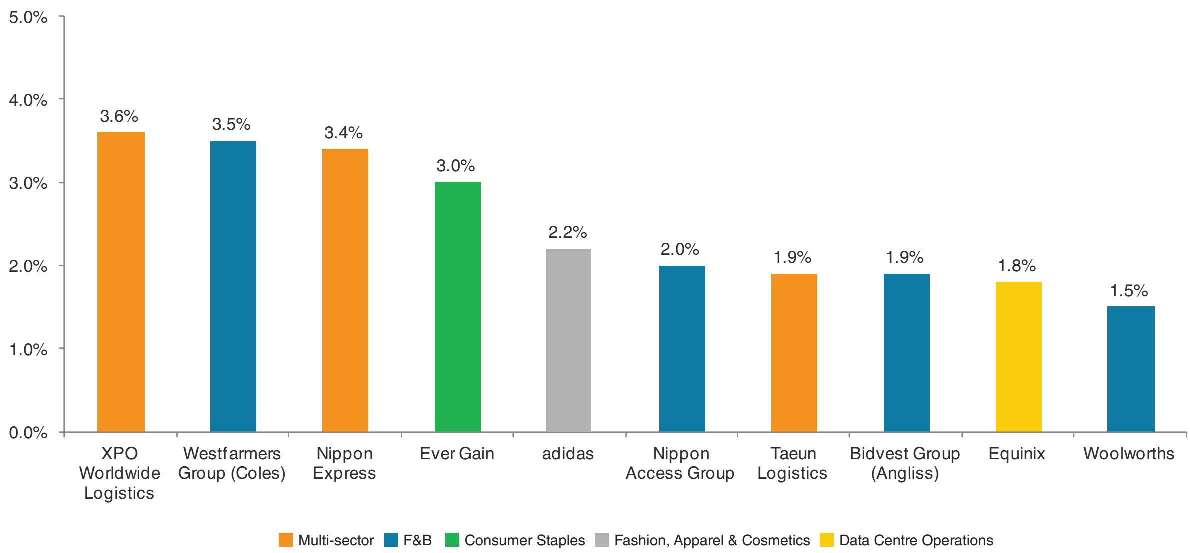
The chart below provides a breakdown by committed Gross Revenue of the different trade sectors represented in the Enlarged Portfolio.



3.3 Top 10 Tenants of the Enlarged Portfolio (as at 30 June 2017)

The chart below sets out the top 10 tenants (by Gross Revenue) of the Enlarged Portfolio (as at 30 June 2017).

Percentage of Gross Revenue by Tenant



1 The trade sector breakdown reflects the nature of the underlying goods that are handled by the respective tenants at the properties within the Enlarged Portfolio.

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VALUATION CERTIFICATES

Valuation Certificate

Property:	No.30 Tsing Yi Road, Tsing Yi, New Territories ("the Property")
Instructing Party:	HSBC Institutional Trust Services (Singapore) Limited (as trustee of Mapletree Logistics Trust) ("the Instructing Party").
Reliant Party:	HSBC Institutional Trust Services (Singapore) Limited (as trustee of Mapletree Logistics Trust) ("the Reliant Party")
Purpose:	Acquisition
Lot No.:	Tsing Yi Town Lot No.185
Share of the Lot:	The Property comprises the whole subject lot.
Interest to be valued:	Leasehold Interests
Land Lease Term:	The lot is held under New Grant No. 21589 for a term of 50 years commencing from 2 July 2013.
Annual Government Rent:	3% of rateable value for the time being of the lot.
Basis of Valuation:	Market Value subject to existing tenancies and occupational arrangement.
Registered Owner:	Mapletree TY (HKSAR) Limited
Brief Description:	The Property is located in the south-eastern part of Tsing Yi Island in the New Territories. The subject area has gradually developed into a hub for logistics centres. Examples of new logistics facilities in the neighbourhood include Goodman Interlink, Asia Logistics Hub – SF Centre and the upcoming logistics centre at Tsing Yi Town Lot No.181. The Property is a new logistics centre comprising 11 storeys of ramp accessible warehouses on Ground Floor to 10th Floor. There is also an ancillary office on Ground Floor and a car park on Roof. Motor car parking spaces and car parking spaces for goods vehicle are provided on each warehouse floor. In addition to the above, there are 7 queuing spaces, 1 bus lay-by and 3 lay-by space on Ground Floor, and 32 motor car parking spaces, 15 motor cycle parking spaces, 12 ordinary queuing spaces, 20 queuing spaces for heavy goods vehicles, 1 turnaround space and 2 car parking spaces for disabled persons on Roof. In addition to the vehicular ramp, each floor is served with 6 lifts.
Gross Floor Area under Lease:	914,418 square feet (about 84,951.5 square metres) or thereabouts according to the Approved Building Plans.
Lettable Area:	1,593,761 square feet (about 148,065.0 square metres) or thereabouts according to the tenancy schedule provided by the Instructing Party (excluding area of ancillary office on Ground Floor).
Building Completion:	2016 (as per Occupation Permit)
Zoning:	Other Specified Uses (Container Related Uses)
Occupancy Status:	According to the tenancy schedule provided by the Instructing Party, the Property is fully let as at the Date of Valuation. 84.0% of the total floor space is currently occupied, whilst the remaining 16.0% has been pre-leased and will be occupied in the coming few months. Based on the provided tenancy information, the unit face rents for the different floors of the Property as at the Date of Valuation are about HK$12.8 to HK$18.0 per square foot per month on Lettable Area basis. There is also a monthly income from the car park on the Roof. The warehouse portion is leased to various tenants with lease terms ranging from 2 to 5 years. Some tenants are provided with an option to renew for 2 to 5 years. The latest expiry date of the tenancies for the warehouse portion is 31 July 2022.

Valuation Approach:	Income Capitalisation Analysis and Discounted Cash Flow Analysis	
Date of Valuation:	1 August 2017	
Date of Inspection:	24 July 2017	
Major Assumptions adopted:	**Income Capitalisation Analysis**	
	Capitalisation Rate	4.60%
	Market Rent	HK$13.8 to 14.5/sqft/month on Lettable Area basis assuming a tenancy of 3 years with 4-month rent-free period
	Discounted Cash Flow Analysis	
	Terminal Capitalisation Rate	4.85%
	Market Rent Growth	From 0.00% to 4.01% in the coming 10 years
	Discount Rate	7.00%
	Market Rent	The same as that adopted in Income Capitalisation Analysis

Valuation:

Valuation Method	Weighting	HKD
Income Capitalisation Analysis	50%	5,085,000,000
Discounted Cash Flow Analysis	50%	4,764,000,000
Reconciled Value		**4,920,000,000**

ASSESSED VALUE (HK$): **HK$4,920,000,000 (FOUR BILLION NINE HUNDRED AND TWENTY MILLION HONG KONG DOLLARS) SUBJECT TO EXISTING TENANCIES AND OCCUPATIONAL ARRANGEMENT**

Assumptions, Disclaimers, Limitations & Qualifications: *This valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Consent has been given for this valuation to be included in the Unitholders' Circular issued by Mapletree Logistics Trust and this valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.*

Prepared By: **CBRE Limited**

Tsz-choi Wong
MHKIS MRICS RPS(GP)
Senior Director - Valuation & Advisory Services

Mr. Tsz-choi Wong is a Member of the Hong Kong Institute of Surveyors (HKIS), Member of the Royal Institution of Chartered Surveyors (RICS) as well as a Registered Professional Surveyor (General Practice Division), with over 17 years' experience in real estate valuation in Hong Kong.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 - Values vary from time to time in response to changing market circumstances. The valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Our Investigations:	Premise 2 - We are not engaged to carry out all possible investigations in relation to the Property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Premise 3 - Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied By Others:	Premise 4 - The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.
Future Matters:	Premise 5 - To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Map and Plans:	Premise 6 – All maps and plans quoted in this report are solely for illustration purposes only. While they are extracted from public sources or provided by the instructing party, they may be not to scale. CBRE does not warrant that such dimensions shown are accurate.
Site Details:	Premise 7 - We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the Property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Property Title:	Premise 8 - We have conducted title searches from the Land Registry. We have not perused the original grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this title search which may affect market value.
Environmental Conditions:	Premise 9 - We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the Property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Town Planning:	Premise 10 - It is assumed that information provided to us by the Planning Department accurately reflects the current planning scheme.
Inclusions & Exclusions:	Premise 11 - Our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the Property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant/operator) or are used in connection with the enterprise carried on within the Property.
Floor Areas:	Premise 12 - Unless stated otherwise in the valuation, we have assumed that the floor areas have been calculated in accordance with the HKIS' Code of Measuring Practice or as specifically instructed by the party who we have agreed to provide this valuation. We recommend that the person or entity relying upon this report should obtain a survey to determine whether the areas provided differ from the guidelines. In the event that the survey reveals a variance in areas, then the relevant person or entity should not rely upon the valuation and should provide all relevant survey details to CBRE for consideration and possible review of the valuation.
Condition & Repair:	Premise 13 - We have inspected the building(s), however we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that the building is free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous and/or contaminated material. Unless otherwise stated in the valuation report, our valuation is based upon the assumption that the building(s) do not have any defects requiring any significant expenditure. Also unless otherwise stated in the valuation report, the valuation assumes that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations. If the person or entity relying on the report becomes aware of any information contrary to these assumptions, then they must not rely upon the valuation and that information should be referred to CBRE for consideration and possible review of the valuation, and no reliance should be placed on this valuation until such time as that review has been completed and provided to the person or entity to whom responsibility is accepted for this advice.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Methodology:	Premise 14 - Where CBRE is valuing income dependent property, the primary valuation methodologies generally used are the Income Capitalisation Analysis and/or Discounted Cash Flow Analysis with a check by the Direct Comparison Approach. These approaches are based upon an estimation of future results. Each methodology begins with a set of assumptions as to the projected income and expenses of the Property and future economic conditions in its local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions and lease terms. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. These primary valuation methodologies use market derived assumptions, including rents, yields and discount rates, obtained from analysed transactions. Where reliance has been placed upon external sources of information in applying the valuation methodologies, unless otherwise specifically instructed by you and/or stated in the valuation, CBRE has not independently verified that information and CBRE does not adopt that information and/or advice nor accept it as reliable. The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation.
Not a Structural Survey:	Premise 15 - We state that this is a valuation report, and not a Structural Survey.
Stamp Duty:	Premise 16 - Since 20 November 2010, the HKSAR Government has introduced various measures to curb speculation on property market. Please note that we are not in a position to comment on the actual liability of stamp duty, which shall be agreed between the vendor and purchaser and can be varied case by case.
Director's Clause:	Premise 17 - The reviewer of report verifies that the report is genuine and endorsed by CBRE however the opinion of value expressed has been arrived at by the valuer(s).

LAST UPDATED V1209

Colliers International (Hong Kong) Ltd
Valuation & Advisory Services
Company Licence No: C-006052

Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong

The Board of Directors
Mapletree Logistics Trust Management Ltd.
10 Pasir Panjang Road, #13-01
Singapore 117438

HSBC Institutional Trust Services (Singapore) Limited
(In its capacity as Trustee of Mapletree Logistics Trust) ("the Trustee")
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

2 August 2017

Dear Sirs,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the Mapletree Logistics Centre, No. 30 Tsing Yi Road, Tsing Yi, New Territories (the "Property") in Hong Kong to be acquired by Mapletree Logistics Trust (the "REIT") and its subsidiaries (hereinafter together referred to as the "Group"). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you and the Trustee with our opinion of value of the Property as at 1 August 2017 (the "Valuation Date").

VALUATION STANDARDS

The valuation has been prepared in accordance with the requirements set out in the RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors effective from 1 July 2017; and the International Valuation Standards 2017 published by the International Valuation Standards Council effective from 1 July 2017.

VALUATION BASIS

Our valuation is made on the basis of Market Value, which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect its value.

No allowances have been made in our valuation for any charges, mortgages or amounts owing neither on the Property nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

As the Property is held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land tenure.

We have assumed that the areas shown on the documents and/or official plans handed to us by the Group are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

VALUATION METHODOLOGY

We have adopted the Discounted Cashflow ("DCF") Analysis and Income Capitalisation Analysis for our valuation of the Property.

DCF analysis is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. During the DCF technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

Income Capitalisation Analysis estimates the value of properties or assets on a market basis by capitalising rental income on a fully leased basis. This method is used when a property or asset is leased out for a specific term. This technique considers both the current passing rental income from existing tenancies and the potential future reversionary income at market level, by capitalizing both at appropriate rates.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property are free of rot, infestation or any other structural defects. No tests were carried out on any of the services, including power supply, water supply, drainage and sewage.

INFORMATION SOURCES

We have relied to a considerable extent on the information and documents provided by the Group, in particular but not limited to, the identification of the Property, the particulars of occupancy, tenancies, areas and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

TITLE INVESTIGATION

We have made enquiries and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollar ("HKD").

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Ltd.

Vincent Cheung
BSc(Hons) MBA FRICS MHKIS RPS(GP) MISCM MHKSI
Deputy Managing Director
Valuation & Advisory Services - Asia

Note:

Vincent Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with about 20 years' experiences in real estate industry and assets valuations sector. His experiences on valuations cover Greater China and other regions. Mr. Cheung is a fellow member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of Institute of Shopping Centre Management and a member of Hong Kong Securities and Investment Institute. Vincent is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

VALUATION CERTIFICATE

Property to be Acquired by the Group in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 1 August 2017
Mapletree Logistics Hub Tsing Yi, No. 30 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong	The Property comprises an 11-storey ramp-up logistics centre. As per the Occupation Permit No. NT7/2016, it was completed in 2016. As per the approved building plans, the gross floor area of the Property is approximately 914,418 square feet. According to the rent roll provided by the Client, the gross lettable area ("GLA") is approximately 1,593,761 square feet. The subject site is held under New Grant No. 21589 for a term of 50 years commencing from 2 July 2013.	According to the information provided by the Group, the Property is currently fully leased.	HKD 4,950,000,000 (Hong Kong Dollar Four Billion Nine Hundred and Fifty Million)

***Notes*:**

1. The Property was inspected by Kit Cheung *MHKIS MRICS RPS(GP)* on 26 July 2017.

2. The valuation was prepared by Kit Cheung *MHKIS MRICS RPS(GP)* and Vincent Cheung *MHKIS FRICS RPS(GP) MISCM MHKSI*.

3. The details of the current land search records of the Property dated 17 July 2017 are summarized below:

Item	Details
Registered Owner:	Mapletree TY (HKSAR) Limited
Government Rent:	3% of Rateable Value per annum from time to time

4. The Property is situated on Tsing Yi Town Lot No. 185 with a site area of approximately 226,044 square feet, which are held under New Grant No. 21589 for a term of 50 years commencing from 2 July 2013. The salient conditions are summarized as below:

Item	Details
Use:	Logistics and freight forwarding purpose
Gross Floor Area	Shall not be less than 51,000 square metres and shall not exceed 85,000 square metres
Height	No part of any building or other structure erected or to be erected on the lot exceed a height of 95 metres above the Hong Kong Principal Datum

5. The Property falls within an area zoned as "Other Specified Uses (Container Related Uses)" under the Approved Tsing Yi District Outline Zoning Plan No. S/TY/28 approved on 17 February 2017.

6. In the course of our valuation, we have adopted the following key parameters:

DCF Analysis	**Details**
Market Rent:	Ground Floor Warehouse – HKD 17.9 per square feet per month Upper Floor Warehouse – HKD 13.8 per square feet per month
Terminal Yield:	4.6%
Stabilised Growth Rate:	4.0%
Discount Rate:	8.1%
Income Capitalisation Analysis	**Details**
Market Rent:	Ground Floor Warehouse – HKD 17.9 per square feet per month Upper Floor Warehouse – HKD 13.8 per square feet per month
Market Yield:	5.1% (on gross rental basis)

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INDEPENDENT REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST

Mapletree Logistics Trust Management Ltd.
(as Manager of Mapletree Logistics Trust)
10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438
Attention: The Board of Directors

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Mapletree Logistics Trust)
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

28 August 2017

Dear Sirs

Letter from the Independent Reporting Auditor on the Profit Forecast for the period from 1 January 2018 to 31 March 2018 of Mapletree Logistics Trust and its subsidiaries

This letter has been prepared for inclusion in the Circular to Unitholders dated 28 August 2017 (the "Circular") of Mapletree Logistics Trust in connection with the proposed acquisition of Mapletree Logistics Hub Tsing Yi, Hong Kong SAR (the "Acquisition").

The directors of Mapletree Logistics Trust Management Ltd. (the "Directors"), as Manager of Mapletree Logistics Trust, are responsible for the preparation and presentation of the forecast Consolidated Statement of Total Return of Mapletree Logistics Trust and its subsidiaries for the period from 1 January 2018 to 31 March 2018 (the "Profit Forecast"), as set out on pages D-2 to D-3 of the Circular, which have been prepared on the basis of the assumptions as set out on pages D-4 to D-9 of the Circular.

We have examined the Profit Forecast as set out on pages D-2 to D-3 of the Circular in accordance with Singapore Standard on Assurance Engagements 3400 "Examination of Prospective Financial Information" applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast including the assumptions set out on pages D-4 to D-9 of the Circular on which they are based.

In our opinion, the Profit Forecast is properly prepared on the basis of the assumptions, is consistent with the accounting policies normally adopted by Mapletree Logistics Trust and its subsidiaries and is presented in accordance with Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (but not all required disclosures) issued by the Institute of Singapore Chartered Accountants ("ISCA"), which is the accounting framework adopted by Mapletree Logistics Trust in the preparation of the consolidated financial statements of the Mapletree Logistics Trust and its subsidiaries. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions set out on pages D-4 to D-9 of the Circular, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

The Manager has stated in the assumptions set out on pages D-4 to D-9 of the Circular that in preparing the Profit Forecast, there will be no fair value gains/losses on the investment properties for the Forecast Period. We draw attention to the accounting policies of Mapletree Logistics Trust and its subsidiaries which states that any changes in fair values of the investment properties would be recognised in the Consolidated Statement of Total Return. Hence, any changes in fair values of the investment properties would have the effect of increasing or reducing the Consolidated Statement of Total Return for the period ending 31 March 2018 by the amount of such surplus or deficit.

Attention is drawn, in particular, to the sensitivity analysis of the Profit Forecast as set out on pages D-10 to D-13 of the Circular.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Choo Eng Beng

PROFIT FORECAST

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person nor that these results will be achieved or are likely to be achieved.

The following table sets out the forecast consolidated statement of total return and distribution statement for the Forecast Period for the (a) Existing Portfolio[1]; (b) the Enlarged Portfolio; and (c) the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, which have been prepared in accordance with the accounting policies adopted by MLT for FY16/17. The Profit Forecast has been examined by the Independent Reporting Auditor and must be read with the accompanying assumptions and sensitivity analysis in this Appendix as well as the Independent Reporting Auditor's Report on the Profit Forecast in **Appendix C**.

The Profit Forecast has been prepared assuming that:

(i) the Acquisition is financed by the issuance of approximately 425.1 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S$488.9 million and drawdown of approximately S$354.5 million from Loan Facilities at an all-in interest rate of 2.75% per annum;

(ii) the Manager's Acquisition Fee is paid in the form of approximately 3.6 million Acquisition Fee Units at an illustrative issue price of S$1.15 per Acquisition Fee Unit;

(iii) the Redemption of the Existing Perpetual Securities is financed by the issuance of approximately 131.4 million New Units at an illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of approximately S$151.1 million, drawdown of approximately S$22.8 million from Loan Facilities and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum; and

(iv) the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units, drawdown of Loan Facilities, issuance of New Perpetual Securities and the Redemption of the Existing Perpetual Securities were completed on 1 January 2018.

For the purpose of the Profit Forecast, the following exchange rates were used:

(i) S$1.00 : AUD0.93;

(ii) S$1.00 : HK$5.75;

(iii) S$1.00 : JPY80.51;

1 For the purpose of the Profit Forecast, the Existing Portfolio does not include the two properties in Japan, Zama Centre and Shiroishi Centre which were divested on 31 July 2017 and one property in Singapore, 4 Toh Tuck Link, which proposed divestment was announced on 3 August 2017. Although the Manager announced its proposed divestment on 11 August 2017, 7 Tai Seng Drive continues to be included in the Existing Portfolio for the Forecast Period as the completion date of the proposed divestment is not certain given that it is subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation.

(iv) S$1.00 : KRW837.59;

(v) S$1:00 : MYR3.15;

(vi) S$1.00 : RMB4.89; and

(vii) S$1.00 : VND 16,696.

Forecast Consolidated Statement of Total Return and Distribution Statement

(S$'000)	Forecast Period (1 January 2018 – 31 March 2018)		
	Existing Portfolio	Enlarged Portfolio(1)	Enlarged Portfolio and the Redemption of the Existing Perpetual Securities(2)
Gross revenue	95,203	107,373	107,373
Property operating expenses	(15,987)	(17,471)	(17,471)
Net property income	**79,216**	**89,902**	**89,902**
Finance income	120	120	120
Finance expenses	(13,441)	(15,878)	(16,034)
Manager's management fees	(9,754)	(11,188)	(11,188)
Trustee's fees	(195)	(222)	(222)
Other trust expenses	(1,128)	(1,143)	(1,143)
Net income before tax	**54,818**	**61,591**	**61,435**
Income tax	(4,291)	(5,194)	(5,194)
Total return for the Forecast Period before distribution and after income tax	**50,527**	**56,397**	**56,241**
Adjustment for net effect of non-tax deductible items and other adjustments	4,067	7,036	7,036
Attributable to perpetual securities holders	**(7,215)**	**(7,215)**	**(4,352)**
Attributable to non-controlling interests	**(150)**	**(150)**	**(150)**
Income available for distribution to Unitholders	**47,229**	**56,068**	**58,775**
Number of issued Units ('000)	2,502,886(3)	2,931,608(4)	3,063,037(5)
Distribution per Unit (S$ cents)(6)	**1.887**	**1.912**	**1.919**
Annualised distribution per Unit (S$ cents)	**7.548**	**7.648**	**7.676**
Illustrative issue price (S$)	1.15	1.15	1.15
Illustrative annualised distribution yield(7)	6.6%	6.7%	6.7%
DPU accretion (%)	–	1.4%	1.7%

Note(s):

(1) For the purpose of the Enlarged Portfolio, the forecast is prepared assuming the drawdown of approximately S$354.5 million from Loan Facilities, gross proceeds of approximately S$488.9 million raised from the Equity Fund Raising and approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units.

(2) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared assuming the drawdown of approximately S$377.3 million from Loan Facilities, gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising, approximately S$4.2 million Acquisition Fee paid in Acquisition Fee Units and gross proceeds of S$180.0 million raised from the issuance of New Perpetual Securities with an Initial Distribution Rate of 4.0% per annum.

(3) The total number of Units at the end of the period used in computing the DPU comprise approximately 1.0 million new Units to be issued to (a) the Manager as base management fee and (b) the Property Manager as property management and lease management fees for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Duong Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016, for such services rendered in the financial quarters 1 July 2017 to 30 September 2017 and 1 October 2017 to 31 December 2017 at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered in the financial year as performance management fees are payable annually in arrears.

(4) The total number of Units at the end of the period used in computing the DPU includes that in Note (3) above as well as (a) New Units issued in connection with the Equity Fund Raising to raise gross proceeds of S$488.9 million to partially finance the Acquisition only, and (b) approximately 3.6 million Acquisition Fee Units. All new Units are issued at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the Forecast Period as performance management fees are payable annually in arrears.

(5) The total number of Units at the end of the period used in computing the DPU includes that in Note (4) above as well as additional New Units issued at the illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of S$151.1 million to partially finance the Redemption of the Existing Perpetual Securities.

(6) On 11 August 2017, MLT announced the proposed divestment of 7 Tai Seng Drive with expected completion by the fourth quarter of FY17/18, subject to the exercise of the option to purchase by MIPL and approval from JTC Corporation. Solely for illustrative purposes, assuming the divestment is completed on 1 January 2018 with a net divestment gain to be distributed over eight quarters, (i) the resulting DPU of the Existing Portfolio would be 1.985 cents; (ii) the resulting DPU of the Enlarged Portfolio would be 1.996 cents; and (iii) the resulting DPU of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities would be 1.999 cents.

(7) The illustrative annualised distribution yield is computed based on the forecast annualised distribution per Unit for the Forecast Period and divided by the illustrative issue price of S$1.15.

SECTION A: ASSUMPTIONS

The major assumptions made in preparing the Profit Forecast are set out below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular. However, investors should consider these assumptions as well as the projections and make their own assessment of the future performance of MLT, the Acquisition and the Redemption of the Existing Perpetual Securities.

1. GROSS REVENUE

Gross Revenue consists of:

- Gross rental income; and
- Other income earned from the properties, including car park revenue.

A summary of the assumptions which have been used in calculating the Gross Revenue is set out below:

Gross Rental Income

Gross rental income consists of:

- A fixed rent component which includes base rent and service charges (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable) ("**Base Rent**"); and
- Other operating income ("**Other Operating Income**") which includes car park revenue and solar revenue.

(i) Base Rent

Base rent is based on the contractual rent payable under current lease agreements and the Manager's expectations of any changes on renewals or expiry of existing leases. Factors taken into account in projecting expected rental income include the estimated effect of supply and demand of similar properties, strength of competing properties as compared to the properties, assumed tenant retention rates on lease expiry, likely market conditions and inflation levels.

(ii) Other Operating Income

Other Operating Income comprises car park charges, solar revenue and other income attributable to the operation of Enlarged Portfolio. The assessment of other operating income is based on existing agreements, historical income collections and the Manager's assessment of the business and conditions of the Enlarged Portfolio.

(iii) Lease Renewals and Vacancy Allowance

For leases under the Existing Portfolio expiring during the Forecast Period, where the actual vacancy periods are already known pursuant to commitments or preliminary indication by the tenants as at 30 June 2017, the actual or expected preliminary indications of vacancy periods have been used in the forecast.

For the Existing Portfolio, no vacancy period is forecasted for leases expected to be renewed and vacancy periods of one to two months are forecasted for leases with new tenants.

For the Property, there are no leases due for renewal during the Forecast Period.

(iv) Occupancy

By Country	Projected Occupancy for the Forecast Period
Singapore	93.9%
Japan	100%
Hong Kong SAR	99.5%
South Korea	97%
China	96.8%
Australia	100%
Malaysia	100%
Vietnam	96%
Existing Portfolio Average	**96.6%**
Property	100%
Enlarged Portfolio Average	**96.7%**

2. PROPERTY OPERATING EXPENSES

Property operating expenses consist of (i) Property Manager's fees, (ii) property tax and (iii) other property operating expenses (including operations and property maintenance, utilities, staff cost, and marketing and promotion expenses). A summary of the assumptions which have been used in calculating the property operating expenses is set out below.

For the Forecast Period, the estimated property operating expenses, expressed as a percentage of Gross Revenue for the Existing Portfolio and the Property are set out in the table below.

	Estimated property operating expenses, expressed as a percentage of Gross Revenue for the Forecast Period
Existing Portfolio	16.8%
Property	12.2%
Enlarged Portfolio	**16.3%**

Property Management Fees

Pursuant to the Property Management Agreement, the Property Manager is entitled to the following fees:

(i) a fee of up to 2.0% per annum of the Gross Revenue of each property for property management services provided by the Property Manager; and

(ii) a fee of up to 1.0% per annum of the Gross Revenue of each property for lease management services provided by the Property Manager.

If one or more local manager(s) is/are appointed, the fees payable to such local manager(s) shall be paid out of the fees payable to the Property Manager.

The property management fees as a percentage of Gross Revenue for the Forecast Period are listed in the table below:

	Property management fees as a percentage of Gross Revenue for the Forecast Period
Existing Portfolio	2.8%
Property	3.3%[(1)]
Enlarged Portfolio	**2.8%**

Note(s):

(1) The property management fees are computed based on Gross Revenue on a non-amortised basis.

Property Tax

The Manager has assumed that the property tax rate for the Enlarged Portfolio for the Forecast Period will remain at the prevailing rates of each individual country in which the Enlarged Portfolio operates in.

Other Property Operating Expenses

Other property operating expenses comprise operations and property maintenance expenses, land rental, utilities, marketing expenses, statutory and professional fees, as well as other miscellaneous expenses in relation to the properties.

For each property in the Enlarged Portfolio, an individual assessment has been made of expenses for the Forecast Period on the basis of actual historical operating costs and terms of existing service contracts effective during the Forecast Period and assumed terms of service contracts re-contracted including expense provisions for cyclical maintenance and ad hoc works.

3. CAPITAL EXPENDITURE

The Manager has made allowances for the forecast capital expenditures on the Enlarged Portfolio based on the Manager's budget for capital expenditure of up to S$8 million. It has been assumed that such capital expenditure will be funded by available working capital and/or bank borrowings. Such capital expenditures incurred are capitalised as part of the Deposited Property and has no impact on the consolidated statement of total return and distributions of MLT other than in respect of interest incurred on the borrowings, the management fee that the Manager is entitled to and the Trustee's fees.

4. FINANCE INCOME AND EXPENSES

Finance Income

It has been assumed that the amount of interest income earned on MLT's cash will be at a rate of 0.5% per annum, calculated annually for the Forecast Period.

Finance Expenses

Finance expenses consist of interest expense and amortisation of debt issuance costs. Including amortisation of the upfront fees for the credit facilities, the Manager has assumed an all-in interest rate of 2.75% per annum for the borrowings that will be drawn down to partly fund the acquisition of the Property. The Manager has assumed a blended interest rate of 2.5% per annum for the borrowings relating to the Existing Portfolio for the Forecast Period.

5. MANAGER & TRUSTEE FEES

Manager's Management Fees

The Manager's management fees comprise a base fee of 0.5% per annum of the value of MLT's Deposited Property (as defined herein) and a performance fee of 3.6% per annum of MLT's Net Property Income.

For the purpose of the Profit Forecast, the Manager's base and performance management fees and the Property Manager's property management and lease management fees, respectively, will be paid in cash except for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Doung Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016 and the Property are assumed to be paid in the form of Units. The Manager's base management fee and the Property Manager's property management and lease management fees payable in cash is paid monthly in arrears and those payable in Units are paid quarterly in arrears. The Manager's performance management fee is payable annually in arrears. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the illustrative issue price of S$1.15 per Unit.

Trustee's Fees

Under the Trust Deed, the maximum fee which the Trustee may charge is 0.1% per annum of the Value of the Deposited Property, subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable (subject to the foregoing) will be determined between the Manager and the Trustee from time to time.

6. OTHER TRUST EXPENSES

Other trust expenses of MLT comprise recurring expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser's fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs and other miscellaneous expenses. An assessment has been made of other trust expenses for the Enlarged Portfolio for the Forecast Period on the basis of actual historical other trust expenses.

7. INCOME TAX & WITHHOLDING TAX

Income tax

It has been assumed that income tax will remain at the same tax rates prevailing in each of the jurisdiction for the Forecast Period.

Withholding tax

It has been assumed that the withholding tax on interest income and distribution/dividend income derived in respect of the underlying Properties will remain at the same rates prevailing in each of the jurisdiction (and taking into account relevant reduced rates pursuant to applicable tax treaties) for the Forecast Period.

8. AMOUNT ATTRIBUTABLE TO PERPETUAL SECURITIES HOLDERS

For the purpose of amount attributable to perpetual securities holders, the forecast is based on issuance of New Perpetual Securities of S$180.0 million at Initial Distribution Rate of 4.0% per annum and the S$250.0 million Perpetual Securities with Initial Distribution Rate of 4.18% per annum issued in May 2016.

9. VALUATION OF THE ENLARGED PORTFOLIO

As at 31 March 2017, CBRE and Cushman & Wakefield valued the Existing Portfolio to be S$5,540.1 million. After taking into account the divestments of Zama Centre, Shiroishi Centre and 4 Toh Tuck Link and the exchange rates used in the Profit Forecast, the valuation is estimated to be S$5,334.3 million. This valuation is used when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

The independent valuation for the Property is assumed to be HK$4.935 billion as at 1 August 2017, based on the average of the appraised values by CBRE and Colliers. It has been assumed that the carrying value of the Property is at an acquisition cost of HK$4.8 billion and capitalised costs associated with the Acquisition. Total Deposited Property for the Enlarged Portfolio will increase by the amount of forecast capital expenditure to be incurred as well as any cash flow movements in the Forecast Period. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

	Valuation (S$'000)
Existing Portfolio(1)	5,334,275
Property(2)	839,477
Total Enlarged Portfolio	**6,173,752**

Note(s):

(1) As at 31 March 2017, after taking into account divestment of Zama Centre, Shiroishi Centre and 4 Toh Tuck Link. The valuation of the Existing Portfolio under the Profit Forecast includes 7 Tai Seng Drive.

(2) Based on Total Consideration of HK$4.8 billion and any capitalised costs.

10. ACCOUNTING STANDARDS

The Manager has assumed no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast financials. A summary of the significant accounting policies of MLT may be found in the MLT Audited Financial Statements.

11. OTHER ASSUMPTIONS

The Manager has made the following additional assumptions in preparing the Profit Forecast:

- other than the Acquisition, the property portfolio of MLT remains unchanged taking into consideration the divestments of Zama Centre, Shiroishi Centre and 4 Toh Tuck Link;

- other than for the purposes mentioned in this Circular, there will be no further capital raised during the Forecast Period;

- there will be no change in the applicable tax legislation or other applicable legislation for the Forecast Period;

- there will be no material change to the tax ruling dated 13 May 2005 issued by the Inland Revenue Authority of Singapore on the taxation of MLT and the Unitholders;

- all leases and licences are enforceable and will be performed in accordance with their terms;

- 100.0% of MLT's distributable income in respect of the Forecast Period will be distributed;

- the bank facilities, forward contracts, interest rate swaps and cross currency interest rate swaps are available for the Forecast Period and there is no change in fair value of the forward contracts, interest rate swaps and cross currency interest rate swap in place or to be put in place;

- there will be no foreign exchange gains/losses recognised during the Forecast Period; and

- there will be no fair value gains/losses on the properties for the Forecast Period.

SECTION B: SENSITIVITY ANALYSIS FOR THE EXISTING PORTFOLIO AND THE ACQUISITION

The Profit Forecast is based on a number of key assumptions that have been outlined earlier in this Appendix ("**Base Case**").

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Profit Forecast, the sensitivity of DPU to changes in the key assumptions is set out below.

The sensitivity analysis below is intended as a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

The forecast DPU may vary accordingly if the drawdown from the Loan Facilities, the illustrative issue price, the issue date of the New Units and Acquisition Fee Units, the issuance of New Perpetual Securities, the Redemption of the Existing Perpetual Securities or the completion of the Acquisition is before or after 1 January 2018.

Unless otherwise stated, the sensitivity analysis has been prepared using the same assumptions as those set out earlier in this Appendix.

1. GROSS REVENUE

Changes in Gross Revenue will impact MLT's Net Property Income (as defined in the Trust Deed). The impact of variations in Gross Revenue on DPU for the Forecast Period is set out in the table below:

Impact on DPU pursuant to a change in Gross Revenue

	DPU for the Forecast Period (1 January 2018 – 31 March 2018) (S$ cents)		
	Existing Portfolio	**Enlarged Portfolio**	**Enlarged Portfolio and the Redemption of the Existing Perpetual Securities**
Gross Revenue is 5% above Base Case	2.051	2.071	2.071
Gross Revenue at Base Case (equivalent to S$95.2 million for the Existing Portfolio and S$107.4 million for the Enlarged Portfolio)	1.887	1.912	1.919
Gross Revenue is 5% below Base Case	1.723	1.754	1.767

2. PROPERTY OPERATING EXPENSES

Changes in Property Operating Expenses will impact the Net Property Income (as defined in the Trust Deed) of MLT. The impact of variations in Property Operating Expenses on DPU for the Forecast Period is set out in the table below:

Impact on DPU pursuant to a change in Property Operating Expenses

	DPU for the Forecast Period (1 January 2018 – 31 March 2018) (S$ cents)		
	Existing Portfolio	Enlarged Portfolio	Enlarged Portfolio and the Redemption of the Existing Perpetual Securities
Property Operating Expenses are 5% above Base Case	1.859	1.886	1.894
Property Operating Expenses at Base Case (equivalent to S$16.0 million for the Existing Portfolio and S$17.5 million for the Enlarged Portfolio)	1.887	1.912	1.919
Property Operating Expenses are 5% below Base Case	1.915	1.939	1.944

3. BORROWING COSTS RELATED TO THE ACQUISITION

Changes in interest rates in respect of the Loan Facilities to part finance the acquisition of the Property will impact the funding costs, and therefore the distributable income of MLT. The impact of variations in the all-in interest rate on DPU for the Forecast Period is set out in the table below.

Impact on DPU pursuant to a change in Borrowing Costs related to the Acquisition

	DPU for the Forecast Period (1 January 2018 – 31 March 2018) (S$ cents)		
	Existing Portfolio(1)	Enlarged Portfolio	Enlarged Portfolio after the Redemption of the Existing Perpetual Securities
All-in Interest Rate at 25bps above Base Case	1.887	1.906	1.913
All-in Interest Rate at Base Case (equivalent to 2.75% per annum for the Acquisition)	1.887	1.912	1.919
All-in Interest Rate at 25bps below Base Case	1.887	1.919	1.925

Note(s):

(1) Assumes that the blended interest rate for borrowings related to the Existing Portfolio remains unchanged at 2.50% per annum during the Forecast Period.

4. ISSUE PRICE

Changes in the issue price of New Units to be issued under the Equity Fund Raising will have an impact on the number of New Units being issued during the Forecast Period and consequently the DPU. The illustrative issue price has been assumed to be S$1.15 per Unit. The effect of variations in the issue price per New Unit on DPU for the Forecast Period is set out below:

Range of issue price (S$)	Approximate number of New Units issued under the Equity Fund Raising (million)(1)	DPU for the Forecast Period (S$ cents)			DPU Accretion (%)	
		Existing Portfolio(2)	Enlarged Portfolio(3)	Enlarged Portfolio after the Redemption of the Perpetual Securities(4)	Enlarged Portfolio	Enlarged Portfolio after the Redemption of the Existing Perpetual Securities
1.070	598.1	1.887	1.892	1.893	0.3%	0.3%
1.090	587.2	1.887	1.897	1.900	0.5%	0.7%
1.110	576.6	1.887	1.902	1.906	0.8%	1.0%
1.130	566.4	1.887	1.908	1.913	1.1%	1.4%
1.150	556.5	1.887	1.912	1.919	1.4%	1.7%
1.170	547.0	1.887	1.917	1.925	1.6%	2.0%
1.190	537.8	1.887	1.922	1.931	1.9%	2.3%
1.210	528.9	1.887	1.926	1.936	2.1%	2.6%
1.230	520.3	1.887	1.931	1.942	2.3%	2.9%

Note(s):

(1) For the purpose of the Enlarged Portfolio and the Redemption of the Existing Perpetual Securities, the forecast is prepared based on gross proceeds of approximately S$640.0 million raised from the Equity Fund Raising with the New Units issued at the respective issue prices.

(2) The total number of Units at the end of the period used in computing the DPU includes an estimated number of new Units issued to (a) the Manager as payment for base management fee, and (b) the Property Manager as payment for property management and lease management fees, for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Doung Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016, for such services rendered in the financial quarters 1 July 2017 to 30 September 2017 and 1 October 2017 to 31 December 2017, at the respective issue prices per New Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager such services rendered in the financial year as performance management fees are payable annually in arrears.

(3) The total number of Units at the end of the period used in computing the DPU includes that in Note (2) above as well as (a) New Units issued in connection with the Equity Fund Raising to raise gross proceeds of S$488.9 million to partially finance the Acquisition only, and (b) approximately 3.6 million Acquisition Fee Units. All new Units are issued at the respective issue prices per New Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the Forecast Period as performance management fees are payable annually in arrears.

(4) The total number of Units at the end of the period used in computing the DPU includes that in Note (3) above as well as additional New Units issued at the respective issue prices per New Unit in connection with the Equity Fund Raising to raise gross proceeds of S$151.1 million to partially finance the Redemption of the Existing Perpetual Securities.

5. NUMBER OF NEW UNITS ISSUED UNDER THE EQUITY FUND RAISING

Changes in the number of New Units issued under the Equity Fund Raising will have an impact on the amount of equity raised and the drawdown of the Loan Facilities during the Forecast Period and consequently the DPU. The illustrative issue price has been assumed to be S$1.15 per Unit, for the purpose of the calculations below. The effect of variations in the number of New Units issued under the Equity Fund Raising on the DPU for the Forecast Period is set out below:

Approximate number of New Units issued under the Equity Fund Raising (million)(1)	Approximate size of Equity Fund Raising (S$ million)(2)	DPU for the Forecast Period (S$ cents)			DPU Accretion (%)		Aggregate Leverage of Enlarged Portfolio after the Redemption of the Existing Perpetual Securities compared to Aggregate Leverage of Existing Portfolio of 37.0%(6) (%)
		Existing Portfolio(3)	Enlarged Portfolio(4)	Enlarged Portfolio after the Redemption of the Perpetual Securities(5)	Enlarged Portfolio	Enlarged Portfolio after the Redemption of the Existing Perpetual Securities	
616.5	709.0	1.887	1.887	1.894	0.0%	0.4%	37.0%
601.5	691.8	1.887	1.893	1.900	0.3%	0.7%	37.2%
586.5	674.5	1.887	1.900	1.906	0.7%	1.0%	37.5%
571.5	657.3	1.887	1.906	1.913	1.0%	1.4%	37.8%
556.5	640.0	1.887	1.912	1.919	1.4%	1.7%	38.0%
541.5	622.8	1.887	1.919	1.925	1.7%	2.0%	38.3%
526.5	605.5	1.887	1.926	1.931	2.1%	2.3%	38.6%
511.5	588.3	1.887	1.932	1.938	2.4%	2.7%	38.8%
496.5	571.0	1.887	1.939	1.944	2.8%	3.0%	39.1%

Note(s):

(1) Approximate number of New Units issued pursuant to the Equity Fund Raising.

(2) Assuming the illustrative issue price of S$1.15 per New Unit.

(3) The total number of Units at the end of the period used in computing the DPU includes an estimated number of new Units issued to (a) the Manager as payment for base management fee, and (b) the Property Manager as payment for property management and lease management fees, for (i) a portfolio of four dry warehouse facilities located in Sydney, New South Wales, Australia acquired on 31 August 2016, (ii) Mapletree Shah Alam Logistics Park, Malaysia acquired on 14 September 2016, (iii) Mapletree Logistics Park Phase 2, Binh Doung Province, Vietnam acquired on 23 September 2016, and (iv) a portfolio of four logistics properties located in Victoria, Australia acquired on 15 December 2016, for such services rendered in the financial quarters 1 July 2017 to 30 September 2017 and 1 October 2017 to 31 December 2017, at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager such services rendered in the Forecast Period as performance management fees are payable annually in arrears.

(4) The total number of Units at the end of the period used in computing the DPU includes that in Note (3) above as well as (a) New Units issued in connection with the Equity Fund Raising to raise gross proceeds of S$488.9 million to partially finance the Acquisition only, and (b) approximately 3.6 million Acquisition Fee Units. All new Units are issued at the illustrative issue price of S$1.15 per Unit. No new Units are issued during the Forecast Period in payment of the Manager's base management fee and the Property Manager's property management and lease management fees for such services rendered to the Property in the Forecast Period as these fees are payable quarterly in arrears. No performance management fee is paid to the Manager for such services rendered to the Property in the Forecast Period as performance management fees are payable annually in arrears.

(5) The total number of Units at the end of the period used in computing the DPU includes that in Note (4) above as well as additional New Units issued at the illustrative issue price of S$1.15 per New Unit in connection with the Equity Fund Raising to raise gross proceeds of S$151.1 million to partially finance the Redemption of the Existing Perpetual Securities.

(6) As at 30 June 2017, and adjusted for the divestment of the two properties in Japan, Zama Centre and Shiroishi Centre as completed on 31 July 2017 and the proposed divestment of one property in Singapore, 4 Toh Tuck Link, as announced on 3 August 2017.

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Hong Kong Logistics Market Overview and Individual Asset Analysis

prepared for

Mapletree Logistics Trust Management Ltd.

prepared by

Savills Research & Consultancy

28 August 2017

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savills.com

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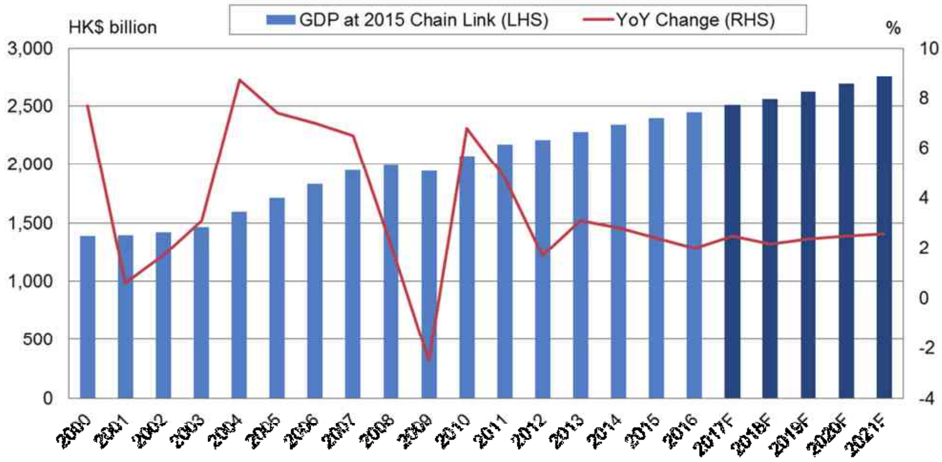
1.0 Economy

1.1 The Hong Kong economy

Hong Kong's real GDP and growth rate, 2000 - 2021F



Source: Census and Statistics Department, FocusEconomics, Savills Research & Consultancy

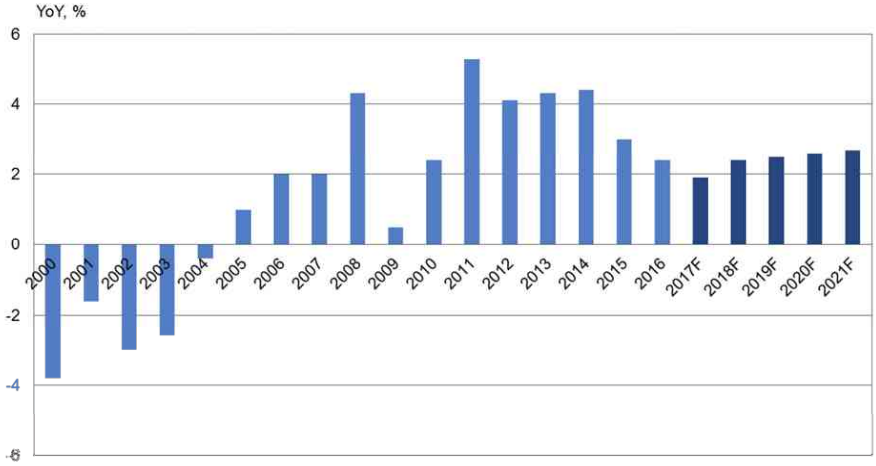
Hong Kong experienced a long period of economic expansion from 2003 to 2007, with an average real Gross Domestic Product (GDP) growth rate of 6.5% per annum. This was as a result of the territory's closer integration with China, much higher numbers of inbound tourists, rising household incomes and flourishing financial and trading sectors. Nevertheless, the Global Financial Crisis adversely affected the local economy, which slowed GDP growth significantly to 2.1% in 2008 and recorded a decline of 2.5% in 2009, the first recession since the Asian Financial Crisis of 1998. A rebound took place in 2010, with an increase of 6.8%, 9.3% up from 2009. However, the intensifying European debt crisis ended the strong momentum, slowing down to a 5-year average real GDP growth rate of 3.0% during 2011-2015.

After a rather weak start in 2016, Hong Kong's economic growth picked up steadily as the year progressed, alongside a generally stabilising external environment. Regional trade flows have continued to revive amid the relative improvement in external demand, and in tandem, merchandise export growth staged a visible rebound in the fourth quarter of 2016. For 2016 as a whole, the local economy grew by 1.9%, compared with 2.4% in 2015.

In the first quarter of 2017, GDP increased by 4.3% in real terms over a year earlier, with external demand strengthening due to an improving global economic environment and domestic demand holding up well with full employment continuing to prevail.

According to forecast by FocusEconomics, the real GDP growth in 2017-2021 will be within a range of 2.2% to 2.6%. The real GDP growth in 2017 will be 2.5%, down to 2.2% in 2018 and then followed by a rebound to 2.4% to 2.6% in 2019-2021. According to Hong Kong Trade Development Council (HKTDC), as one of the four pillar economic sectors, trading and logistics accounted for 22.3% of GDP in terms of value-added in 2015.

Hong Kong's inflation rates, 2000 – 2021F



Source: Census and Statistics Department, FocusEconomics, Savills Research & Consultancy

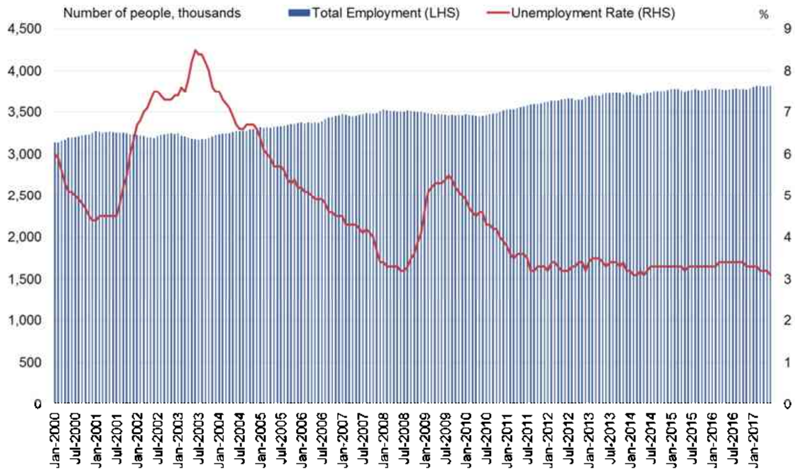
Hong Kong's prolonged period of deflation came to an end in 2005, amid improving economic conditions, a weakening Hong Kong dollar, strong consumer demand and higher commodity prices. Since then, yearly inflation rates have remained positive. The composite consumer price index (CPI) recorded an increase of 2.0% in 2007 and 4.3% in 2008. Deflation occurred from June to September 2009, mainly due to receding price pressures as the economy adjusted downwards, as well as some one-off government relief measures, but the rate of inflation registered growth of 0.5% in 2009. The composite CPI increased again in 2010 due to the high import prices driven by the depreciation of the US dollar and a rally in global commodity prices. Domestic cost pressures, such as the statutory minimum wage and high rental costs, increased due to generally robust economic growth. Local inflation grew by 2.4% and 5.3% in 2010 and 2011 respectively.

Inflationary pressure continued to build from 2012 to 2014, with the composite CPI rising by 4.1%, 4.3% and 4.4% over the period, mainly resulting from external (moderate global food and commodity prices) as well as internal (the feed-through effect of higher residential rents and the one-off effect of the statutory minimum wage) factors.

Due to the strengthening US dollar, soft import prices associated with moderate domestic cost pressures caused inflation to start to recede from 2015, with the composite CPI growing by 3.0%. Inflationary pressure eased further in 2016, with the composite CPI increasing by 2.4%, the lowest level recorded since 2010.

Softening inflationary pressures are expected to be sustained in 2017, with the composite CPI increasing by only 1.1% over the first 5 months of the year. It is noted that the composite CPI decreased by 0.1% year-on-year (yoy) in February 2017, the first year-on-year decline since September 2009.

Hong Kong's unemployment rates and total employment, Jan 2000 - Jun 2017

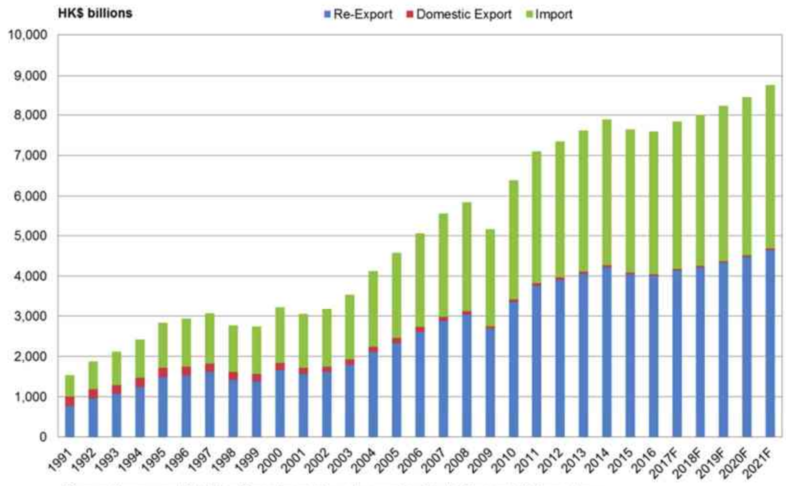


Source: Census and Statistics Department, Savills Research & Consultancy

With the upturn in the business cycle from 2003 to 2008, strong labour demand expanded total employment across many sectors. The seasonally-adjusted unemployment rate fell progressively to a 10-year low of 3.2% in July 2008. However, the rapid deterioration of the labour market as the global economy declined dragged up the unemployment rate to 5.5% in August 2009.

Labour demand has since improved considerably with the swift economic recovery, and the unemployment rate gradually fell from its August 2009 peak to an average of 3.1% in Mar 2014 to May 2014, a new low since the Asian Financial Crisis of 1998. The employment situation has remained robust and the unemployment rate remained at a low level of around 3.1% to 3.4% from May 2013 to June 2017, a level signifying virtually full employment and healthy local demand for labour.

Hong Kong total exports and imports, 1991 – 2021F



Source: Census and Statistics Department, FocusEconomics, Savills Research & Consultancy

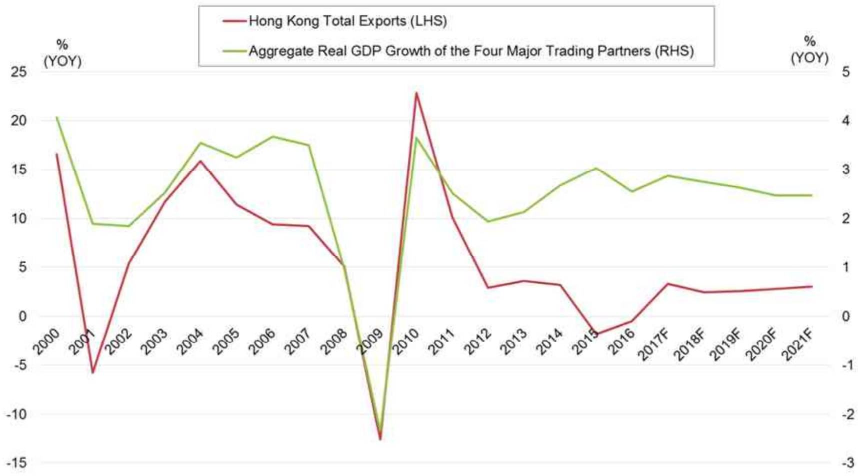
The external sector of Hong Kong has recorded robust growth since 2003 under Closer Economic Partnership Arrangement ("CEPA"), which is a free trade agreement to strengthen the trading and investment between Hong Kong and China and foster the economic integration and long term economic and trade development of both places, with total exports and imports growing by an average of 6.5% and 7.0% per annum respectively over the past 14 years. Although in 2009 total exports and imports recorded 12.6% and 11.0% decline yoy due to the Global Financial Crisis, the figure rebounded to 22.8% and 25.0% yoy in 2010 on the back of quantitative easing and fiscal stimulus measures in major economies.

In 2015, exports and imports recorded their first yoy decline since 2009 at -1.8% and -4.1% respectively due to the global economic slowdown. While the US economy performed slightly better among the advanced economies with moderate growth, the Federal Reserve (Fed) started a round of rate hikes in mid-December 2015 which caused the Hong Kong dollar to appreciate. Meanwhile growth in other major advanced economies was slow, despite further easing measures from the eurozone and Japan. Total exports and imports fell by 0.5% and 0.9% in 2016, in US dollar terms, despite exports to China recording 0.4% increase, up from decline of 2.2% in 2015. Exports to the USA and Germany both recorded declines of 5.3% and 5.0% respectively in 2016, down from increase of 0.2% and decline of 3.2% in 2015 respectively.

The situation improved during the first 5 months of 2017, with 9.1% and 8.3% increases in imports and total exports respectively over the same period of 2016. This was mainly driven by strong growth in February and March 2017, with 18.2% and 17.4% increases in imports and total exports respectively over the same period of 2016.

After negative growth in 2015 and 2016, a rebound of 3.3% in 2017 and an average of 2.8% growth is forecasted during 2017-2021, in line with the average growth of 2.6% in real GDP forecast for Hong Kong's four major trading partners; China, United States, Japan and the European Union. It is forecasted China will have an average of 6.1% growth in real GDP during 2017-2021.

Hong Kong total exports vs market performance of four major trading partners: China, United States, European Union, and Japan, 2000-2021F



Source: Savills Research & Consultancy, Census and Statistics Department, IMF, World Bank, FocusEconomics

Key indicators of Hong Kong and China, 2016 – 2021F

YoY Growth %	2016		2017F		2018F		2019F		2020F		2021F	
	HK	CN	HK	CN	HK	CN	HK	CN	HK	CN	HK	CN
Real GDP	1.9	6.7	2.5	6.6	2.2	6.2	2.4	6.0	2.5	5.8	2.6	5.6
CPI	2.4	2.0	1.9	2.0	2.4	2.3	2.5	2.4	2.6	2.4	2.7	2.5
Unemployment Rate	3.4	4.0	3.5	4.1	3.6	4.1	3.5	4.0	3.5	3.9	3.4	3.9
Exports	-0.6	-7.7	3.3	5.3	2.4	3.7	2.6	4.3	2.8	4.6	3.0	4.9
Imports	-1.1	-5.6	3.2	9.0	1.9	4.1	2.8	4.3	3.3	4.8	3.8	5.3

Source: FocusEconomics

Hong Kong has developed close links with China following the introduction of China's open-door policy in 1978, and this will remain a key factor in the future success of the territory. On 18 October 2005, the Hong Kong government and the Central People's government reached an agreement to further liberalise measures governing Hong Kong's trade with China under the CEPA. Concessions granted under CEPA give Hong Kong companies a first-mover advantage and encourage better synchronisation in the chain of cross-boundary financial activity, goods production and distribution.

CEPA's main contribution to trade between the two partners is that it has removed import tariffs on almost all Hong Kong-made products since January 2006, with the number of products eligible for CEPA's tariff-free treatment expanded from 273 to 1,891[1] between 2004 and June 2017. Meanwhile, there are 153 sectors which the Mainland has fully or partially opened up to Hong Kong services industries, accounting for 95.6%[2] of all the 160 services trade sectors.

One of the leading global sources for a wide range of light-manufactured goods and one of the leading locations for the manufacture and assembly of high-tech electronic products is the Pearl River Delta (PRD) region. The further development of this economy will require the investment, management, market knowledge, technology and international connections available through Hong Kong.

Trade with China has driven a massive expansion of Hong Kong's container-port throughput and its air cargo traffic. Hong Kong has long been one of the world's busiest container ports and although throughput growth has declined since 2011, Hong Kong remained the fifth busiest container port in the world in 2016, handling 19.8 million twenty-foot equivalent units (TEUs). The declines have been mostly driven by declines of inwards and outwards transshipment. Both transshipments and imports and exports recorded significant growth in the first quarter of 2017 over the same period in 2016, with 18.5% and 19.4% yoy growth repectively. Hong Kong's air freight volume topped the world ranking in 2015 with an impressive annual throughput of 4.4 million tons, 70.4% higher than its closest rival, Seoul Incheon Airport in Asia.

[1] Source: Certificate of Origin Circular No. 2/2017 (31 May 2017), Trade and Industry Department.
[2] Source: Leaflet of 'Liberalisation of Trade in Services between Mainland and Hong Kong underCEPA', Trade and Industry Department

In 2003, Guangdong Province's nominal GDP overtook Hong Kong's after a period of exceptional growth which saw the Province's economy expand at an average annual rate of 7.4% between 2010 and 2015. Hong Kong directly benefits from this growth and analysis suggests that for every 1% change in Guangdong's real trade, Hong Kong's GDP rises by 0.2%.

2.0 Hong Kong Logistics Sector

Total cargo throughput at Hong Kong, 2000 – 2016

Source: Hong Kong Port Development Council, Savills Research & Consultancy

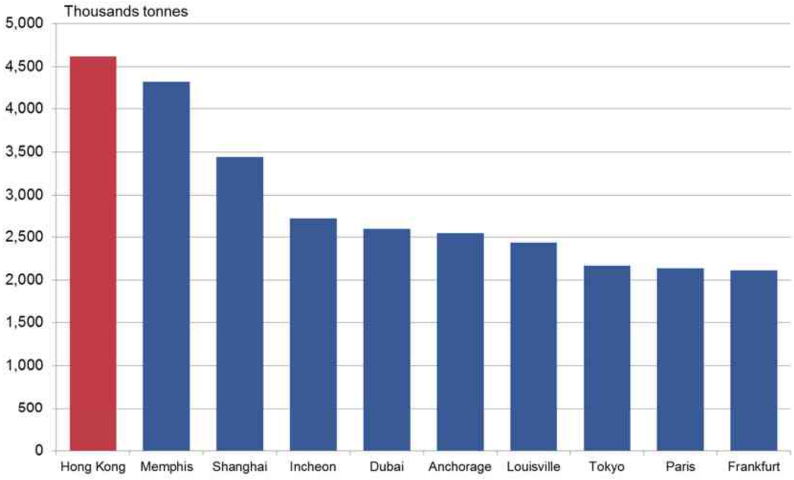
The weakened trading sector induced a contraction in total cargo throughput, which decreased by 13.0% yoy in 2015. The situation was relieved in 2016, a with decline of 0.3%. Sea freight has been the dominant means of cargo throughput via Hong Kong, representing 90.7% of total throughput in 2016. Roads primarily carry cargoes to and from Mainland China especially after the MTR terminated railway cross-boundary cargo transportation, representing 7.7% of total throughput in 2016. In terms of tonnage, air freight only represented around 1.6% of total cargo throughput in 2016 but accounted for about 41% of the total trade value in that year.

Q1/2017 recorded a 17.5% increase in total cargo throughput over the same quarter in 2016, mainly contributed to by an 18.9% increase in sea freight, which represented 91.6% of total throughput over the quarter.

Hong Kong's cargo throughput has dropped over the past few years as the territory's cost base is higher and land constraints which limit port capacity. Where Hong Kong has succeeded, however, is in attracting higher-value and higher-margin goods which require special handling, better security and on-time delivery. This has been most clearly reflected in air cargo throughput.

2.1 Air freight

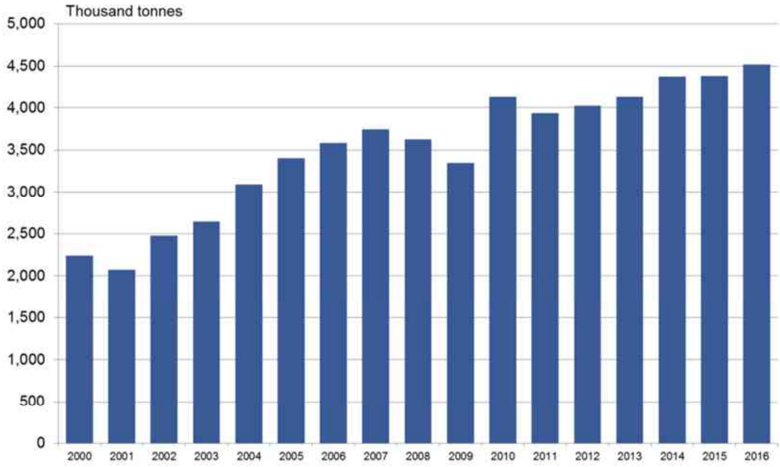
Top 10 airports by cargo traffic, 12-mths ending Dec 2016 (Preliminary)



Source: Airports Council International, Savills Research & Consultancy

Hong Kong International Airport (HKIA) remained the busiest airport in the world in terms of cargo traffic in the 12-months ending Dec 2016, handling a total of 4.62 million tons of freight during the year, a 4.4% yoy growth.

HKIA air cargo throughput[3], 2000 - 2016



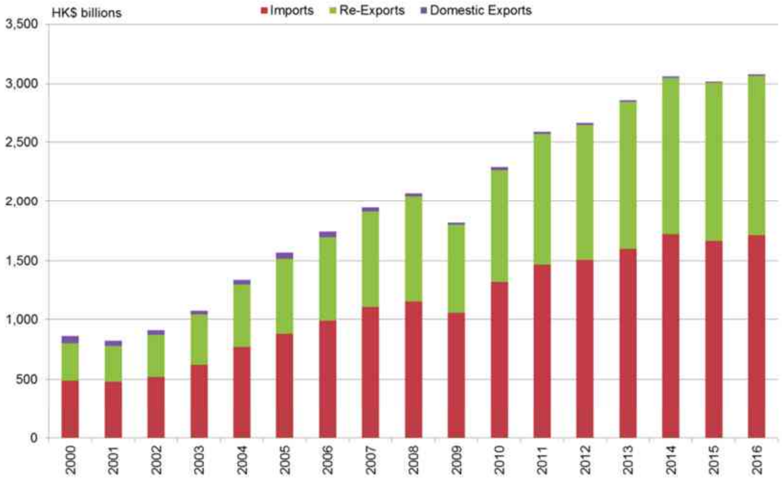
Source: Hong Kong Airport Authority, Savills Research & Consultancy

Air cargo throughput at HKIA resumed steady growth from 2011 to 2016 after the Global Financial Crisis and recorded 14.8% growth, or a CAGR of 2.8% over the period, reaching 4.52 million tons in 2016. In the first 5 months of 2017, HKIA air cargo throughput of 1.91 million tons was recorded, up from 1.72 million tons over the same period of 2016,

[3] Cargo handled includes import, export and transshipment (counted twice) cargos. Air mail is excluded.

representing a growth rate of 11.3%. The sustained growth in air cargo throughput should benefit air freight operators as well as high quality warehouse owners as the flourishing sector means more business for air freight operators and thus higher demand for secure, high quality warehouse space.

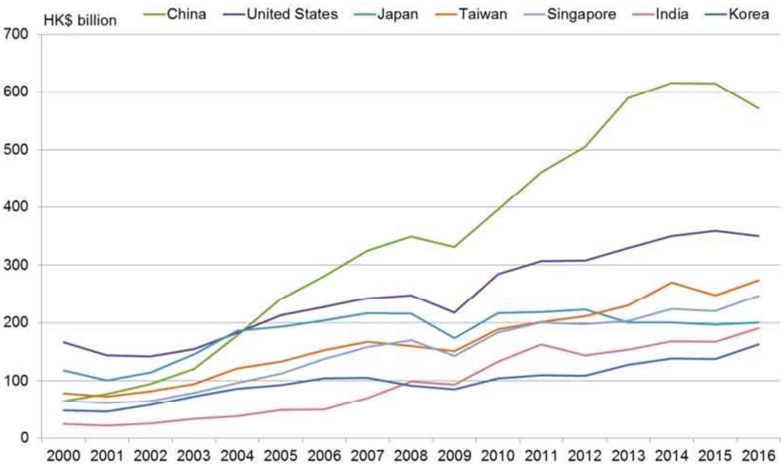
Hong Kong air cargo trade value by category, 2000 – 2016



Source: Census and Statistics Department, Savills Research & Consultancy

Air cargo trade value has also demonstrated strong growth since 2000, increasing by 257%, or at a CAGR of 8.3% per annum from 2000 to 2016. Its share of total merchandise trade value also increased from 26.7% in 2000 to 40.5% in 2016, a figure much higher than its share of cargo volume. Imports represented 55.7% of total air cargo trade value in 2016. In the first 5 months of 2017, air cargo trade value stood at HK$1,315 billion, growing by HK$150 billion or 13.0% from the same period in 2016. Imports grew by 14.9%, representing 56.2% of total air cargo trade value in the period.

Hong Kong air cargo trade value by country / territory, 2000 - 2016

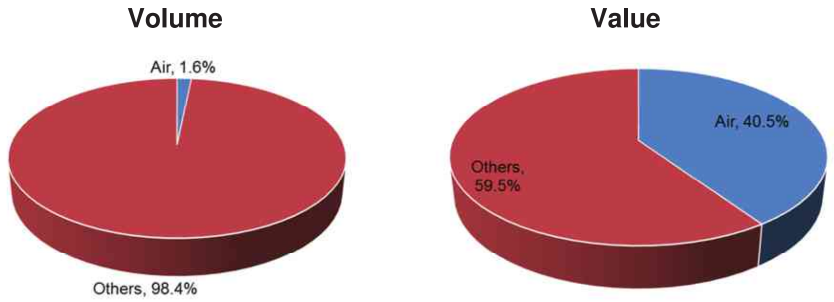


Source: Census and Statistics Department, Savills Research & Consultancy

China is an increasingly important trading partner and its proportion of value in cargo handling is rising. Mainland China accounted for 28.6% of air cargo trade value in 2016, followed by the US (17.5%) and Taiwan (13.7%). As demonstrated by overall trade figures in the previous section, China has grown in importance as a trading partner of Hong Kong and this is reflected in the rapid growth in air freight value over the past decades, which saw China air cargo trade value via HKIA surge by 779% from 2000 to 2016, while overall air cargo trade values increased by 257% over the same period.

Mainland China also represented 23.6% of the trade value of re-exports via air cargo in 2016, followed by the US (14.7%) and India (7.6%). In terms of imports, China took the lead with 14.6% of incoming air freight trade value coming from the country, with Taiwan and Singapore ranked second and third (13.6% and 12.2% respectively). The highest percentage of total exports by air in terms of value went to China again in 2016 (23.5%), followed by the US (14.8%) and India (7.6%).

Air freight volume and value as a proportion of the total, 2016

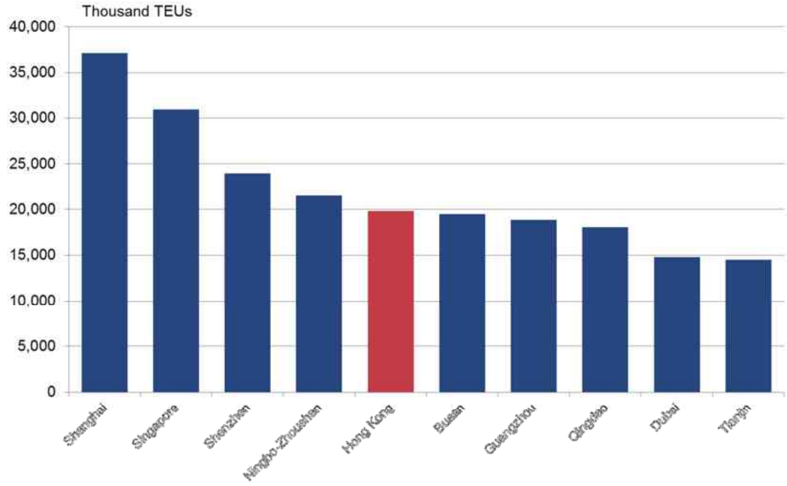


The booming air freight sector is evidenced by the faster growth rate of air freight over other kinds of freight in the past 10 years (76% compared to 36%), as well as the increasing importance of air freight trade value as a proportion of total trade value (26.7% in 2000 compared to 40.5% in 2016). Demand for air freight is likely to remain strong over the next few years with Guangdong, and the PRD as a whole, continuing to reposition as a centre of high value-added and heavy industries, and Hong Kong continuing to serve as a regional aviation hub with the gradual opening up of more international-mainland routes. The new Hong Kong-PRC air services agreement signed in July 2006 added 11 new routes as well as relaxing air passenger and cargo capacity constraints. Specifically, cargo capacity limits for Beijing and Shanghai were increased, while limits for all other new routes were removed from the summer of 2007.

Strong investment in facilities such as HKIA third runway will bring additional freight handling capacity and increased cargo volume, with the capacity to handle 102 air traffic movements (ATMs, also known as flight movements) per hour or a practical maximum annual capacity of about 620,000 ATMs per year, 97 million passengers and 8.9 million tonnes of cargo.

2.2 Sea freight

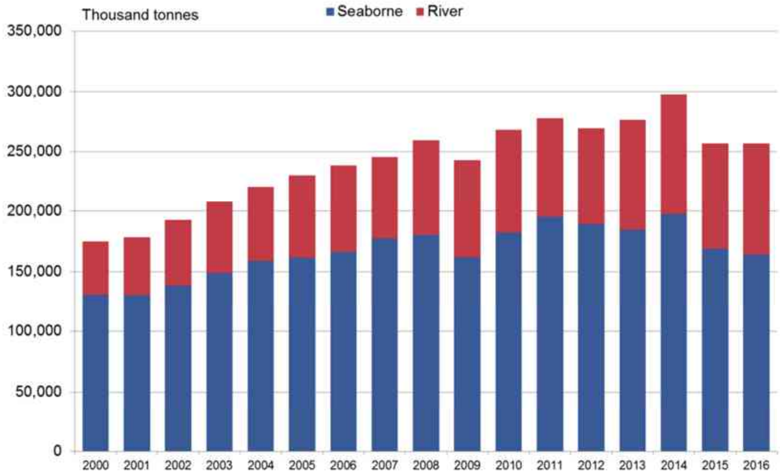
Top 10 container ports of the world, 2016



Source: Hong Kong Port Development Council, Savills Research & Consultancy

Hong Kong's container throughput has seen very moderate growth in recent years, just as the ports of Shanghai and Shenzhen have seen consistent growth over the same period to account for two of the first 3 places in 2016 respectively, when Hong Kong ranked the 5th busiest port in the world in the same year.

Total port throughput by seaborne and river transport, 2000 - 2016



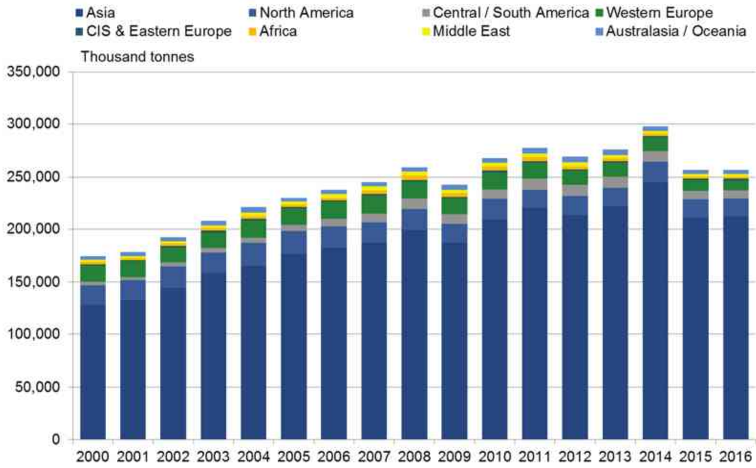
Source: Hong Kong Port Development Council, Savills Research & Consultancy

Total port throughput recorded a steadily rising trend over 2000-2016 with a CAGR of 2.4% per annum over the period, and was not severely hit by 9-11 in 2001 or SARS in 2003. This growth rate slowed from 8.0% in 2002 to a CAGR of 1.6% per annum from 2003 to 2016. It reached 257 million tons, representing 91% of total cargo throughput in 2016. A majority of the growth was generated by river trade, with its share of total port throughput rising from 25% in 2000 to 36.1% in 2016.

In Q1/2017, total port throughput stood at 66.2 million tons, up from 55.6 million tons in the same period of 2016, with a growth rate of 18.9%. It was mainly driven by growth in seaborne throughput which rose by 21.0% yoy.

Increasing transhipment volumes to and from China (due to capacity constraints at major PRD ports) as well as the opening of the River Trade Terminal in Tuen Mun in 1999 (the largest river trade terminal in the PRD) are all reasons behind the tremendous growth.

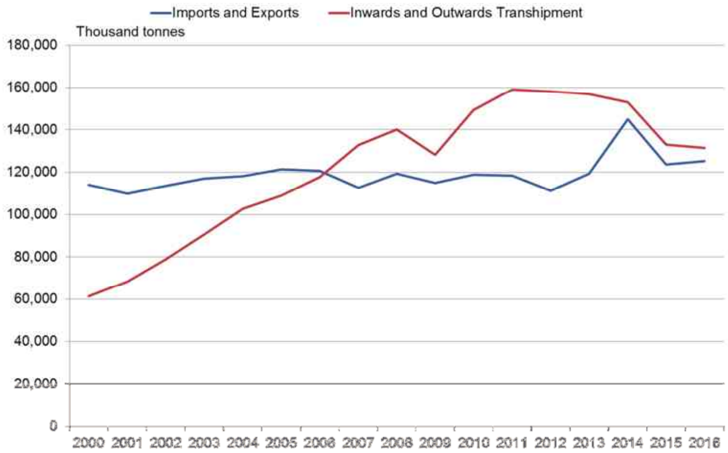
Port throughput by major territory, 2000 - 2016



Source: Census and Statistics Department, Savills Research & Consultancy

The majority of port throughput came from Asia, which accounted for 82.7% of total throughput in 2016. Port throughput from Asia grew faster than the overall market, which recorded a 66.4% increase from 2000 to 2016 to reach 212 million tons, showing the importance of the regional market to Hong Kong.

Total port throughput by imports / exports and transhipments, 2000 - 2016



Source: Census and Statistics Department, Savills Research & Consultancy

Breaking down port throughput, it can be shown that actual imports and exports via Hong Kong ports had been flat before 2014, then reached the peak of 145 million tons in 2014, up from 119 million tons in 2013. The figures returned to a level of 120 million tons from 2015. The growth in port throughputs was solely supported by the robust growth of transshipment, which saw the amount of goods shipped increase from 61 million tons in 2000 to 131 million tons in 2016, a one-fold increase to represent 51% of total cargo throughput.

2.3 E-commerce[4] [5]

According to a recent research article published by the HKTDC, the process of e-commerce can be divided into three stages – discovery, transaction and delivery. Various service providers are required at different stages to provide essential functions such as payment, logistics, online marketing and data analytics, which all need to be coordinated to deliver an optimal customer experience. E-commerce compels changes to the whole supply chain operation. The logistics-information and product-flow systems have to be synchronised in order to ensure a flexible and efficient distribution of products to individual customers.

Growing popularity of e-commerce could be a major driver for boosting logistic sector in Hong Kong. According to another research article published by the HKTDC, the sales value of internet retailing in Hong Kong reached HK$13.7 billion in 2016, with a compound annual growth rate (CAGR) of 15% pre annum during 2011 to 2016. Meanwhile, CAGR of Hong Kong's retail sales value was only 1.5% per annum over the same period.

According to the same article, the top 5 categories (in terms of sales value) of internet retailing in Hong Kong in 2016 were consumer electronics (31.4%), media products (18.4%), other internet retailing (15.5%), personal accessories and eyewear (12.7%) and apparel and footwear (10.8%). All top 5 categories had CAGRs of double digits (ranging from 10% to 26% per annum) during 2011 to 2016 and required varying forms of logistics and warehousing services to support the delivery processes.

It is forecasted the CAGR of internet retailing in Hong Kong will be 13% per annum over the period from 2016 to 2021, which means internet retailing sales value may grow to HK$25.2 billion by 2021, further boosting e-commerce related demand for logistics facilities locally.

According to a Hong Kong Trade Development Council ("HKTDC") survey and industry estimates, there are 32,000 Hong Kong e-commerce merchants with a total transaction value of HK$209 billion in 2016. Local sales accounted for HK$14 billion, with outbound trades (to markets other than Mainland China and Hong Kong) and inbound trades (to Mainland China as the main market) accounting for the remaining HK$195 billion.

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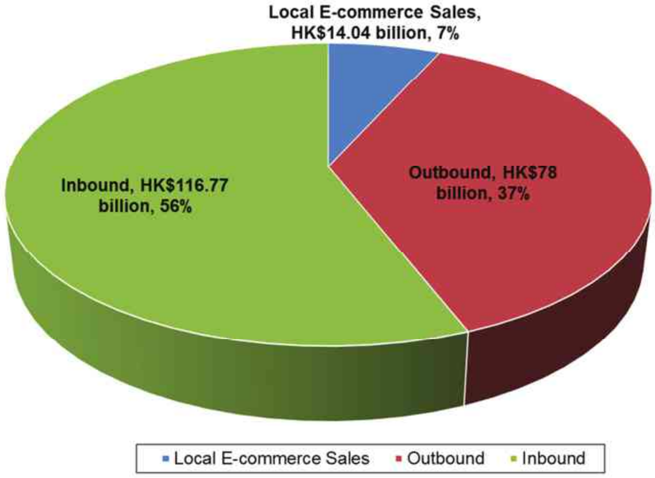
[4] Source: Article "Hong Kong's E-commerce Ecology: The Local Market", dated 7th April 2017, written by Wenda Ma, Hong Kong Trade Development Council
http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/Hong-Kong-s-E-commerce-Ecology-The-Local-Market/rp/en/1/1X000000/1X0A9NDQ.htm

[5] Source: Article "Hong Kong's E-commerce Ecology: The Value Chain", dated 12th May 2017, written by Wenda Ma, Hong Kong Trade Development Council
http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/Hong-Kong-s-E-commerce-Ecology-The-Value-Chain/rp/en/1/1X000000/1X0AA0PB.htm

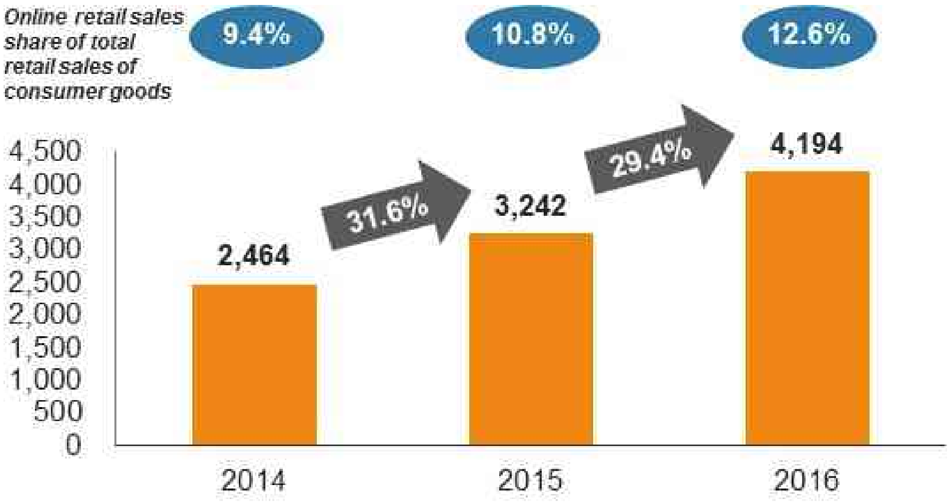
According to another HKTDC survey, 51% of total online orders were re-exported through Hong Kong, validating Hong Kong's advantage in handling e-commerce logistics, attributed to the city's good air-connectivity.

Estimated Sales of E-commerce Merchants for 2016



Source: HKTDC, Savills Research & Consultancy

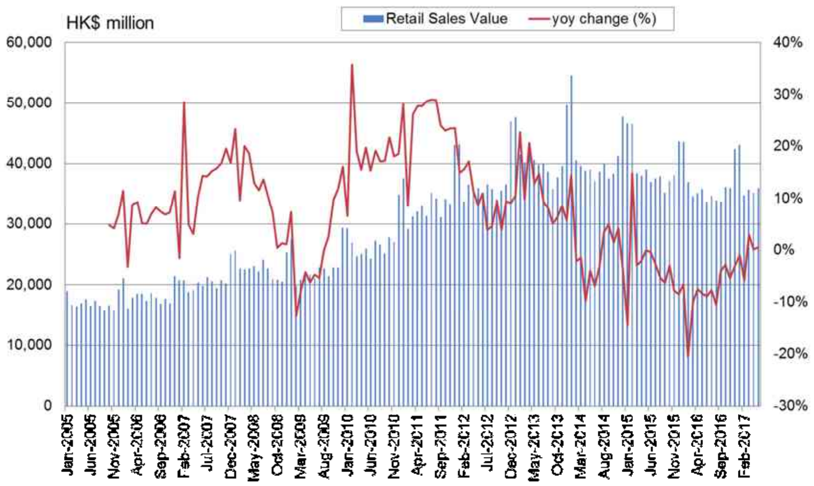
As a gateway to China, Hong Kong has been also benefited greatly from the growth of e-commerce in China. In both 2015 and 2016, sale value of online retail sales of physical good recorded around 30% growth per annum, with RMB 3,242 billion and RMB 4,194 billion in 2015 and 2016 respectively. Online retail sales of physical goods share of total retail sales of consumer goods also grew from 9.4% in 2014 to 12.6% in 2016. Online retail is set to grow in line with higher mobile handset penetration and growing GDP in the coming years. As online retail involves moving inventory from warehouses to physical stores and to end-customer directly, e-commerce growth in Hong Kong and China will provide strong future demand for warehouses.



Source: HKTDC, Savills Research & Consultancy

2.4 Retail

Hong Kong retail sales value, Jan 2005 – May 2017



Source: Census and Statistics Department, Savills Research & Consultancy

The phenomenal growth in retail sales over the past decade, backed by robust Mainland tourist spending on shopping, came to a halt in 2014 when restrictions on the Individual Visit Scheme (IVS) were announced in that year. Retail sales, in particular luxury items, recorded their first decline of 3.7% in 2015, with jewellery, watches and clocks, and valuable gifts declining by 15.6% in the same year.

The retail market in Hong Kong continued to soften in 2016 on the back of a slower growth of visitor arrivals and more cautious local spending. Retail sales were down 8.1% in value and 7.1% in volume in 2016 compared with 2015 due to a slowdown in sales of high-end items, with jewellery, watches and clocks, and valuable gifts down in value by 17.2% over the period. On the domestic front, consumption demand showed a mixed picture, with consumer durables declining by 20.9%, while sales of foodstuffs and supermarkets remained resilient, with sales up by 1.7% and 0.8% respectively in 2016.

The decline in retail sales slowed in Q1/2017 with a 1.3% decrease recorded, with sales of consumer durable goods continuing to decline by 11% Y-o-Y, of which sales of foodstuffs remained resilient to record another 1.9% increase over the first three months of last year. Jewellery, watches and clocks, and valuable gifts recorded their first rebound of 1.4% Y-o-Y after three years of downward adjustments. During March to May 2017, retail sales recorded positive yoy growth for the consecutive 3 months, with 3%, 0.13% and 0.50% respectively.

3.0 Hong Kong's Competitive Advantage

3.1 Key transport hub in the region

Hong Kong is Asia's premier international transport and logistics hub, as well as an important gateway to Mainland China. It is also the world's busiest international air cargo centre and one of the world's busiest container ports.

Efficient, reliable and well-connected, Hong Kong's airport and port are important assets in the continued development of the logistics industry providing it with a competitive advantage. The airport handles an average of approximately 84,000 tons of cargo every week in 2015[6] and, with its dual runways, has ample capacity to handle any anticipated increase in demand.

Hong Kong is also home to world class container terminals and is the biggest private terminal operator in the world. A comprehensive network of container line services connects the port of Hong Kong with over 500 destinations globally. The nine container terminals at Kwai Chung-Tsing Yi provide a total handling capacity of more than 15.2 million TEUs[7].

The free port status of Hong Kong also means efficient customs clearance. Value-added services, including total supply-chain management, Vendor Managed Inventory (VMI) and various e-initiatives such as e-freight, Digital Trade and Transportation Network Systems (DTTN) and On-board Trucker Information Systems (OBTIS) also help to improve the operational efficiency of the local logistics industry, and thus retain and increase goods flow within the territory. The policy objective of the Government is to maintain and strengthen the role of Hong Kong as the preferred international transport and logistics hub in Asia.

The Government of Hong Kong provides the necessary infrastructure and an environment conducive to the ongoing development and expansion of the logistics sector. It also promotes closer cooperation with the Mainland and the PRD region in particular, to achieve synergies in logistics development. In March 2017, the current Premier of the State Council, Li Keqiang, stated to draw a plan for the development of a city cluster in the

[6] Figure compiled using yearly tons of freight in 2015 provided by Hong Kong International Airport in its introduction for air cargo, divided by 52 weeks

[7] Source: Container Throughput, Port and Maritime Statistics, Marine Department

Guangdong-Hong Kong-Macao Greater Bay Area, which covers 11 cities including Hong Kong and Macao, to promote closer cooperation between the mainland and Hong Kong and Macao.

The simple and low tax regime of Hong Kong has also made it a favoured business and transport location for multinationals doing business in the region. The recent cut in profits tax as well as the exemption of duties on wine and beer should further enhance Hong Kong's appeal in this regard, and should help promote Hong Kong as a regional distribution centre.

Hong Kong has long maintained its role as one of Asia's key regional aviation hubs and this was reinforced by the opening of the Hong Kong international airport at Chek Lap Kok in 1998. Most of Asia's major cities are within a short flight of the SAR while almost one third of the world's population lies within five hours flying time.

Hong Kong is also one of the major cities taking part in "Belt and Road" (B&R) imitative which is a new platform for cross-region cooperation which covers more than 60 countries across Asia, Europe and Africa, accounting for 30% of global GDP and more than 30% of the world's merchandise trade[8].

[8] Source: Belt and Road: Overview, Hong Kong: A key link for the Belt and Road, Hong Kong SAR

Flight times from major cities in Asia, 2016

HKIA is renowned for its high operational efficiency, high level of service and high frequency of international flights, and was awarded Asia Pacific Airport of the Year in 2014 - 2016 by Payload Asia, an air cargo industry publication. The overall quality of HKIA has attracted international logistics operators choosing Hong Kong as their regional hubs with DHL as a prime example. HKIA's first dedicated Express Cargo Terminal was developed and granted to DHL for operation in August 2004 with a capacity of 440 tons of cargo per day. The facility reached its full capacity in 2006 with a total throughput of 150,000 tons, and an expansion of DHL's Central Asia SuperHub was completed in 2007, six years ahead of schedule, to facilitate the handling of 35,000 parcels and 40,000 documents per hour.

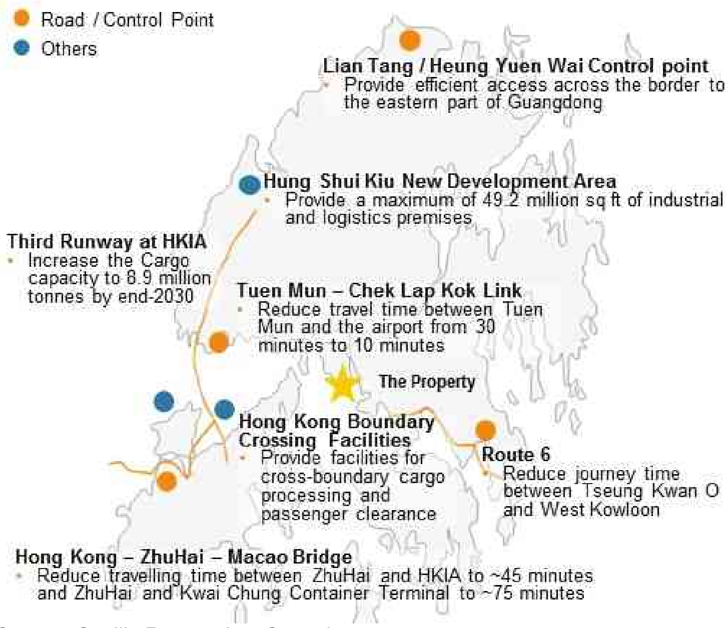
The strong demand for air cargo services in HKIA has seen a corresponding rise in warehouse demand for air freight and the rental levels of airport warehouse facilities, such as the Airport Freight Forwarding Centre, have been kept at high levels over the past few years (over HK$15 per sq ft) with limited availability (below 1%).

3.2 Hong Kong Infrastructure

Hong Kong's extensive transport infrastructure network, including its international airport, container terminals, river trade terminals, road and rail networks, is critical for its positioning as a regional trade and logistics hub. Hong Kong maintains a vigorous programme of infrastructure development to support the growth of the trade and logistics sector in air, sea and land freight, as well as enhancing the connectivity of Hong Kong and Mainland China. Since the relocation of Hong Kong International Airport to Lantau Island in 1998, the balance of new infrastructure development has taken place in the west of the territory, and this trend looks set to continue in the near future with most logistics-related transport infrastructure to be completed in the western part of Hong Kong. Hong Kong is the gateway to China and is a key logistic and trading hub to be cemented by the B&R

initiative. To meet future demand, government is building out key logistics infrastructure projects detailed below:

Major infrastructure projects, 2017 and beyond



Source: Savills Research & Consultancy

Infrastructure projects	Benefits
Hong Kong-Zhuhai-Macao Bridge	Reduce the travelling time between Zhuhai and HKIA from 3 hours to 45 minutes and Zhuhai and Kwai Chung Container Terminal from 2 hours to 75 minutes
Tuen Mun-Chek Lap Kok Link	Reduce the travel time between Tuen Mun and the airport from 30 minutes to 10 minutes
Liantang / Heung Yuen Wai Control Point	Provide efficient access across the border to the eastern part of Guangdong, including Shantou, Shanwei and Chaozhou, and the adjacent provinces such as Fujian and Jiangxi.
Route 6	Reduce journey time between Tseung Kwan O and West Kowloon
Third Runway at HKIA	Increase the cargo capacity to 8.9 million tonnes by end-2030, up from the 4.4 million tonnes handled in 2014
Hong Kong Boundary Crossing Facilities	Provide facilities for cross-boundary cargo processing and passenger clearance
Hung Shui Kiu New Development Area	Provide a maximum of 49.2 million sq ft of industrial and logistics premises.

Future infrastructure relevant to the logistics sector is detailed below:

A. Hong Kong-Zhuhai-Macao Bridge

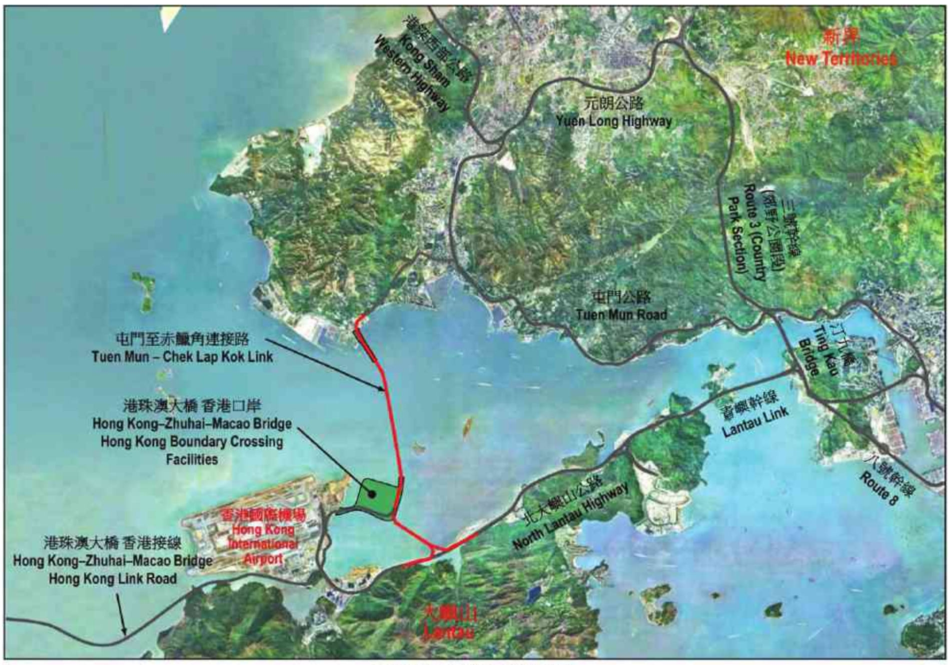
Source: Highways Department

The proposed Hong Kong – Zhuhai – Macao Bridge (HZMB), situated in the waters of Lingdingyang of the Pearl River Estuary, is a lengthy sea crossing linking Hong Kong, Zhuhai City of Guangdong Province and Macau Special Administrative Region. The functions of the bridge are to meet the demands of passenger and freight land transport generated by Hong Kong, the Mainland (particularly the Pearl River West) and Macau, to establish a new land transport link between the east and west coasts of the Pearl River, and to enhance the economic and sustainable development in the three places.

The HZMB Main Bridge will start from the artificial islands off Gongbei and Macau to the eastern artificial island west of the HKSAR boundary. It will be a 29.6km dual 3-lane carriageway in the form of a bridge-cum-tunnel structure running across major navigation channels in the Pearl River Estuary with an immersed tunnel of about 6.7km, and the 6 km Hong Kong Section from the boundary of Hong Kong to the landing point at San Shek Wan on Lantau Island. The Government expects HZMB's Hong Kong section to be completed by the end of 2017[9].

[9] Source: Newsletter 'Bridge to be completed by year's-end' dated 9th February 2017 by Hong Kong Government

B. Tuen Mun – Chek Lap Kok Link



屯門至赤鱲角連接路
Tuen Mun – Chek Lap Kok Link
Source: Transport and Housing Bureau

Tuen Mun – Chek Lap Kok Link is a 9 km long dual two-lane highway between Tuen Mun River Trade Terminal and the Airport/Tung Chung on North Lantau with a 4 km long immersed tube tunnel between Tuen Mun west and Lantau, and sea viaducts connecting with the proposed North Lantau Highway Connection and the HKIA. This option focuses on providing a more direct link between the northwest New Territories and northwest Lantau, reducing the travel time between Tuen Mun and the airport from 30 minutes to 10 minutes. It has the advantage of catering for the anticipated significant growth occurring in northwest Lantau, such as that arising from an anticipated increase in airport related traffic, the proposed Lantau Logistics Park, and traffic from the Hong Kong – Zhuhai – Macao Bridge.

While the year of completion of the Tuen Mun Western Bypass (TMWB) is still under review, the Tuen Mun – Chek Lap Kok Link is planned to be completed in 2020 at the earliest[10]. The opening of the TM-CLK Link will shorten the time to transfer goods from the airport to Shenzhen and will help maintain the air freight throughput of Hong Kong at HKIA.

C. Liantang / Heung Yuen Wai control point

The new border control point (BCP) at Liantang/Heung Yuen Wai in the northeast New Territories will serve the cross-boundary goods vehicles and passengers travelling

[10] Source: Tuen Mun – Chek Lap Kok Link (TM-CLKL), Hong Kong-Zhuhai-Macao Bridge Related Hong Kong Projects, Road and Railway, Highway's Department

between Hong Kong and Shenzhen East. It involves site formation of about 23 ha of land for the BCP and construction of an approximately 11 km long dual-two lane trunk road connecting the BCP with Fanling Highway. The new BCP will connect with the Shenzhen Eastern Corridor and provide efficient access across the border to the eastern part of Guangdong, including Shantou, Shanwei and Chaozhou, and the adjacent provinces such as Fujian and Jiangxi. The target completion date is end-2018[11].

Source: CEDD

D. Route 6

The Trunk Road T2, together with the proposed Central Kowloon Route (CKR) and Tseung Kwan O - Lam Tin Tunnel (TKO-LTT) will form the Route 6 alignment of the strategic road network. Route 6 will provide an east-west express link between West Kowloon and Tseung Kwan O and provide the necessary relief to the existing heavily utilised road network in the central and eastern Kowloon areas. It is expected that construction will start in 2017 and operation will begin in 2025[12].

11 Based on a target completion date provided by Project Overview of Liantang / Heung Yuen Wai Boundary Control Point by the Civil Engineering and Development Department

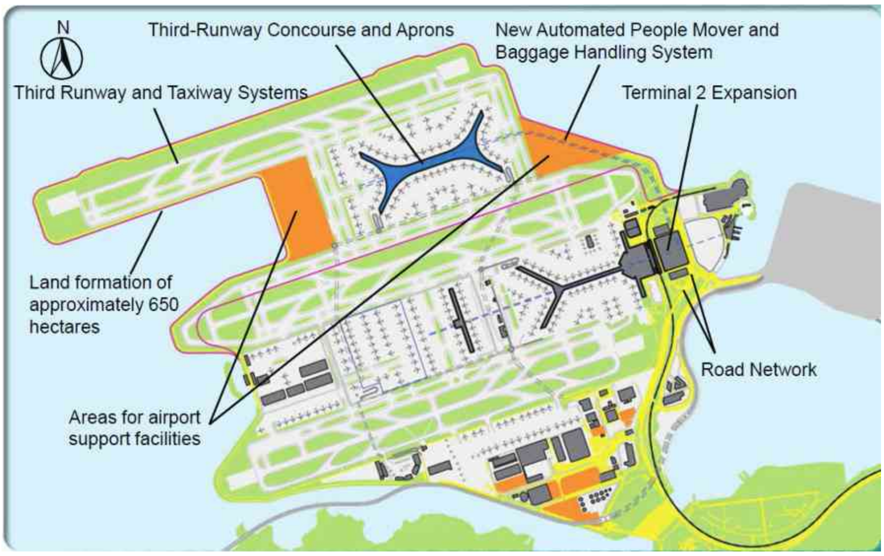
12 Based on anticipated construction commencement date and anticipated commissioning date provided by the Highways Department

Source: CEDD

E. HKIA Third Runway

With a third runway, HKIA will be able to handle 102 ATMs per hour, or a practical maximum annual capacity of about 620,000 ATMs. It will also increase cargo capacity to 8.9 million tonnes by end-2030, up from the 4.4 million tonnes handled in 2014. This means HKIA could accommodate its forecast demand up to 2030 and possibly beyond, giving a substantial boost to Hong Kong's economy and securing the airport's status as one of the world's most important aviation hubs. It is estimated to be completed in 2024, with the commissioning of the new runway in 2022[13].

[13] According to press releases 'Construction of Three-runway System Kicks Off at HKIA', dated 1 August 2016, by Hong Kong International Airport



Source: HKIA

F. Hong Kong Boundary Crossing Facilities

Source: Planning Department

The proposed Hong Kong Boundary Crossing Facilities (HKBCF) will be located on an artificial island of about 130 hectares reclaimed from the open waters to the northeast of HKIA. Geographically, the HKBCF stands to benefit from its convenient location with good transportation connectivity as it is next to HKIA and near Tung Chung new town. With a variety of transport means including HKIA, SkyPier, Airport Express Line and Tung Chung Line available in the proximity, the HKBCF will become a multi-modal transportation hub in the area. According to the Highways Department, target commissioning is by the end of 2017.

G. Hung Shui Kiu new development area

Located at the northwest of New Territories, Hung Shui Kiu (HSK) is a new development area which will provide land (about 107 hectares) for the development of commerce, logistics, technology and various other industries. It will make good use of HSK's geographical advantage. Apart from being close to Tin Shui Wai, Tuen Mun and Yuen Long in terms of transport infrastructure, Hung Shui Kiu will eventually be connected to the airport and northern Lantau to the south through the Tuen Mun-Chek Lap Kok Link, while to the north it will be connected to the Qianhai area of Shenzhen via the Kong Sham Western Highway. According to the latest proposals from the Planning Department, there will be 38 ha for logistics use, 25 ha for port back-up, storage and workshop use, 10 ha for enterprise and technology park use and a maximum of 49.2 million sq ft of industrial and logistics premises.

Source: Planning Department

4.0 Major Logistics Occupiers and Owners

4.1 Major logistics operators

As a regional trading and logistics hub, there are a number of large local and multinational logistics operators operating in Hong Kong occupying logistics and warehouse facilities. These operators include air freight terminal operators, container terminal operators, express cargo operators and third-party logistics (3PLs).

These operators are listed below by operation type.

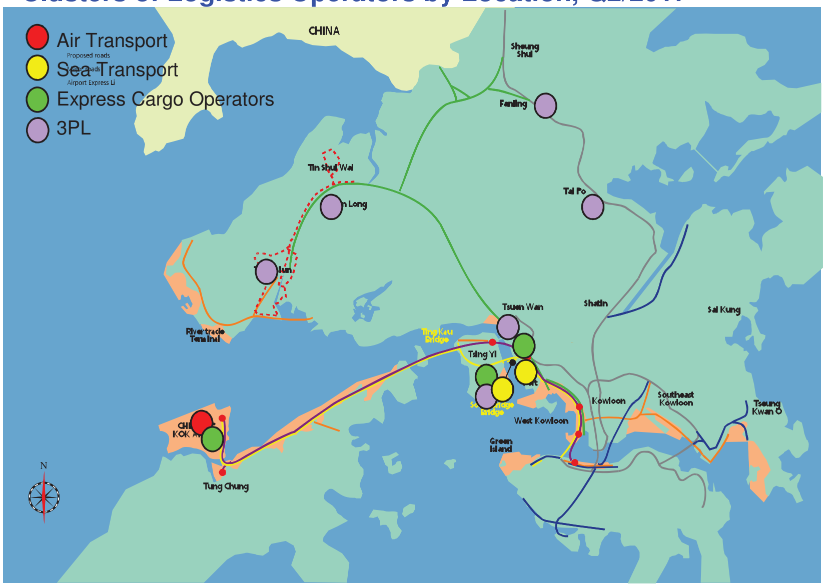
Major Logistics Operators in Hong Kong

Company	Operations			Country of Origin
	Hong Kong	China	Worldwide	
Air Freight Terminal Operator (in terms of terminal space)				
HACTL	4,250,000 sq.ft.			Hong Kong
CXCargo Terminal	2,650,000 sq.ft			Hong Kong
AAT	1,790,000 sq.ft.			Multi
Container Terminal Operators (in terms of throughput)				
HPH	10.8 million TEUs (2016)	11.7 million TEUs (2016)		Hong Kong
MTL	7.0 million TEUs (2016)	5 million TEUs (2016)		Hong Kong
COSCO	1.3 million TEUs (2016)	81.5 million TEUs (2016)		China
Express Cargo Operator (in terms of turnover)				
DHL			EUR$57.3 billion (2016)	US
UPS			USD$51 billion (2016)	US
SF Express		CNY$57 billion (2016)		China
Third Party Logistics (in terms of turnover)				
Kerry Logistics	HK$24 billion (2016)			Hong Kong
DB Schenker			EUR$15.1 billion (2016)	Hong Kong
Expeditors			USD$6.1 billion (2016)	US
Nippon Express			JPY1,490.1 billion (2016)	Japan
Sagawa Express			JPY943 billion (2015)	Japan

Source: Company reports, Savills Research & Consultancy

Logistics operators are normally located near the facilities and infrastructure which facilitate their business; therefore different types of logistics operators form different clusters around transport facilities such as the HKIA, container terminals, etc.

Clusters of Logistics Operators by Location, Q2/2017



Source: Savills Research & Consultancy

Air cargo transport operators are understandably located at the airport as most of them are subsidiaries of their respective airlines. Furthermore, they can minimize cargo handling times through the three cargo terminals ST1, ATT and Cathay Cargo Terminal. Likewise, a majority of shipping lines and sea transport operators are located near the Kwai Chung / Tsing Yi container terminals for similar proximity advantages.

3PLs cluster in major logistics hubs such as the Kwai Tsing area, the Tuen Mun / Yuen Long area, the Shatin area and the Fanling / Sheung Shui area where there are a large number of warehouse and logistics facilities available, given that they have to provide comprehensive services including warehousing and inventory management and thus need the space to carry out their operations.

Express cargo couriers, despite having some operations within the airport area (and a logistics hub in the case of DHL), have distribution centres and logistics facilities virtually all over the territory as they need these geographically diverse contact points to ensure timely and accurate delivery services. Nevertheless, more and more of them are consolidating their main operations into one location near major transportation hubs for more efficient cargo handling.

4.2 Major warehouse landlords in Hong Kong

As most of the large logistics operators are multinationals with a focus on providing logistics services, most do not own the assets they occupy. Most of the logistics and warehouse facilities in Hong Kong are therefore owned by developers, or logistics investors who excel in managing portfolios of logistics facilities.

After entering the local logistics market in 2006, Goodman International has established themselves as one of the major logistics players in the market by purchasing quality warehouses, and is currently the largest logistics and warehouse landlord in Hong Kong both in terms of number of buildings owned and floor area (12 properties representing 8.8 million sq ft gross of warehouse / industrial space and a 50% stake in Container Terminal 3 in Kwai Chung). A majority of their portfolio is located in the Kwai Tsing / Tsuen Wan district with easy access to both the HKIA and the container terminals.

Two other larger landlords own facilities at the container terminals. ATL owns 50% of the largest single logistics and warehouse facility in Hong Kong (total area of 9.3 million sq ft gross) while CK Property and CK Hutchison own a majority of Hutchison Logistics Centre in Kwai Chung as well as another warehouse in Shatin with a total floor area under ownership amounting to 5.7 million sq ft gross.

Kerry Logistics is another large logistics landlord with 12 warehouses under its ownership, totaling 5.4 million sq ft of warehouse space, again with a majority of its warehouses located in Kwai Tsing / Tsuen Wan district. The Singapore-based Mapletree Logistics Trust is also gradually expanding its portfolio in Hong Kong, with 2.2 million sq ft gross under management, mostly concentrated in Shatin, as well as the newly developed Mapletree Logistics Hub in Tsing Yi, which increases their portfolio by 1,297,590 sq ft gross.

Landlord	Number of warehouses owned	Total GFA (sq ft gross)
Goodman International	12 and 50% stake in Container Terminal 3 in Kwai Chung	8.8 million
ATL	1 (50% of ATL Centre A & B)	4.65 million
CK Property and CK Hutchison	2	5.7 million
Kerry Logistics	12	5.4 million
Mapletree Logistics Trust	9	3.5 million

Source: company reports, Savills Research & Consultancy

5.0 Warehouse market overview

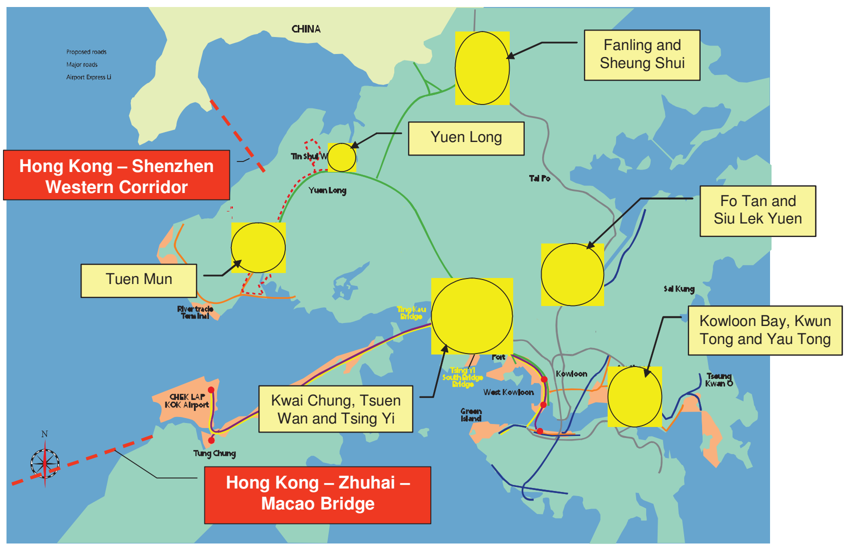
5.1 Introduction

Warehouses comprise premises designed or adapted for use as warehouses or cold stores. Premises located within container terminals are also included. A modern warehouse (or a ramp-up warehouse) is defined as one with modern design and features suitable for logistics tenants. A typical modern warehouse has a floor to ceiling height of at least 15 feet for three-pallet storage, a minimum floor loading of 250 lbs, a floor plate of at least 50,000 sq.ft. gross and direct vehicle access to the majority of its floors. Mapletree Logistics Hub Tsing Yi (the subject property) is a modern warehouse located in the Kwai Tsing district.

A cargo-lift warehouse, more commonly known as a general warehouse, is defined as a multi-storey warehouse that usually has vertical circulation facilities such as cargo lifts or internal cranes to move cargo between the ground floor (the loading / unloading point) and other floors (the storage point). Loading / unloading bays and / or parking spaces for heavy goods vehicles and container trucks are usually available for more efficient cargo handling capabilities. Notably this should be distinguished from traditional industrial buildings / flatted factories primarily used for storage purposes, as the latter are not designed for logistics use.

There are a number of warehouse clusters in the territory supported by different modes of transport and serving different client mixes. While Tuen Mun and Yuen Long are close to the newly completed Hong Kong – Shenzhen Western Corridor, Fanling and Sheung Shui enjoy direct road access to Mainland China via Lok Ma Chau and cater for medium to large sized cargoes destined for the PRC, Kwai Tsing and Tsuen Wan are close to Kwai Chung Container Terminals and cater for bulky cargoes to / from overseas. These areas are also well connected to the HKIA and thus a number of air freight forwarders have also settled in these areas. Both Fo Tan / Siu Lek Yuen and Kowloon Bay / Kwun Tong / Yau Tong cater more for small cargoes, with the former benefiting from both road and rail access to China, while the latter is served by cargo piers to transport cargo to Hung Hom to access China.

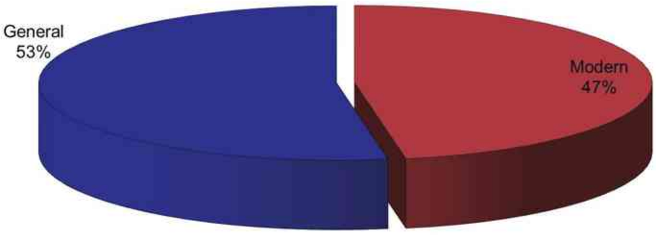
Major warehouse locations, Q2/2017



Source: Savills Research & Consultancy

5.2 Stock[14]

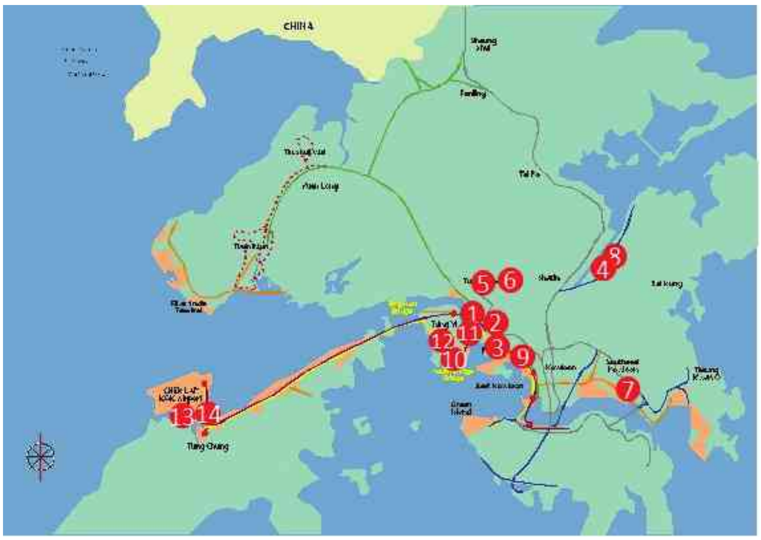
Warehouse stock by category, Q2/2017



Source: Rating and Valuation Department, Savills Research & Consultancy

Modern warehouse stock represents 47% of total warehouse storage stock (40.0 million sq.ft. IFA) in Q2/2017, 2% (or 1.0 million sq.ft. IFA) of which is situated in the airport. Modern warehouses have been developed over recent years and are managed by a few experienced developers and investors.

Modern warehouse distribution, Q2/2017



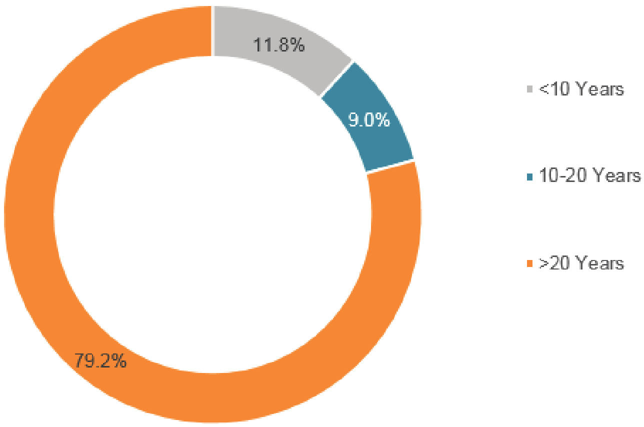
[14] All floor area in this section is measured in Internal Floor Area (IFA) as defined by the Rating and Valuation Department, which is different from gross floor area (GFA) used in other sections of the report, and is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/or party walls, unless otherwise stated.

No.	Buildings	Total gross floor area (BPR) (sq ft)*	Year of completion	Key tenant type	Developer
1	Mapletree Logistics Hub Tsing Yi	1,297,590	2016	DC / E-commerce / cold store	Mapletree
2	Asia Logistics Hub – SF Centre	1,102,603	2014	3PL / Express	SF Express
3	Goodman Interlink	1,525,058	2012	3PL / Express / E-commerce / cold store	Goodman
4	NWS Kwai Chung Logistics Centre	694,265	2011	Sea freight / 3PL	China Resources
5	Tradeport	337,358	2002	Air freight	CNAC, Fraport AG, HongkongLand, Schiphol Group
6	Kerry Cargo Centre	1,700,000	1999	3PL	Kerry
7	Global Gateway	853,050	1999	Air freight / Express	Goodman
8	AFFC	1,419,096	1999	Air freight	Sun Hung Kai
9	Grandtech Centre	988,967	1996	3PL	Mapletree
10	Ever Gain Centre	642,266	1993	3PL	Mapletree
11	Hutchison Logistics Centre (HLC)	5,454,568	1990	Sea freight / DC / 3PL	Hutchison
12	ATL Logistics Centre	8,156,684	1988 and 94	Sea freight / DC / 3PL	Goodman / DP World
13	Sunshine Kowloon Bay Cargo Centre	757,973	1983	3PL	Strata-titled
14	Modern Terminals Ltd	717,701	1980 and 91	Sea freight	Wharf / China Merchant / Jebsen Securities

Source: Buildings Department, Savills Research & Consultancy

*The Total Gross Floor Area (BPR) is defined under the Building (Planning) Regulation and published by the Buildings Department. This is different from the gross floor area stipulated under the Land Grant. The Total Gross Floor Area (BPR) comprises the area contained within the external walls of the building, measured at each floor level, including any floor below the level of the ground, and takes into consideration any floor space that the Buildings Department is satisfied is constructed, intended to be used for parking motor vehicles, loading or unloading of motor vehicles or occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service based on the stipulated regulations.

Hong Kong warehouse stock by age profile



Source: Savills, Rating and Valuation Department, Hong Kong

There are 14 modern warehouses in Hong Kong with a total gross floor area of around 24.7 million sq ft gross, with the largest cluster in the Kwai Tsing / Tsuen Wan area in close proximity to both the cargo terminals and HKIA.

The stock distribution of warehouses overall shows a clear shift of warehouse facilities towards the northwest New Territories over the past two decades. Compared with 1994, Hong Kong Island and Kwun Tong warehouse storage stock has declined by 25% and 24% respectively to 1.8 and 2.8 million sq ft IFA in 2016. However, stock in 'Others Areas' rose sharply from 30,000 sq ft IFA in 1994 to 1.1 million sq ft IFA in 2016, as a result of the development of logistics facilities at the airport. Stock in Tuen Mun and Yuen Long also increased dramatically by 67% and 180% respectively to 1.5 and 1.4 million sq ft IFA at the end of 2016. Such a shift was induced by new infrastructure such as Container Terminal 9, HKIA, the River Trade Terminal, and the Hong Kong-Shenzhen Western Corridor, being completed over the period.

Total stock comparison by district, 1994 vs 2016

District	1994 Stock (million sq ft IFA)	2016 Stock (million sq ft IFA)	Change (%)
Hong Kong Island	2.4	1.8	-25
Kowloon City*	1.4	1.1	-21
Kwun Tong	3.7	2.8	-24
Sham Shui Po**	1.1	1.5	+36
Kwai Tsing / Tsuen Wan	20.4	22.8	+12
Tuen Mun	0.9	1.5	+67
Yuen Long	0.5	1.4	+180
North	1.1	1.4	+27
Shatin	4.4	4.8	+9
Others***	0.0	1.1	-
Total	36.0	40.2	+12

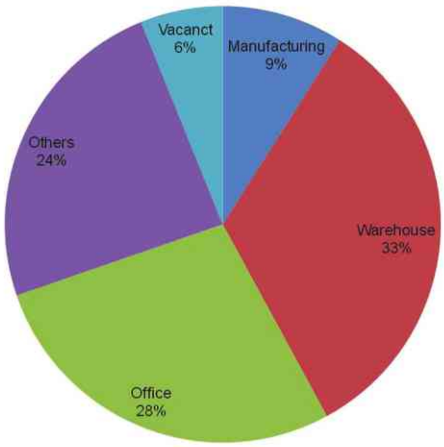
*For re-zoning Kowloon City in 2014 included TST, Hung Hom and Wong Tai Sin in 1994
**For re-zoning Sham Shui Po in 2014 included Cheung Sha Wan and Mongkok in 1994
***Others including Island, Sai Kung and Tai Po
Source: Rating and Valuation Department, Savills Research & Consultancy

The westward shift of warehouse and logistics facilities in Hong Kong in recent years has coincided with the westward shift of industrial and investment activity in the PRD. With its proximity to, and links with, Hong Kong, the eastern side of the PRD (Shenzhen, Dongguan and Guangzhou) was first developed with the help of investment from Hong Kong and Taiwan. The area has since attracted investment interest from Asian and western countries over the past two decades and is now the most economically developed area in the region.

The western areas, comprising Foshan, Zhongshan, Zhuhai, Zhaoqing and Jiangmen, have been opened up for development over the past few years. A western shift of investment interest has emerged and this has been reflected in a faster pace of growth in terms of the formation of industrial enterprises and gross output value recorded since 2005. Improved road and rail links, including the HZMB linking Hong Kong with the western side of the PRD, are expected to open up this area further. It is anticipated that more factories will move west to take advantage of the lower costs in the western part of the PRD, and hence stimulate demand for logistics services there.

The westward shift has also been facilitated by upcoming infrastructure in Hong Kong, which will further strengthen the connections between the western part of Hong Kong with the rapidly developing western PRD area. The scheduled completion of the Hong Kong-Zhuhai-Macau Bridge in 2018, which will link the HKIA and northwestern New Territories (via the Tuen Mun Chek Lap Kok Link) to Zhuhai and then other cities in western PRD is seen as a major catalyst in this respect.

Flatted factory breakdown by usage, 2015

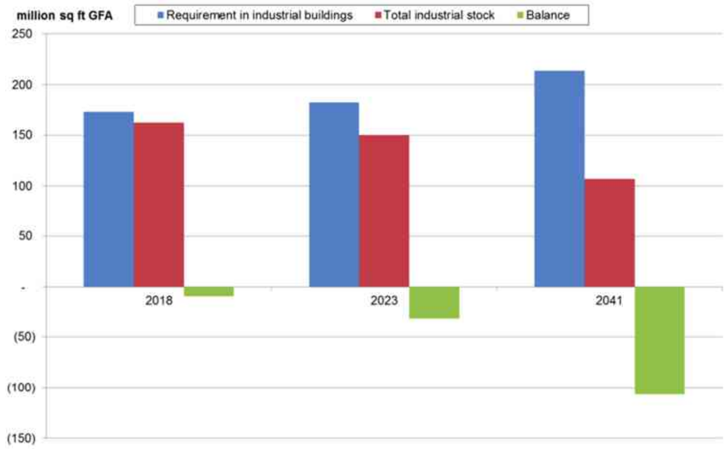


Source: Planning Department, Rating and Valuation Department

While total warehouse stock amounted to 39.2 million sq ft IFA in 2015, we note that there was a substantial amount of space in flatted factories being utilised as storage/warehouses. Out of the 183 million sq ft IFA of flatted factory space, we estimate that 33%, or 60 million sq ft IFA in total, was being used primarily as warehouses in 2015, although given the obvious limit on vertical circulation (most have no direct ramp access) and security issues, these warehouses are used to handle less bulky, low value-added goods, and represent limited competition to modern warehouses.

Due to the increase in obsolete industrial buildings, the government announced an industrial revitalisation policy in April 2010, allowing 30-year-old or above, wholly-owned industrial buildings located in non-industrial zones to be converted into commercial uses without the need to pay waiver fees. Up to March 2016, 248 applications were filed with the Lands Department, 76 of which had been approved and executed, representing a potential industrial GFA reduction of around 12.4 million sq ft IFA, 42% of which is in Kowloon East.

Demand, stock and balance for industrial buildings, 2018, 2023 and 2041



Source: Planning Department, Savills Research & Consultancy

With flatted factory vacancy declining from 8.0% in 2009 to 5.6% in 2014, and the Planning Department expecting a shortage of industrial space in the longer-term, the revitalization policy came to an end in March 2016. Given the demand for and reducing supply of industrial buildings, a shortage of industrial space is expected in the future and the shortage will grow via years.

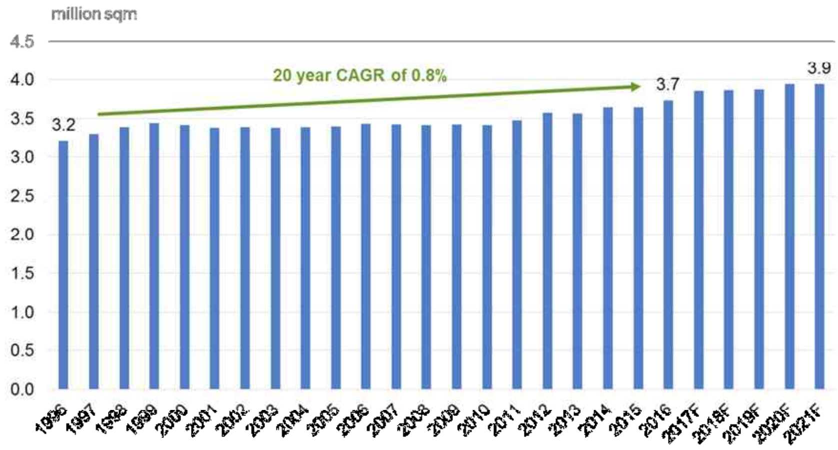
5.3 Supply, take-up and vacancy[15]

5.3.1 Modern warehouse segment

The supply bulge of modern warehouse space was in early 90s when around 8.5 million sq ft IFA, or an average of 2.8 million sq ft IFA per annum was completed between 1990 and 1994, mainly located in the Kwai Chung Container Port area. Average supply declined to slightly below 1 million sq ft IFA per annum from 1995 to 1999, and only one project was completed from 2000 to 2010 with very limited development interest in modern logistics facilities from both the public and private sectors. The government did eventually launch four logistics sites in Kwai Tsing to meet the increasing logistics demand from 2008 onwards, and three of those sites were completed from 2011 to 2016.

[15] All floor area in this section is measured in IFA as defined by the Rating and Valuation Department unless otherwise stated.

Total warehouse year-end stock, 1996 to 2021F[16]
(million sqm)



Source: Rating and Valuation Department, Savills Research & Consultancy

While supply remained extremely tight from 2006 to 2010, demand for modern warehouses was strong, particularly after the implementation of CEPA starting from 2004, as well as the robust retail sales recorded from 2010 to 2013 inducing high end logistics demand. Vacancy rates of modern warehouses remained at a very low level of below 1% for most of the time from Q1/2006 to Q4/2013 as a result. With more retailers looking for prime warehouse space for the storage and simple processing of their high value-added goods, a lot of freight forwarders originally utilising large chunks of modern warehouse space have been forced to turn to more traditional warehouse space to meet their needs.

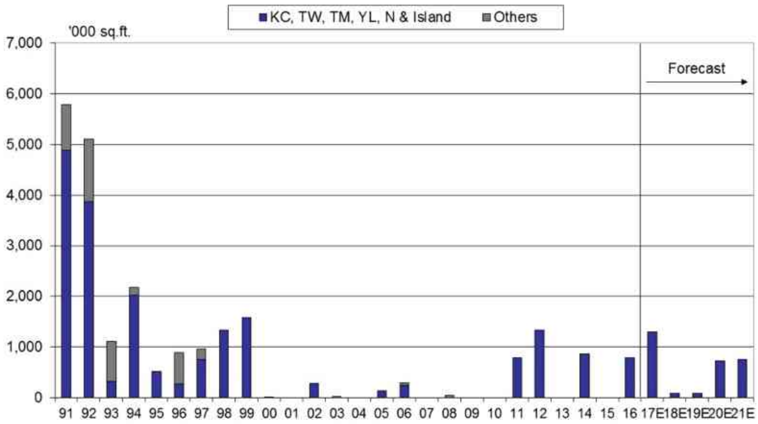
3PLs on the other hand, have still managed to retain some of their prime warehouse space as most medium- to large-scale 3PLs operate on two platforms, one being the higher-margin air freight and fast-moving businesses which require higher warehouse specifications; the other being the lower-margin local distribution and W&D (Warehouse & Distribution) function, which only requires standard warehouse facilities.

Hong Kong's warehouse stock grew at a relatively low CAGR of 0.8% per over the past 20 years. This is largely due to severe land constraints in Hong Kong, leading to limited supply for warehouse use.

[16] Forecast excludes government land which has yet to be released. Including this, warehouse stock in 2021 would be 4.0 million sqm.

5.3.2 *Overall warehouse segment*

Warehouse supply by district, 1991 - 2021E



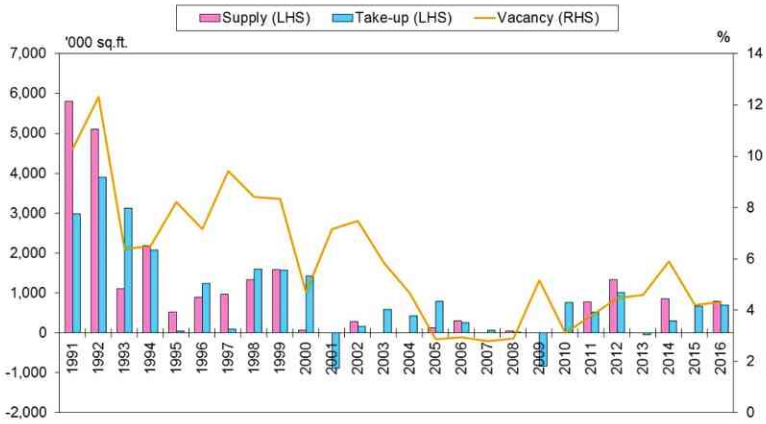
Source : Rating and Valuation Department, Savills Research and Consultancy

Between 1991 and 2007, around 80% (16.3 million sq ft IFA) of new supply was located in the northwest New Territories, including the districts of Kwai Chung, Tsuen Wan, Tuen Mun, Yuen Long, North and Island. Taking a closer look over the past decade, an even more dominant 94% of new supply came from these districts, reflecting the gradual completion of major logistics facilities in response to major infrastructure completions.

No new supply entered the market from 2008 to 2010. From 2011 to 2016, six warehouse projects were completed in Kwai Tsing, Yuen Long and Fanling, four of which (NSW Kwai Chung Logistic Centre, Interlink, SF Centre and Mapletree Logistics Hub Tsing Yi in Kwai Tsing) are built to modern warehouse standards.

Looking at the overall warehouse market, new supply of warehouse space rebounded over the last five years. While average annual supply over the period from 2006 to 2010 was 69,000 sq ft IFA, from 2011 to 2016, average annual supply increased to 628,000 sq ft IFA.

Warehouse storage supply, take-up and vacancy rates, 1991 - 2016



Source : Rating and Valuation Department, Savills Research & Consultancy

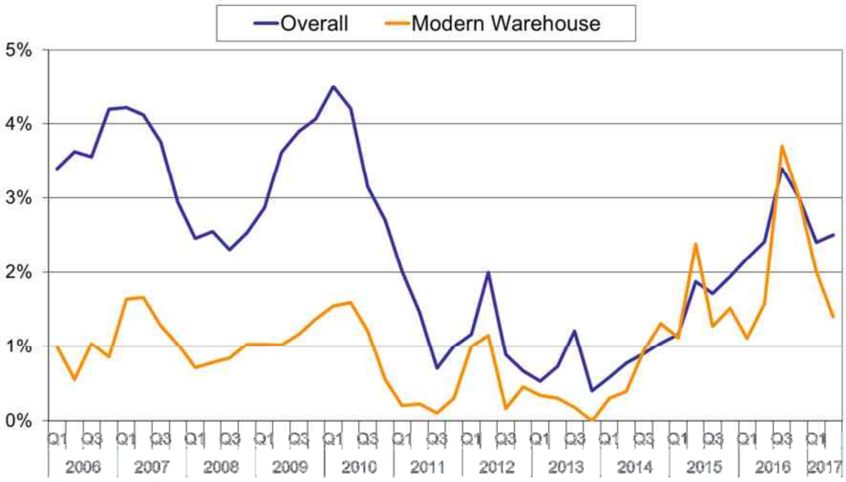
Average take-up stood at around 2.4 million sq ft IFA per annum from 1991 to 1995, dragging vacancy rates down to 8% by 1995. Despite much lower take-up from 1996 to 2000 (1.2 million sq ft IFA), the low average supply level over the period pulled the vacancy rate down further to 4.7% by 2000. Vacancy shot up to 7.5% in 2002 due to negative take-up in the previous year, but the supply lull in subsequent years, together with robust warehouse demand from 2003 onwards due to the growth of the logistics sector, again induced vacancy rates to decline to 2.8% in 2007, a new low since 1991.

Vacancy rates increased to 5.2% alongside weakening demand due to the Global Financial Crisis in 2009. The market also recorded negative take-up in that year, the first time since 2002. The fast recovery from the Global Financial Crisis, combined with booming retail sector demand, brought the vacancy rate down to 3.1% in 2010. Supply gradually increased from 2011 to 2014, the strong retail market inducing robust local logistics demand to absorb part of the new space up to 2013, but the slowdown in the retail market also slowed the absorption of new logistics space, and thus vacancy rates increased to 5.9% at the end of 2014. However the average vacancy rate fell to 4.2% in 2015, the lowest level since 2011, due to an absence of supply and take-up of 670,000 sq ft IFA in 2015. The completion of a new warehouse in Tsing Yi in 2016 provided an additional 788,000 sq ft IFA of supply in the year and take-up, while at a higher level of 694,000 sq ft IFA than in 2015, could not keep pace and vacancy rates increased slightly to 4.3% as a result.

5.3.3 Detailed vacancy analysis

The robust retail-led logistics demand has driven both overall and modern warehouse vacancy rates down from 2010 onwards, and towards the end of 2013 both rates were below 1% with modern warehouse vacancy close to 0%. Given the tight availability, basic warehouses in the New Territories, especially in the northwest area including Tin Shui Wai, Lau Fau Shan and Lok Ma Chau, which are all close to the Hong Kong–Shenzhen Western Corridor, have gained in popularity from 2011 to 2013 with their large floor plates (normally 50,000 sq ft to 100,000 sq ft gross on the G/F) and discounted rents (normally a 30% to 40% discount to standard warehouses) on offer. As most of these basic warehouses provide minimal services and poor conditions (most without air-conditioning), key users are transhipment operators and low-end FMCG retailers which have very fast inventory turnover, minimising the storage time in, and thus the adverse impact of these basic warehouses.

Overall and modern warehouse vacancy rates, Q1/2006 – Q2/2017



Source : Savills Research and Consultancy

The dip in performance of both the retail and trading sectors over the past three years have inevitably affected the logistics market: while the business of most large-scale logistics operators has remained relatively stable, a small number have experienced the impact of the recent retail and trading headwinds and needed to downsize in order to cut costs, leading to an increase in the modern warehouse vacancy rate. With the inclusion of Mapletree Logistics Hub Tsing Yi in our vacancy basket from Q3/2016 onwards, while still in its lease-up stage, overall and modern vacancy stood at 3.4% and 3.7% respectively in Q3/2016, the latter the highest since 2006.

In Q4/2016, the warehouse leasing market saw more relocation activity than in Q3, with three tenants, namely Swatch Group, Helu-trans (HK) and Angliss Hong Kong Food Service, taking up a total of 370,000 sq ft gross in Mapletree Logistics Hub Tsing Yi across three floors, halving the vacancy rate of the building from 40% to 20%. Another cosmetic retailer was forced to relocate out from Chai Wan Safety Warehouse, which was bought by an owner occupier earlier last year, and took up around 200,000 sq ft gross in ATL. Our modern warehouse vacancy rate fell significantly from 3.7% in Q3/2016 to 3.0% in Q4/2016 as a result.

With many modern warehouse landlords taken proactive measures to retain their key tenants over the past two quarters, occupancy rates of their premises stabilized; coupled with the gradual take-up of the Mapletree project, overall market vacancy as well as modern warehouse vacancy declined to 2.4% and 2.0% in Q1/2017 as a result.

Modern warehouse landlords have been more proactive in tenant negotiations and coupled with the fact that Mapletree Logistics Hub is almost fully let, modern warehouse vacancy declined to 1.4% in Q2 as a result. In older general purpose warehouses where tenancies are often less well managed, overall vacancy increased to 2.5% over the same quarter. Warehouse rents remained broadly the same as leasing deals struck over the quarter were mainly relocations with very little new / expansion demand.

Going forward, Hong Kong's logistic markets is expected to continue to have a tight vacancy rate, due to limited supply in the next few years and expected continued strong demand for modern warehouses.

5.3.4 Supply forecasts

Upcoming warehouse supply between 2017 and 2021 will amount to 3.94 million sq ft gross which amounts to an addition of 9.8% to the existing warehouse supply, and will come from four projects located in Kwai Tsing / Tsuen Wan and one project in Tuen Mun.

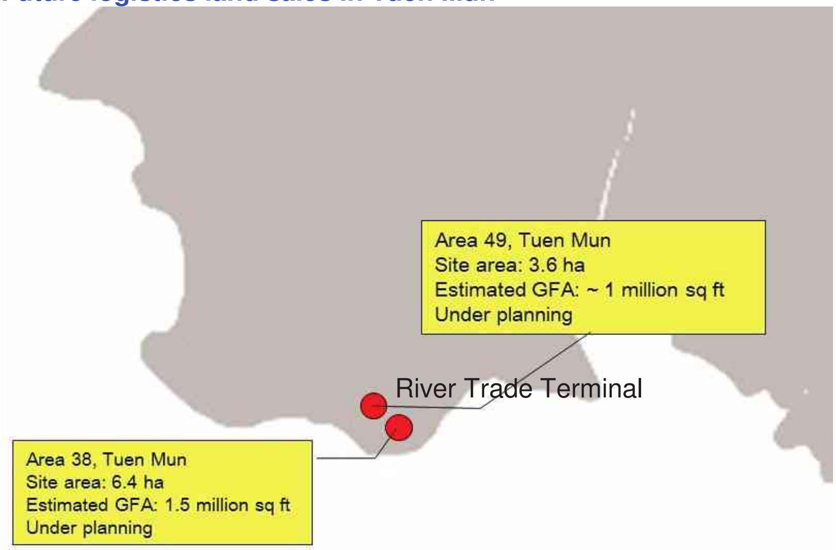
Warehouse supply list, 2017 - 2021

Project	District	Developer	Total GFA (sq ft)	Expected completion
TYTL 181, Tsing Yi Hong Wan Road	Tsing Yi	China Merchants	1,743,203	2017
KCTL 487, Junction of Shing Yiu Street, Wing Kei Road and Kwai Fuk Road	Kwai Chung	Billion	113,721*	2018
KCTL 495, Kin Chuen Street	Kwai Chung	Hon Kwok Land Investment	114,017**	2019
Goodman Tsuen Wan West	Tsuen Wan	Goodman	980,000***	2020
Area 49	Tuen Mun	Government site	1,000,000	2021^

Source: Savills Research & Consultancy, Buildings Department
*Only showing the warehouse portion
**Total GFA of the site is 228,033 sq ft which is of business use, and the developer indicated they would reserve half of the space for warehouse use
***Two buildings are going to be erected on the site: Building 1 (980,000 sq ft gross) will be an 18-floor cargo-lift warehouse, while Building 2 (280,000 sq ft gross) will be a 15-floor data centre
^Estimated earliest completion dates

5.4 Upcoming logistics land supply and logistics land sales over the past 10 years

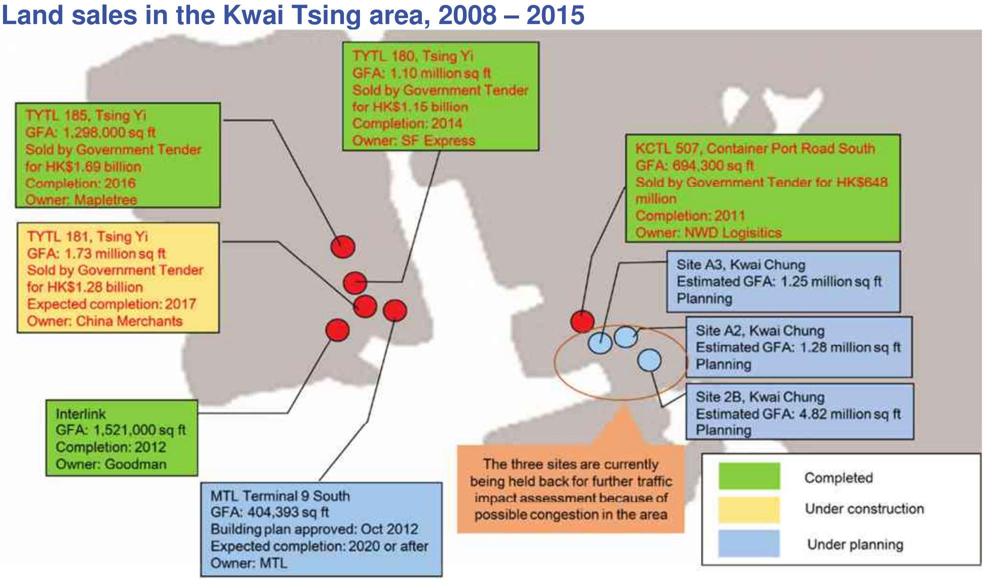
Future logistics land sales in Tuen Mun



Source : Savills Research & Consultancy

The government has earmarked two sites for logistics use in Tuen Mun Area 49 and Area 38 respectively (near the River Trade Terminal) with a total GFA of 2.5 million sq ft, and the latest information from the government is that Area 49 may be launched to the market in 2018 earliest with some minor planning applications pending, while the site at Area 38 is being used as a temporary fill bank until the end of 2018, meaning it can only be launched to the market in 2019 earliest. The earliest expected completion dates for the two sites are therefore estimated to be 2021 and 2023 respectively.

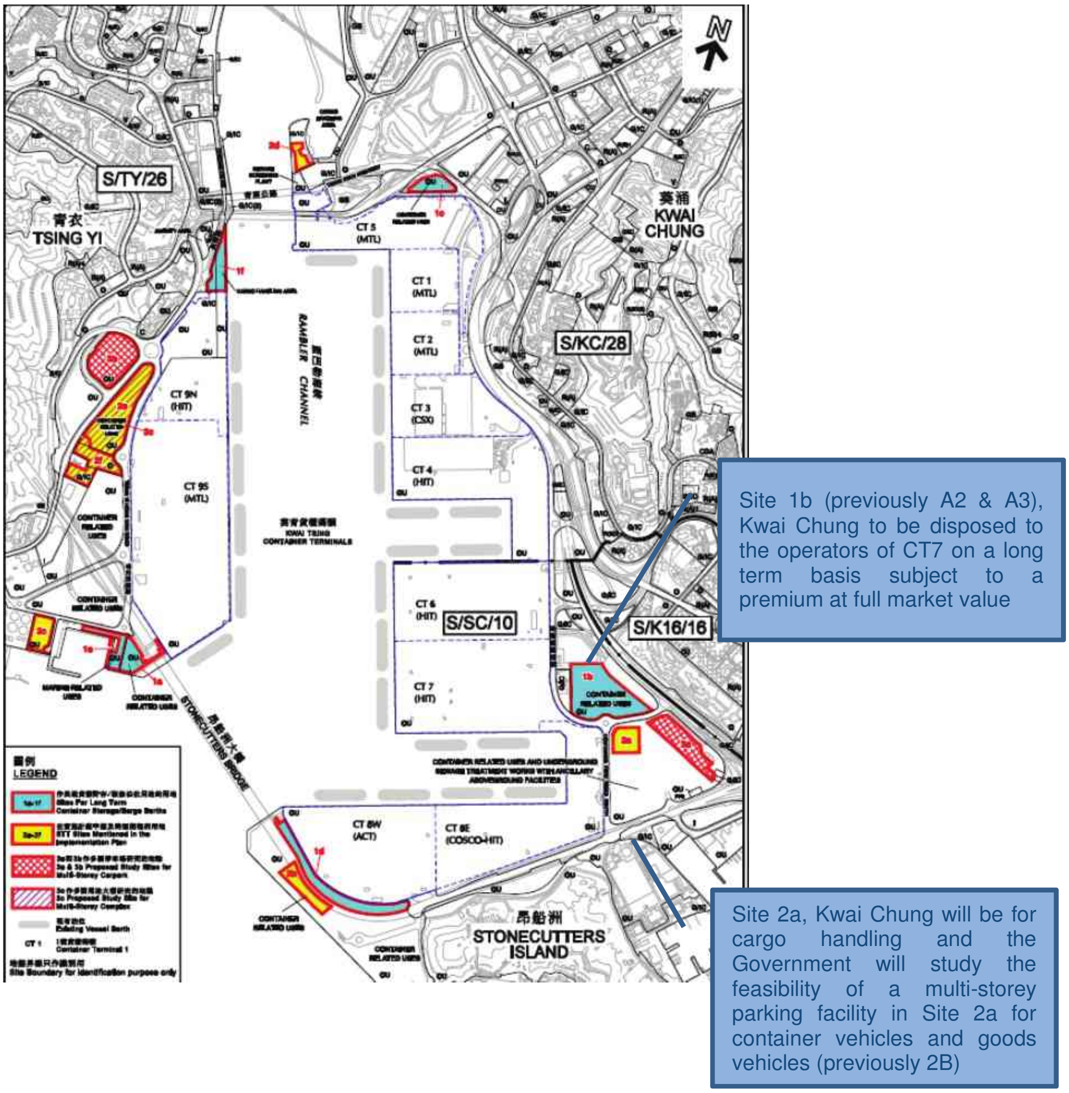
Land sales in the Kwai Tsing area, 2008 – 2015



Source: Savills Research & Consultancy

All of historical logistics land sales by the government over the past 10 years have been concentrated in the Kwai Tsing area, with five sites being sold from 2008 to 2015, four of which are located in the Kwai Tsing Container Port area as shown above in red font. The other site is located at the Junction of Shing Yiu Street, Wing Kei Road and Kwai Fuk Road, which was purchased by Shun Hing Enterprise for HK$448.9 million in 2015 to be developed into an industrial premises for own use.

Notably the government has originally earmarked three more logistics sites in Kwai Chung which will total 7.35 million sq ft gross when fully developed. Nevertheless, the proposal faces fierce opposition from the container terminal operators fearing that such large-scale warehouse development will worsen traffic congestion problems within the area. After several consultation sessions with stakeholders the government decided to shelve the original plan, and is now studying to dispose Sites A3 and A2 to an existing terminal operator for container storage, and to dispose Site 2B for cargo handling and development of a multi-storey carpark.



5.5 Rental trends

Savills overall warehouse and modern warehouse rental indices, Q1/2003 – Q4/2021F

Source: Savills Research & Consultancy

The warehouse market rallied in the early 90s alongside strong economic and trading growth in Hong Kong and China. Macro economic controls in China, as well as the subsequent Asian Financial Crisis and the bursting of the dotcom bubble, saw warehouse rents drifting downwards to 2003 in line with the other property sectors. Modern warehouse rents recovered ahead of the overall market from 2003, with economic recovery and a growing tendency to deal with higher value goods and provide higher end logistics services. The gradual obsolesce of flatted factories from 1990 onwards meant its rental recovery from 2003 onwards was much slower than their warehouse counterparts.

Modern warehouse rents rose by 52% from their trough in 2003 and stood at HK$8.7 per sq ft per month in Q3/2008, commanding a 40% premium over the overall market. Warehouse rents then fell by 17% from Q3/2008 to Q3/2009 on the back of weakening demand in the Global Financial Crisis period, with flatted factories rents falling by 15% over the same period. The strong rebound in the global economy and a booming retail sector pushed rents up by 100% from Q3/2009 to Q4/2014. The subsequent slowdown in both retail sales and trading performance, together with stretched logistics operators' affordability, slowed warehouse rental growth substantially with warehouse rents growing by 4% over 2015 as a result. Over 2016, demand for warehouses continued to slow with warehouse rents decreasing by 0.6%. During 2003 – 2016, the CAGR of modern warehouse rents is 6.1%.

The leasing market saw more activity in Q1/2017 primarily in Tsing Yi where most new modern warehouses are located. The new China Merchant Logistics Centre in Tsing Yi, which is expected to obtain occupation permit towards the end of Q2, was also rumored to have leased its lowest four floors (600,000 sq ft) to a multinational logistics operator consolidating their businesses from elsewhere in Hong Kong. It was also reported that China Merchant would reserve the next four floors (also around 600,000 sq ft), which are fully renovated for cold storage / temperature-controlled usage, for own use. This means that the 1.7-million sq ft new logistics centre will only have the top two floors (around 300,000 sq ft, plus some office floors on top) available for lease before completion, alleviating the largest supply overhang of the market this year. With high quality space shrinking in the market place, landlords began to stiffen up negotiation stance and as such warehouse rents rebounded slightly by 0.4% in Q1/2017.

A number of relocations were noted in Q2/2017, mainly between modern warehouses in the Kwai Chung / Tsing Yi area due to the imminent completion of the China Merchant Logistics Centre in Tsing Yi, as well as some corporate consolidation activity. Nevertheless, warehouse rents remained broadly the same as leasing deals struck over the quarter were mainly relocations with very little new / expansion demand. At the end of Q2/2017, average modern warehouse rents stood at HK$13.1 per sq ft gross, while general warehouses averaged around HK$10.6 per sq ft gross.

It is forecasted the growth rates of both general and modern warehouses rents are 0% and 2% in 2017 and 2018 respectively. For general warehouses, the growth rate will be 3% during 2019-2021. For modern warehouses, the growth rate will be in a range of 2% to 4%. This is driven by a higher rate of GDP growth during 2019-2021 (2.9%-3.2%) compared to 2017-2018 (2.4%-2.5%), according to IMF.

The benefits and challenges of both types of warehouses are summarized as follows:

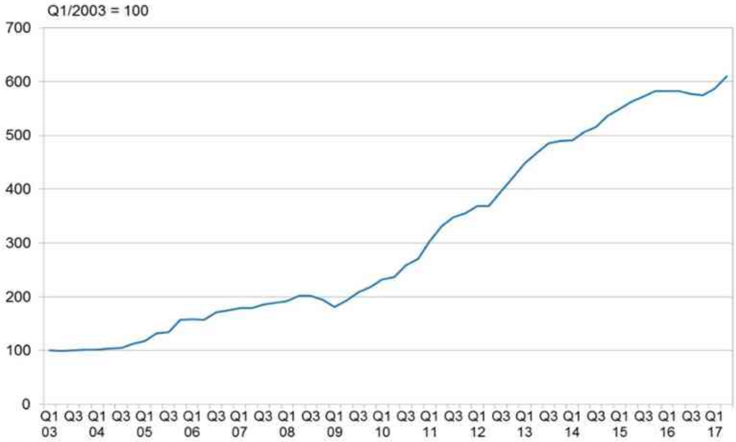
Benefits and challenges of general and modern warehouses

	General warehouse	Modern warehouse
Benefits	• Lower total cost • Less sophisticated layout and management • Suitable for small logistics operators with less bulky cargos • Can be stratified without affecting operations	• High efficiency in handling fast-moving cargos for both air and sea freight • Direct ramp access and ample loading / unloading facilities mean less dwelling time for goods vehicle and containers • Larger floor plate suitable for all kinds of logistics operators
Challenges	• Less efficient for cargo handling • Smaller floor plate not suitable for large logistics operators	• Higher all-in cost • Required advanced layout planning and management • Mostly single-owned for consistent and efficient management

Key demand drivers of modern warehouses include value-added transshipment, fast-moving local distribution, the emerging e-commerce distribution (both local and regional) as well as cold storage needs. Most of these demand groups would require large floor plates, high ceiling heights and extra floor loadings, which can only be found in modern warehouses located in strategic locations either close to the airport, container terminals, the border, or a combination of the above. As these operators are often handling higher value goods in large amount of volume they are willing to pay premium rentals to acquire warehouse spaces suiting their needs, thereby reaffirming the rental premiums of modern warehouses over their general counterparts.

5.6 Capital value and cap rate trends of warehouses

Capital value indices of warehouses, Q1/2003 – Q2/2017

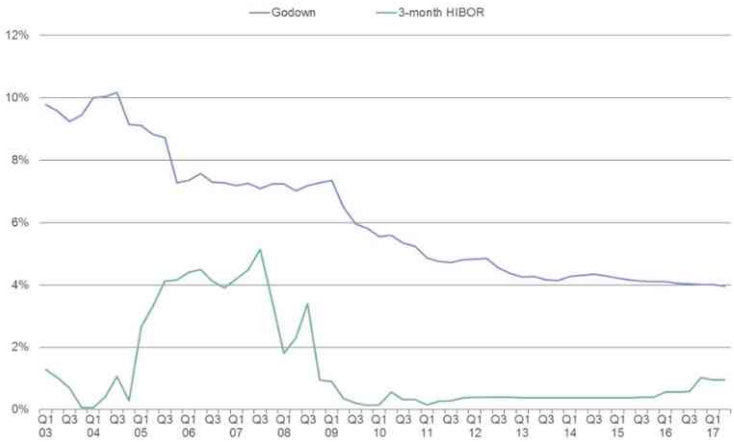


Source: Savills Research & Consultancy

The average capital value of warehouses increased substantially after the GFC in 2008, recording a 3-fold increase from Q1/2009 to Q4/2015. Besides strong logistics demand induced by the thriving retail sector and strong local consumption expenditure, the introduction of the revitalization policy for industrial premises in 2010, which allowed qualified industrial / warehouse buildings to be refurbished into commercial use without payment of a waiver fee, induced strong investment (and sometime speculative) demand for both industrial and warehouse premises.

The slowing logistics demand and softening rental market adversely impacted the sales market in 2016, at a time when the US Fed began to increase interest rates, and warehouse prices flattened over the year as a result. The gradual take-up of new warehouse supply as well as robust investment sentiment since the turn of this year have induced warehouse prices to escalate again, with warehouse prices increasing by 6.0% over the first half of 2017. The average warehouse capital value stood at HK$3,369 per sq ft gross in Q2/2017.

Cap rate trends of warehouses vs HIBOR, Q1/2003 – Q2/2017



Cap rate compression has been another key reason behind the rapid capital value growth of warehouses over the past decade, with the ultra-low interest rate environment resulting from several rounds of QE helping to fuel the market. While the slowing leasing market has induced similar sluggishness in price trends since 2016, warehouse cap rates have remained low, hovering around 4% throughout the past 18 months at a time when the local cost of capital (proxy by 3-month HIBOR) finally began to rise.

5.7 Comparable Sales Transactions

There has been one comparable sales transaction since 2016, namely NWS Kwai Chung Logistics Center

NWS Kwai Chung Logistics Center

Address	2 Tat Mei Road, Kwai Chung
Buyer	Delaware Industrial Limited
Seller	NWS FM Limited
Transaction Date	June 2016
GFA	694,265 sq ft
Consideration	HK$3.75 billion @ 5,401 psf

Source: HKEX and Savills Research & Consultancy

5.8 Structural change in the warehouse sector

Structural change in the industrial sector in Hong Kong has encouraged the rezoning of "Industrial" areas to "OU (Business)" use. Once implemented, the commercial developments within the business zone are exempt from application to the Town Planning Board. Major office projects being developed under the "OU (Business)" zoning include Kerry's Enterprise Square Five (1.6 million sq ft gross), Windsor Group's Landmark East (1.2 million sq ft gross) and Henderson's Manulife Financial Centre (1.1 million sq ft gross), all located in Kowloon East.

6.0 Micro Market Overview[17]

6.1 Kwai Chung / Tsing Yi (Kwai Tsing) District

6.1.1 Tsing Yi overview

The population of Tsing Yi Island amounts to around 200,000 persons within an area of 1,067 hectares. The island mainly accommodates residential and industrial developments. The residential area is located in the northeast of the island and includes public housing estates, HOS/PSPS/Sandwich Class Scheme estates, private housing estates and some village-type developments. Three hotels (Mexan Harbour Hotel, Rambler Garden Hotel and Rambler Oasis Hotel) and some industrial buildings are also located on the eastern side of the island. Container Terminal No. 9 is located in the southeast of the island with an area of about 68 hectares and provides four container berths and two feeder berths. Industrial facilities along the southern and western coast have been developed for dockyards, boatyards and oil storage. In addition, chemical industries are also present in the southern part of the island. The northern side is an area of shipyards.

6.1.2 Transportation

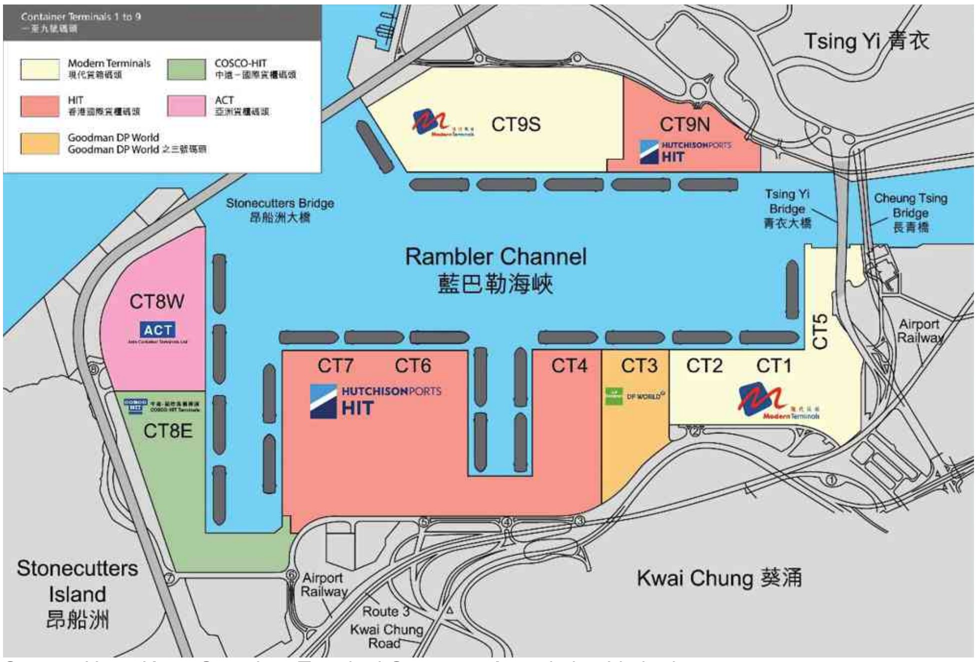
Tsing Yi is highly accessible with a comprehensive road network, which includes the Tsing Ma Bridge via Ma Wan to Lantau Island (Disneyland and Hong Kong International Airport), the Ting Kau Bridge to Tuen Mun Road or via the Tai Lam Tunnel to Yuen Long, the Tsing Tsuen Bridge to Tsuen Wan, the Tsing Yi Bridge to Kwai Chung, the Route 3 – Rambler Channel Bridge to West Kowloon and Route 8 (under construction) to Cheung Sha Wan. The MTR Tung Chung Line and Airport Express Line also have a station in Tsing Yi.

Kwai Tsing is a traditional industrial and residential district with numerous warehouse developments (there is 18.10 million sq.ft. of warehouse storage stock in Kwai Tsing district). It is also one of the most important logistics centres in Hong Kong with all the container terminals (nine in total with 24 berths) located within the vicinity (eight in Kwai Chung and one in Tsing Yi), therefore virtually all seaborne throughput has to come through Kwai Chung / Tsing Yi for loading and unloading.

Five private operators, namely Hongkong International Terminals (HIT), Modern Terminals Limited, Asia Container Terminals Limited, Dubai Ports International – Hong Kong and COSCO-HIT Terminals run the nine container terminals within the vicinity, representing 80% of total port throughput in Hong Kong in 2014[18]. After Goodman Group's further acquisition of ATL Logistics Centre, the Group has 50% ownership of Container Terminal 3

[17] All areas in IFA unless otherwise stated
[18] Source: Hong Kong Container Terminal Operators Association Limited

Kwai Chung container port, 2017



Source: Hong Kong Container Terminal Operators Association Limited

The two sections of Route 8 between Tsing Yi and Cheung Sha Wan and between Cheung Sha Wan and Shatin linking Shatin with Tsing Yi / Kwai Chung were completed in 2009. These two sections of Route 8 are a 13.6-kilometre dual 3-lane highway which directly connects with the road networks near Container Terminals 8 and 9.

Route 8 – Tsing Yi to Cheung Sha Wan Section, 2017

Source: Highways Department

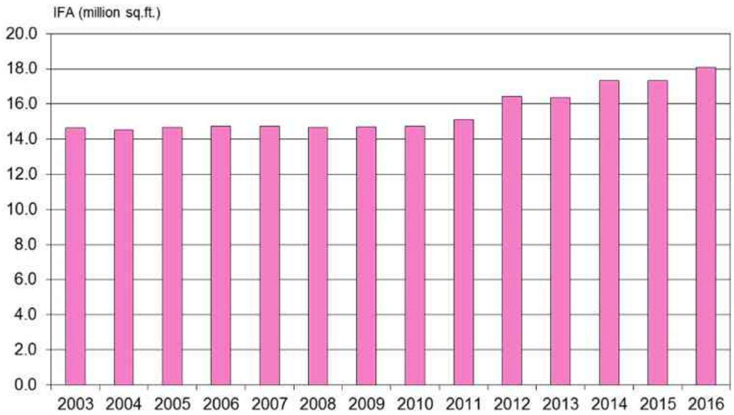
Apart from this infrastructure underway / under planning, the northwest New Territories traffic and infrastructure review 2004 aimed to assess the long-term needs for transport infrastructure development in the northwest New Territories and North Lantau, taking into account the impact of major new projects under construction or planning in the area. These include the Tuen Mun Bypass and Tuen Mun – Chek Lap Kok Link, Northern Link, Hong Kong Disneyland Phase II and the Hong Kong – Zhuhai – Macao Bridge.

6.1.3 Kwai Chung / Tsing Yi warehouse market[19]

Although warehouses in the Kwai Tsing area, especially those within the container port area, still house a handful of freight forwarders which handle re-export business to and from China, which were on a declining trend over the past two years but have been rebounding since the beginning of 2017, there are also an increasing proportion of tenants serving the local import and distribution demand for logistics services. DHL, SF Express, Nippon Express, A.S. Watsons are only a fraction of the anchor tenants currently occupying large logistics and warehouse units within the area, with all or most of their operations within this area connected to the local logistics sector. With e-commerce continuing to flourish and local retail demand holding up well, we anticipate local logistics demand to become increasingly important for warehouses in the Kwai Tsing area, providing support to rental levels.

According to the Rating and Valuation Department, Tsing Yi data is combined with Kwai Chung to form the 'Kwai Tsing' district, and before 2002, Kwai Tsing was combined further with Tsuen Wan as Tsuen Wan district. Therefore, the data for Kwai Tsing district will be analysed in the following section. Warehouse storage stock in Kwai Tsing amounted to 18.1 million sq ft IFA in 2016, representing over 45% of the Hong Kong total.

Warehouse storage stock in Kwai Tsing, 2003 - 2016



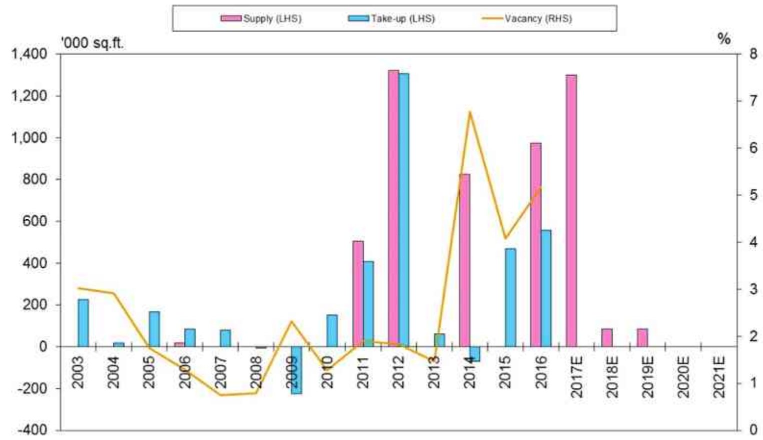
Source : Rating and Valuation Department and Savills Research & Consultancy

A few modern warehouses were completed from 2011 to 2014 totaling 2.66 million sq.ft. IFA. While the completion of the Asia Logistics Hub - SF Center pushed the vacancy level up to 6.8% in 2014 we saw a decline in vacancy in 2015 due to the

[19] All floor area in this section is measured in IFA as defined by the Rating and Valuation Department unless otherwise stated.

stable demand for warehouses, but vacancy increased again in 2016 due to the completion of Mapletree Logistics Hub Tsing Yi, with vacancy standing at 5.2% at the end of the year.

Warehouse storage supply, take-up and vacancy in Kwai Tsing, 2003 - 2021E



Source : Rating and Valuation Department, Savills Research & Consultancy

Over the next five years, the largest warehouse project to be completed in the Kwai Tsing area will be the China Merchant's project (about 1.3 million sq ft IFA) which is scheduled for completion in the second half of 2017. Two other smaller projects will be completed in 2018 and 2019 respectively.

6.2 Tsuen Wan District

6.2.1 Tsuen Wan overview

Tsuen Wan area covers about 743.48 hectares including the Tsuen Wan Valley and its adjoining area and the total population amounts to about 300,000 persons. Tsuen Wan town centre is mainly a commercial/residential area with provision for various regional and district community facilities. The provision of major community facilites, such as a ferry and bus terminus, the Tsuen Wan Town Hall and Magistracy, and future commercial/office development sites are located in the southern part of the area. Tsuen Wan has two main industrial areas, namely the Chai Wan Kok Industrial Area at Chai Wan Kok and the Tsuen Wan East Industrial Area at Yeung Uk Road/Texaco Road.

6.2.2 Transportation

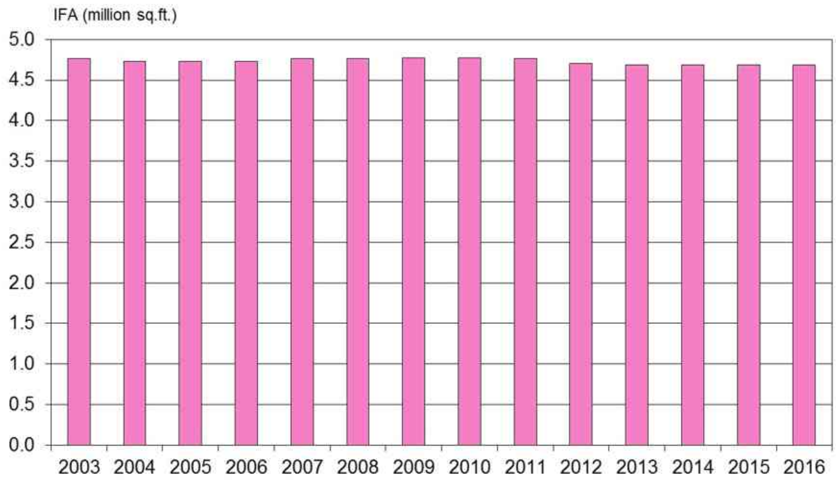
Tuen Mun Road, Castle Peak Road and Tsuen Wan Road (Tsuen Wan By-pass) provide the main linkages from Tsuen Wan to the northwestern New Territories and urban Kowloon. The Tsing Tsuen Road connects to Tsing Yi North Bridge which runs via Tsing Yi to Lantau Island (Hong Kong International Airport). In the north, Route 9 provides a direct connection to Shatin and is planned to be extended westward to connect with Tuen Wan Road. Route Twisk on the other hand links up Tsuen Wan with Shek Kong.

The Route 9 – Extension section between Shek Wai Kok and Chai Wan Kok is a dual 2-lane road which was completed in February 2007. Currently, there is no major infrastructure underway in Tsuen Wan district.

6.2.3 Tsuen Wan warehouse market[20]

Warehouse storage stock in Tsuen Wan amounted to 4.7 million sq.ft. IFA in 2016, a level which has remained constant over the past five years. Due to the limited warehouse stock in the district, more and more logistics operators have utilized older flatted factories for storage use.

Warehouse storage stock in Tsuen Wan, 2003 – 2016

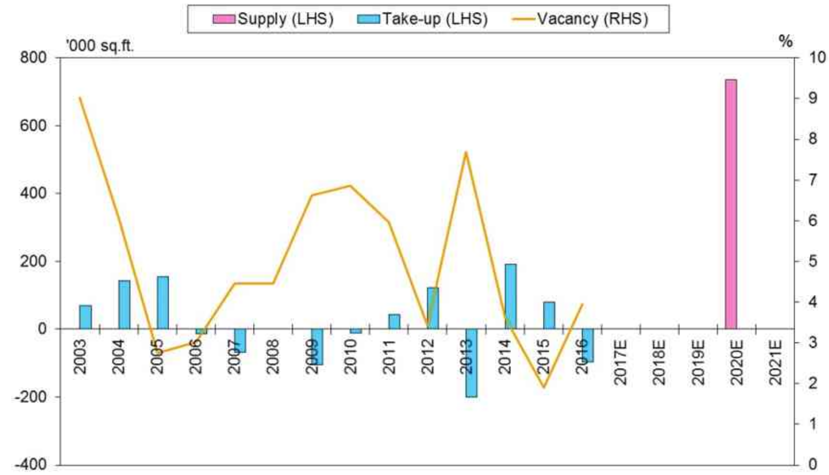


Source : Rating and Valuation Department and Savills Research & Consultancy

No warehouse storage supply has been completed over the past 14 years, with vacancy rates declining from 9.0% in 2003 to 1.9% in 2015, despite vacancy rising from 2.8% in 2005 to 6.9% in 2010. We believe that vacancy rates increased over the period as some warehouse buildings were earmarked for redevelopment and ceased leasing activity in the market, thus creating higher vacancy. The vacancy rate rebounded to 4.1% in 2016, with a number of tenants relocating and consolidating to new modern warehouses in the Kwai Tsing area.

[20] All floor area in this section is measured in IFA as defined by the Rating and Valuation Department unless otherwise stated.

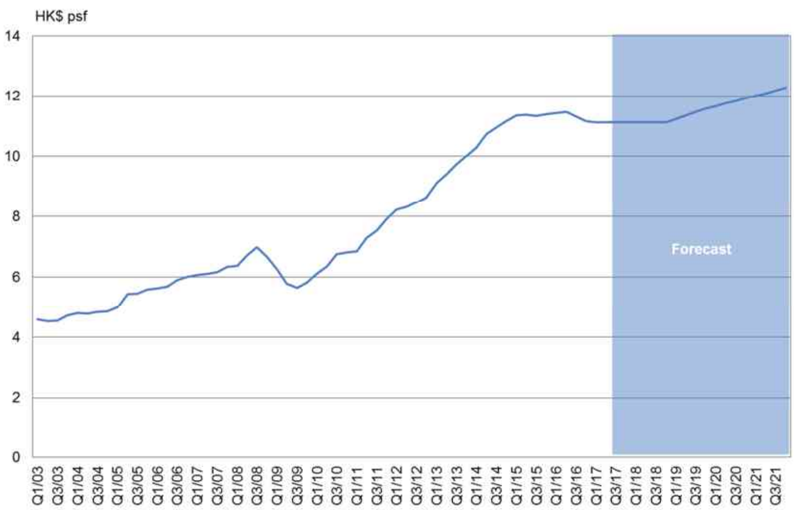
Warehouse storage supply, take-up and Vacancy in Tsuen Wan, 2003 - 2021E



Source : Rating and Valuation Department, Savills Research & Consultancy

Goodman Tsuen Wan West (Building 1) will be the only upcoming supply in the area, with a scheduled completion date at the end of 2019 / early 2020.

Warehouse rental in Kwai Tsing/Tsuen Wan, Q1/2003 – Q4 2021F



Although there have been some completions of new logistics centres in Tsing Yi from 2011 to 2014, the demand derived from a buoyant local and China retail market has helped to push rents up. Our rental index rose by 8.9%, 16.2%, 11.9% and 2.2% in 2012, 2013, 2014 and 2015. Nevertheless, the softening logistics demand, as well as another new completion in 2016 forced landlords to be more flexible when negotiating renewals, with rents declining by 4.8% over 2016 as a result. The gradual take up of Mapletree Logistics Hub Tsing Yi as well as the high level of pre-commitment in China Merchants Logistics Centre boosted landlords' confidence in an otherwise subdued market, and average warehouse rents improved slightly by 0.7% over the first half of 2017 to stand at HK$10.2 per sq.ft. gross in Q2/2017.

6.3 Modern warehouse comparables

Six modern warehouses in Kwai Tsing and Tsuen Wan namely Asia Logistic Hub – SF Center, Goodman Interlink, NWS Kwai Chung Logistic Centre, ATL, Kerry Cargo Centre Kwai Chung and Global Gateway have been selected on comparable properties for Mapletree Logistics Hub Tsing Yi, the subject property.

Location of the off-airport modern warehouse comparables

Source: Savills Research & Consultancy

No.	Buildings	District	Total gross floor area (sq ft)	Completion
1	Asia Logistics Hub – SF Centre	Tsing Yi	1,102,603	2014
2	Goodman Interlink	Tsing Yi	1,525,058	2012
3	NWS Kwai Chung Logistics Centre	Kwai Chung	694,265	2011
4	ATL Logistics Centre	Kwai Chung	8,156,684	1988 and 94
5	Kerry Cargo Centre	Kwai Chung	1,700,000	1999
6	Global Gateway	Tsuen Wan	853,050	1999

Source: Savills Research & Consultancy

6.3.1 Asia Logistics Hub – SF Center

Asia Logistics Hub – SF Center is located at 36 Tsing Yi Hong Wan Road, next to Container Terminal 9, with a total GFA of around 1.1 million sq ft, and the building enjoys almost identical geographical and transportation advantages to the subject property.

Developed by SF Express, the Mainland logistics operator bought the site for HK$1,150 million, or at AV (Accommodation Value) of HK$1,099 per sq ft, via government tender in December 2010. The design and construction period took around four years, with the building obtaining its Occupation Permit in October 2014.

Address	36 Tsing Yi Hong Wan Road, Tsing Yi
Owner	SF Express
Year of completion	2014
Total GFA (sq ft)	1,102,603
No. of storeys	16 B/F: car park G-8/F: warehouse 9-14/F: office
Car park	83

6.3.2 Goodman Interlink

Located at Tsing Yi in the heart of the port district and adjacent to Stonecutters Bridge, the 1.5 million-sq ft gross development over 24 levels was completed in January 2012, and is the fourth largest warehouse in Hong Kong.

Goodman Interlink has received a Gold Standard certification from HK BEAM and a certification from LEED. It is the first of its type to obtain such accreditations and awards in Hong Kong.

Address	35-47 Tsing Yi Road, Tsing Yi
Owner	Goodman International
Year of completion	2012
Total GFA (sq ft)	1,525,058
No. of storeys	24 G-UG/F: carpark and L/UL for cargo lift floors L1-L15: ramp access warehouse L17-L22: cargo lift warehouse L25: office
Car park	142

6.3.3 NWS Kwai Chung Logistics Centre

Located at the Kwai Chung Container Terminal, NWS Kwai Chung Logistics Centre is a five-storey, ramp-access logistics facility with a GFA of 694,265 sq ft.

Developed by NWS Holdings, the site was bought by the developer via government tender for HK$648 million (or at an AV of HK$937 per sq ft) in April 2008, and was completed in May 2011, with a design and construction period of around 37 months. The logistics facility was sold to China Resources Logistics for HK$3.75 billion in June 2016.

Address	2 Tai Mei Road, Kwai Chung
Owner	China Resources Logistics
Year of completion	2011
Total GFA (sq ft)	694,265
No. of storeys	5 G-4/F: warehouse G-6/F: office 7/F: canteen
Car park	55

6.3.4 ATL

Located at CT3 in the Kwai Chung Container Terminal, ATL is the single largest logistics facility in Hong Kong, with a total GFA of around 8.16 million sq ft. Its strategic location and direct access to port cargo handling facilities have made it a major logistics hub for sea freight forwarders, 3PLs and retailers.

The logistics facility was completed in five phases from 1988 to 1994, responding to the increasing needs of warehousing facilities supporting port throughputs (Hong Kong was the world's busiest container port at the time).

Address	Container Terminal 3, Kwai Chung
Owner	Goodman / DP World
Year of completion	1988-1994
Total GFA (sq ft)	8,156,684
No. of storeys	7 (Phases I&II) 15 (Phases III, IV&V)
Car park	1,730

6.3.5 Kerry Cargo Centre Kwai Chung

Located on Wing Kei Road in Kwai Chung and completed in 1999, Kerry Cargo Centre has a total GFA of 1.7 million sq ft, and the 20-storey logistics facility provides full ramp access to all of its warehouse floors. There are ancillary offices on the top floors, with Kerry Logistics' headquarters also in this building.

Address	Kwai Fuk Road, Kwai Chung
Owner	Kerry Logistics
Year of completion	1999
Total GFA (sq ft)	1,700,000
No. of storeys	20 B3 to G/F: car park 1-15/F: warehouse 16/F: office
Car park	610

6.3.6 Global Gateway

Located on Yueng Uk Road in Tsuen Wan, Global Gateway is a 27-storey warehouse completed in 1999. It is strategically located in the heart of Tsuen Wan with easy access to the Kwai Chung container terminals and Tuen Mun / Yuen Long.

It was acquired and revamped by Goodman in 2009 into a high-quality, ramp-access warehouse suitable for freight forwarding and logistics operations.

Address	148-178 Yeung Uk Road, Tsuen Wan
Owner	Goodman International
Year of completion	1999
Total GFA (sq ft)	853,050
No. of storeys	27 G/F to CPL2: car park 1-12/F: ramp-access warehouse 13-25/F: cargo lift warehouse 26-27/F: office
Car park	90

6.4 Comparable market leasing transactions

With two new logistics facilities being completed from 2014 onwards there were a number of large scale transactions being recorded in modern warehouses in the Kwai Tsing vicinity. We have selected leasing transaction in modern warehouses (ramp-access portion only) with either over 50,000 sq ft gross or over HK$500,000 monthly rent from Jan 2016 to Jun 2017 as comparable transactions as listed below[21]:

[21] All transactions in the subject property are excluded.

Comparable leasing transactions in Kwai Tsing district, Jan 2016 to Jun 2017

Operator	Premises	District	Gross Floor Area (sq ft)	Monthly Rent (HK$)	Face Rent (HK$psf)	Lease Start Date	Lease Expiry Date
Sanform Holdings Ltd	Units 2013E-2020E, ATL Logistics Centre	Kwai Chung	49,057	$735,855	$15.00	Aug-17	Aug-20
LF Logistics (Hong Kong) Ltd	Units 9013E-9020E^, ATL Logistics Centre	Kwai Chung	57,376	$918,016	$16.00	Apr-17	Apr-19
DHL Supply Chain (Hong Kong) Ltd	11/F, Interlink	Tsing Yi	137,525	$2,062,875**	$15.00	Mar-17	Jan-19
DHL Supply Chain (Hong Kong) Ltd	12-13/F, Interlink	Tsing Yi	275,050	$4,125,750***	$15.00	Mar-17	Sep-20
Cargo Services Far East Ltd	Units 9016E-9021E^, ATL Logistics Centre	Kwai Chung	38,009	$608,144	$16.00	Jan-17	Dec-19
DHL Supply Chain (Hong Kong) Ltd	8/F, Interlink	Tsing Yi	137,525	$2,062,875****	$15.00	Jan-16	Feb-19
Carlsberg Hong Kong Ltd	Units 4001W-4015W, 4001E-4004E, ATL Logistics Centre	Kwai Chung	115,842	$1,737,630	$15.00	May-16	Apr-21
Sony Corporation of Hong Kong Ltd	Units 4001E-4028E, 4017W-4020W, ATL Logistics Centre	Kwai Chung	87,979	$1,319,685	$15.00	Apr-16	Apr-18
Janco Logistics (HK) Ltd	Unit 603, Asia Logistics Hub SF Centre	Tsing Yi	35,259	$528,885	$15.00	Apr-16	Mar-19
Janco Logistics (HK) Ltd	Unit 604, Asia Logistics Hub SF Centre	Tsing Yi	23,723	$355,845	$15.00	Jan-16	Mar-19
The Net-a-porter Group Asia Pacific Ltd	9/F, Interlink	Tsing Yi	137,525	$2,062,875*****	$15.00	Mar-16	Feb-21
Pantos Logistics (HK) Co Ltd	Unit 1 on 8/F, Asia Logistics Hub SF Centre	Tsing Yi	46,777	$701,655	$15.00	Mar-16	Mar-19

Source: EPRC, Savills Research & Consultancy
^High headroom
*Step-up rent in Mar-19 and Mar-20 of HK$2,254,159 and HK$2,321,784 respectively
**Step-up rent in Mar-18 of HK$2,124,761
***Step-up rent in Mar-18, Mar-19 and Mar-20 of HK$4,249,522.5, HK$4,377,008.18 and HK$4,508,318.42 respectively
****Step-up rent in Nov-16, Nov-17 and Nov-18 of HK$2,124,761, HK$2,188,504 and HK$2,254,159 respectively
*****Step-up rent in Mar-17, Mar-18, Mar-19, and Mar-20 of HK$2,124,761, HK$2,188,504, HK$2,254,159 and HK$2,321,784 respectively

7.0 Outlook[22]

7.1 Overall market

On the leasing front, early signs of recovery in both the trading and retail sectors were noted with a rebound in both total imports / exports as well as retail sales registered during the first few months of 2017. If these two logistics demand sources stabilize in 2017, coupled with the gradual take-up of new warehouses completed over the last two years, we may see a more resilient warehouse market both in terms of rental and vacancy performance over the remainder of 2017. The new modern China Merchant warehouse in Tsing Yi, which is about to be completed, is rumoured to have all but two floors pre-committed, thereby removing a large overhang from an otherwise subdued leasing market.

While the recent relocations and consolidations were evident mainly in core logistics areas such as Kwai Tsing and Tsuen Wan where more space (both new and old) is available, the gradual take-up of these units may mean tenants are faced with a more limited choice upon expiry over the next one to two years. The rise of basic warehouses in the New Territories, which amounted to over 5 million sq ft gross (total stock) at the end of 2016, and which represents low cost and efficient alternatives to existing warehouse provision, may pose some threat to multi-storey warehouses with no direct ramp access. Some obsolete warehouse space is being remarketed and could create further competition.

Over the remainder of 2017, the recovering retail sales should have a knock-on effect on local logistics demand, though logistics operators are not yet in expansion mode. With both Mapletree and China Merchant's new warehouses in Tsing Yi almost fully occupied / committed, the threat of a supply overhang should be reduced, but landlords losing tenants to the new facilities will be faced with increasing vacancy over the next few months, meaning some of them may need to readjust their leasing strategies to attract tenants from elsewhere, mainly from traditional warehouses in transforming areas (such as Kowloon East).

Another key trend noted in the retail industry is the increasing success of e-retailing, where customers do their shopping online instead of visiting malls and shops. The increasing volume of e-retailing will benefit the logistics industry as goods are directly transported from warehouses to customers' homes requiring a more sophisticated, higher value added 'last mile' delivery. Below table is an example of leasing activity of an online retailer. In short, a reviving retail market and stabilization of regional trade would reinvigorate logistics demand over the next few years.

Operator	Premises	Floor Area (sq ft)	Monthly Rent (HK$)
Net-A-Porter	Goodman Interlink	137,525	2,062,875 @ 15 psf*

*Step-up rent in Mar-17, Mar-18, Mar-19, and Mar-20 of HK$2,124,761, HK$2,188,504, HK$2,254,159 and HK$2,321,784 respectively

Based on the stabilizing demand (both external and internal) and with competition from the space mentioned, we expect vacancy to rebound in the short term (from 4.3% in 2016 to

[22] All floor area in this section is measured in IFA as defined by the Rating and Valuation Department unless otherwise stated.

4.8% in 2017), meaning supply in 2017 (1.3 million sq ft IFA) is likely to outstrip demand (1.0 million sq ft IFA). Nevertheless, we expect market equilibrium to be restored in the longer run once this new supply is absorbed as logistics demand gradually recovers.

Rents are expected to stabilize in 2017 given that landlords are going to face less competition and should only recover from 2018 onwards when new warehouse space has been successfully taken up.

Rents in the modern warehouse market commanded a 30% premium over overall rents in Q2/2017. In the short run, while the overall warehouse market is expected to experience more moderate growth, the improving airport facilities as well as their operational efficiency will likely see the Hong Kong logistics sector rebalance towards air freight and high value-added goods and services, which should provide sustained new demand for modern warehousing.

Modern warehouse rental forecast, 2017 - 2021

	Overall warehouse	Modern warehouse
2017	0%	0%
2018	+2%	+2%
2019	+3%	+4%
2020	+3%	+3%
2021	+3%	+2%

Source: Savills Research & Consultancy

The ageing existing warehouse stock is also expected to encourage more air freight and high value-added logistics operators to relocate to more modern warehouses, increasing demand for more highly specified stock. We therefore expect to see a sustained rental premium in the modern warehouse sector during the next four years over the overall market.

7.2 Kwai Tsing / Tsuen Wan market

Modern warehouse rental forecast for Kwai Tsing and Tsuen Wan, 2017 - 2021

Years	Modern warehouse	Kwai Tsing / Tsuen Wan
2017	0%	0%
2018	+2%	0%
2019	+4%	+4%
2020	+3%	+3%
2021	+2%	+3%

Source: Savills Research & Consultancy

The Kwai Tsing market will be adversely affected by the slowing in container throughput as some of the freight forwarders may continue to shrink operations. While upcoming supply may provide more options for 3PLs and thus weaken landlords' negotiating position in the short run, the further completion of modern warehouses is expected to strengthen the area as the premier choice for high value-added logistics operators to consolidate their local operations, further upgrading the local occupier profile. Being the closest district to the HKIA, the two major upcoming infrastructure projects – the Hong Kong-Zhuhai-Macao

Bridge and the third runway of HKIA, which are both expected to generate more logistics demand from the western PRD and other parts of China to Hong Kong, should benefit the Kwai Tsing area significantly in the long-run.

The Tsuen Wan market has substantial unmet warehouse demand with a lack of available high quality warehouse facilities over recent years, and currently a number of logistics operators are forced to use inferior flatted factory space for storage, while others are keen to relocate to nearby area such as Kwai Tsing when more high quality space becomes available. With the next modern warehouse facilities (Goodman Tsuen Wan West) not to be completed until 2020 earliest, the modern warehouse market rent in Tsuen Wan may only move in line with the overall market in the short term.

8.0 Individual asset analysis

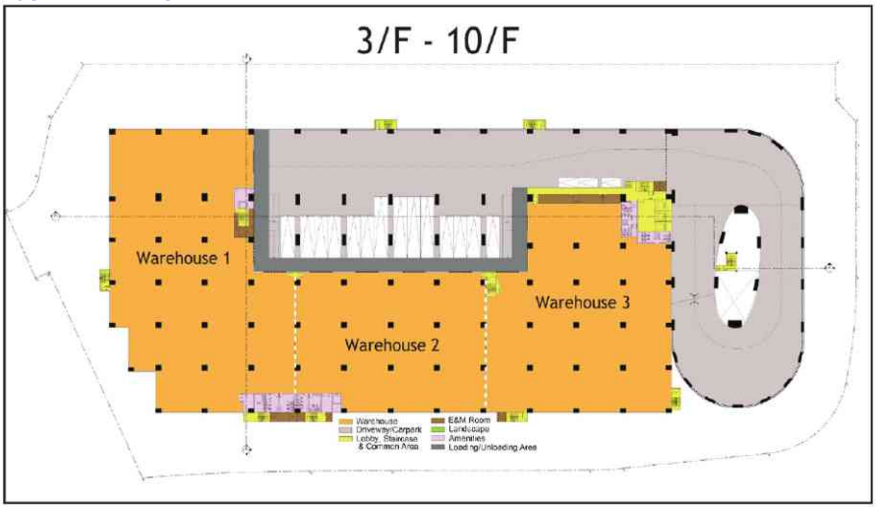
8.1 Location

Source: Savills Research & Consultancy

Located in Tsing Yi at the junction of Tsing Hung Road and Tsing Yi Road, Mapletree Logistics Hub Tsing Yi is an 11-storey, ramp-up, Grade A logistics facility with a total area of almost 1.6 million sq ft. The development is well connected to the city centre, Hong Kong International Airport and the mainland China border via major expressways.

The building was developed by Mapletree, who won the tender for the site from the government in May 2013, with a bidding price of HK$1,692.6 million and an AV of HK$1,850 per sq ft. The design and construction period took around two-and-a-half years, with the building obtaining its Occupation Permit in March 2016.

Typical floor plan



8.2 Competition analysis and competitive positioning

The Kwai Tsing / Tsuen Wan district has a high concentration of warehouse facilities (57% of overall warehouse stock), with many modern warehouses (15.9 million sq ft IFA or 85% of modern warehouse stock) within this district, creating a relatively competitive environment for the subject. Nevertheless, a more detailed look at the competitive landscape reveals that many of these modern warehouses are differently positioned compared with the subject, which has a well balanced tenant portfolio serving air / sea freight, local distribution, e-commerce as well as cold storage.

There are two newly completed modern warehouses within the vicinity of the subject, namely Goodman Interlink and Asia Logistics Hub – SF Center. Goodman Interlink is anchored by DHL Supply Chain (over 50% of lettable space) and is thus more geared towards providing full supply chain solutions as well as express cargo services. In SF Center over half the floors are occupied by SF Express, which is rapidly expanding their local express and logistics services, and their positioning is to maintain and possibly increase the owner occupied portion in the future.

Being located directly next to various container terminals in Kwai Chung, ATL, Hutchison Logistics Centre (HLC) and Modern Terminal Logistics (MTL) are predominately serving freight forwarding, local distribution as well as some cold storage demand related to sea freight. NWS Kwai Chung Logistics Centre was previously wholly occupied by Nippon Express, providing a full range of logistics services.

The soon-to-be completed China Merchants Logistics Centre may pose some threat as it has earmarked its floors for fast-moving logistics operations, cold storage as well as general logistics operations. Nevertheless, given China Merchants also owns a logistics business, the building may be filled with some of its own subsidiaries.

More potential competition may come from Tuen Mun West, where the government has planned to release two logistics sites totalling 2.5 million sq ft. gross, with the expected year of completion of 2021 at the earliest. The expected completion of the Tuen Mun-Chek

Lap Kok Link in 2018 would dramatically shorten travel times between Tuen Mun West and the HKIA, making these two upcoming warehouses direct competition to the subject in terms of air freight related businesses.

8.3 Brief performance analysis

The subject was still almost entirely vacant when it was completed in March 2016, though a number of key tenants were in negotiations. Take-up has been steady throughout 2016 and picked up in 2017, with the occupancy rate (including pre-commitment) standing at 100% at the end of Q2/2017, meaning the subject was effectively fully let in slightly more than a year, ahead of market expectations given the sluggish warehouse leasing market in 2016.

The subject has attracted a well-balanced tenant profile from local retail distributors, 3PLs, e-commerce operators as well as cold-chain operators. Key whole floor / multi-floor tenants include Adidas, Ever Gain, DKSH, HKTV Logistics Network as well as Angliss Hong Kong Food Service, the latter utilizing most of the G/F as a cold storage facility. Other tenants include The Swatch Group, Helu-Trans and Michelle International Transport.

Key specifications and operational data, Q2/2017

Total floor area (sq ft gross)	1,297,590
No. of storeys	11
Floor plate (sq ft gross)	144,193
Efficiency ratio	58%
Floor loading	17.5kN/sq m
Floor-to-ceiling height	G/F: 5.95m 1-10/F: 5.5m
Loading / unloading bay	71
Car park	Private: 71 Lorry / container: 71
Lifts	Passenger lifts: 3 Service lifts: 3
Ancillary facilities	Cafe on G/F Greenery on rooftop
Year of completion	2016
Occupancy rate (including pre-commitment)	100%

8.4 SWOT (strengths, weaknesses, opportunities and threats) analysis

The SWOT analysis for the subject is as follows:

Strengths	Weaknesses
• Newly completed modern logistics facility and one of the newest warehouses within the vicinity • Well balanced tenant mix serving a wide range of logistics demand, which is unique in the vicinity • Professional management by Mapletree Logistics • Conveniently located with easy access to both HKIA and container terminals	
Opportunities	**Threats**
• The third runway to further improve cargo handling capacity and demand at HKIA, benefiting logistics facilities in Tsing Yi including the subject • Limited new supply within the vicinity after the completion of China Merchants Logistics Centre	• The soon-to-be completed China Merchants Logistics Centre may pose some threat • Upcoming logistics facilities in Tuen Mun West may compete for air freight related businesses

8.5 Brief performance outlook for the subject property

Tsing Yi and its vicinity should continue to enjoy a strategic location in close proximity to both the container terminals and HKIA, able to serve logistics demand for both air and sea freight. The potential increase in logistics capacity at the HKIA due to the third runway should also benefit Tsing Yi and the subject direct, though increasing competition may appear from the Tuen Mun West area after the completion of the Tuen Mun-Chek Lap Kok Link in 2018, as well as the two proposed logistics sites, which may be completed in 2021 and 2023 earliest.

The ability of the subject to attain near full occupancy in a year when the logistics market was in a downturn suggests that this is a high quality facility and that the management team is able to attract tenants with a suitable profile, without the need for an anchor tenant. The continuation of the leasing strategy should help strengthen the position of the subject over the next few years in the face of limited new competition.

Limitations on the report

This report contains forward-looking statements which state Savills (Hong Kong) Limited's (the Consultant) beliefs, expectations, forecasts or predictions for the future. The Consultant stresses that all such forecasts and statements, other than statements of historical fact, outlined in this report should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forecasts involves assumptions about a considerable number of variables which are very sensitive to changing conditions. Variations of any one may significantly affect outcomes and the Consultant draws your attention to this.

The Consultant therefore can give no assurance that the forecasts outlined in this report will be achieved or that such forecasts and forward-looking statements will prove to have been correct and you are cautioned not to place undue reliance on such statements. The Consultant undertakes no obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise, except as required by law, and all forward-looking statements contained in this summary report are qualified by reference to this cautionary statement.

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INDEPENDENT FINANCIAL ADVISER'S LETTER

Private and Confidential

The Independent Directors and the Audit and Risk Committee of
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28 August 2017

Dear Sirs

1 THE PROPOSED ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI, HONG KONG SAR, THROUGH THE ACQUISITION OF MAPLETREE TITANIUM; AND

2 THE PROPOSED WHITEWASH RESOLUTION.

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to unitholders of Mapletree Logistics Trust (the "**Unitholders**") ("**MLT**") dated 28 August 2017 (the "**Circular**").*

1. INTRODUCTION

Following an expression of interest by Mapletree Logistics Trust Management Ltd., in its capacity as manager of Mapletree Logistics Trust ("**MLT**") (the "**Manager**"), HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT (the "**Trustee**"), entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Mapletree Overseas Holdings Ltd. ("**MOHL**") to acquire Mapletree Logistics Hub Tsing Yi (the "**Property**"), located at 30 Tsing Yi Road, New Territories, Hong Kong SAR. The Property is held by Mapletree TY (HKSAR) Limited ("**Mapletree TY**"), which is a wholly-owned subsidiary of Mapletree Titanium Ltd. ("**Mapletree Titanium**").

Currently, 100.0% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Mapletree Titanium is owned by MOHL, while 100.0% of the redeemable preference shares (the "**Existing RPS**", collectively with the Sale Shares, the "**Shares**") in the issued share capital of Mapletree Titanium is owned by Mapletree Dextra Pte Ltd. ("**MDPL**").

MOHL is a wholly-owned subsidiary of MDPL, which is in turn a wholly-owned subsidiary of Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**"), the sponsor of MLT.

The Property will be acquired through the acquisition of the Sale Shares of Mapletree Titanium (the "**Proposed Acquisition**"). In connection with this, the Existing RPS will also be fully redeemed by Mapletree Titanium.

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

(i) the approval of Unitholders in connection with the Proposed Acquisition;

(ii) the receipt of in-principle approval of the SGX-ST for the listing and quotation of the New Units pursuant to the Proposed Equity Fund Raising (as defined herein), and there not having occurred any revocation or withdrawal of such approval;

(iii) the listing and commencement of trading of the New Units to be issued pursuant to the Proposed Equity Fund Raising;

(iv) the receipt by the Trustee of the proceeds of the Proposed Equity Fund Raising and/or external borrowings to fully fund the Proposed Acquisition;

(v) the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the proposed acquisition of the Property by the Trustee, having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms satisfactory to the Trustee and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect;

(vi) there being no material damage to the Property on or before Completion;

(vii) there being no compulsory acquisition of the Property or any part of it, and no notice, demand, direction or order of such intended compulsory acquisition or resumption affecting the Property or other notice, demand, direction or order materially and adversely affecting the Property has been given by the government or other competent authority;

(viii) no statute, regulation or decision which would prohibit, restrict or materially delay or adversely affect the Proposed Acquisition or the operation of any of Mapletree Titanium and/or Mapletree TY or the operation of the Property having been proposed, enacted or taken by any governmental or official authority; and

(ix) Mapletree TY having and being able to show, prove and give good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong SAR), free from all encumbrances and Mapletree TY having vacant possession of those portions of the Property which are not subject to the tenancies.

The total purchase consideration payable by the Trustee in connection with the Proposed Acquisition (the "**Total Consideration**") is the adjusted consolidated net asset value (the "**Adjusted Net Asset Value**") of Mapletree Titanium as at the date of completion of the Proposed Acquisition ("**Completion**" and the date of Completion, the "**Completion Date**"). The Adjusted Net Asset Value shall take into account the agreed property value of the Property (the "**Agreed Property Value**)". As the Adjusted Net Asset Value also takes into account other assets and liabilities of Mapletree Titanium and Mapletree TY, there may be differences between the Adjusted Net Asset Value and the Agreed Property Value which are not expected to be material.

On Completion, simultaneously with the transfer of the Sale Shares:

(i) MOHL will procure that Mapletree Titanium issues new redeemable preference shares (the "**New RPS**") to the Trustee and part of the Total Consideration will be paid to Mapletree Titanium as consideration for such issuance; and

(ii) Mapletree Titanium will thereafter apply the proceeds from the issuance of the New RPS to redeem the Existing RPS (the "**Redemption Amount**").

Following Completion, the Trustee will own 100.0% of the ordinary shares and 100.0% of the redeemable preference shares in the issued share capital of Mapletree Titanium.

The Agreed Property Value of HK$4.8 billion (S$834.8 million) was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

In this respect, the Trustee has commissioned an independent property valuer, CBRE Limited ("**CBRE**"), and the Manager has commissioned another independent property valuer, Colliers International (Hong Kong) Limited ("**Colliers**") (and together with CBRE, the "**Independent Valuers**"), to value the Property.

The total acquisition cost is estimated to be approximately S$847.6 million (HK$4.9 billion) (the "**Total Acquisition Cost**"), comprising:

(i) the Total Consideration which is estimated to be S$834.8 million (HK$4.8 billion), subject to post-Completion adjustments to the Adjusted Net Asset Value;

(ii) the acquisition fee payable in Units[1] to the Manager for the Proposed Acquisition (the "**Acquisition Fee**") of approximately S$4.2 million (representing 0.5%[2] of the Total Consideration); and

(iii) the estimated professional and other fees and expenses of approximately S$8.6 million incurred or to be incurred by MLT in connection with the Proposed Acquisition, the Proposed Equity Fund Raising and the Loan Facilities (as defined below).

The Manager intends to finance the Total Acquisition Cost with a drawdown of loan facilities (the "**Loan Facilities**") and proceeds from an equity fund raising exercise (the "**Proposed Equity Fund Raising**"), which may comprise of the following:

(i) a private placement of new Units to institutional and other investors (the "**Private Placement**" and the new Units to be issued pursuant to the Private Placement, the "**Private Placement Units**"); and/or

(ii) a non-renounceable preferential offering of new Units to the existing Unitholders on a pro rata basis (the "**Preferential Offering**", and the new Units to be issued pursuant to the Preferential Offering, the "**Preferential Offering Units**").

Rule 906 of the Listing Manual requires, *inter alia*, the approval of the Unitholders for an interested person transaction if the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MLT's latest audited net tangible asset. Further thereto, Paragraph 5 of the Property Funds Appendix also imposes a similar requirement for an interested person transaction whose value exceeds 5.0% of MLT's latest audited net asset value.

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1 As the Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**MAS**", and Appendix 6, the "**Property Funds Appendix**"), the Acquisition Fee will be in the form of Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 Pursuant on the trust deed constituting MLT, the Manager is entitled to receive an acquisition fee at the rate of 1% of the Total Consideration (or such lower percentage as may be determined by the Manager in its sole discretion).

As at 14 August 2017, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 987,357,573 Units, which is equivalent to approximately 39.46% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MLT under both the listing manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As MDPL and MOHL are direct and indirect wholly-owned subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, MDPL and MOHL (being wholly-owned subsidiaries of a "controlling unitholder" and a "controlling shareholder" of the Manager) are each (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MLT.

Therefore, the Proposed Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

Requirement for Unitholders' approval of the Proposed Whitewash Resolution

New Units to be issued pursuant to the Proposed Equity Fund Raising

The Manager will work with the Joint Global Co-ordinators and Bookrunners to determine the structure, time schedule and issue price of new Units to be issued pursuant to the Proposed Equity Fund Raising. The Manager will announce the details of the Proposed Equity Fund Raising and proposed use of proceeds on the SGXNET at the appropriate time.

In the event that the Proposed Equity Fund Raising comprises a Private Placement and a Preferential Offering (which will follow after the Private Placement), the Sponsor's percentage unitholding in MLT will decrease immediately after the Private Placement as the Sponsor will not participate in the Private Placement.

To demonstrate its support for MLT and the Proposed Equity Fund Raising, the Sponsor has irrevocably undertaken to the Manager and the Joint Global Co-ordinators and Bookrunners on 28 August 2017 (the "**Undertaking**") that, among other things, in the event that the Proposed Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will accept, or procure that its subsidiaries (together with MIPL, the "**Relevant Entities**") accept, subscribe and pay in full for, the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Proposed Whitewash Resolution by Unitholders other than MIPL and parties acting in concert with it (the "**Concert Party Group**") and parties not independent of them (the "**Independent Unitholders**")), in the event that the Proposed Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, or procure the application of, such number of excess Preferential Offering Units (the "**Sponsor Excess Units**" or the "**Excess MIPL Preferential Offering Units**"), so that if the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding in MLT at the level immediately prior to the Private Placement (the "**Pre-Placement Percentage**")[1]. For the avoidance of doubt, the Relevant Entities, among others, will rank last in the allocation of excess Preferential Offering Unit

1 In the event that the Proposed Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding in MLT will decrease immediately after the Private Placement as the Sponsor will not participate in the Private Placement.

applications. If the Proposed Whitewash Resolution is not approved, the Undertaking shall apply only to the Relevant Entities' total provisional allotment of the Preferential Offering Units.

Issuance of Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units

Pursuant to the trust deed constituting MLT (the "**Trust Deed**"), the Manager is entitled to receive the acquisition fee of 1%[1] of the Total Consideration and the base management fee of 0.5% per annum, of the gross assets of MLT, in the form or cash and/or Units at its sole discretion. The Manager has, at its sole discretion, elected to receive the acquisition fee at the rate of 0.5% of the Total Consideration (the "**Acquisition Fee Units**") and the base management fee for the period from 1 July 2017 to 30 September 2017 (the "**2Q Management Fee Units**"), in the form of Units.

Further, pursuant to the First Amending and Restating Master Property Management Agreement relating to properties of Mapletree Logistics Trust dated 3 August 2016 and entered into between the Trustee, the Manager and Mapletree Property Management Pte. Ltd. (the "**Property Manager**"), as well as the First Amending and Restating Overseas Properties Property Management Agreement relating to Overseas Properties of Mapletree Logistics Trust dated 3 August 2016 and entered into between the Trustee, the Manager and the Property Manager (collectively, the "**Property Management Agreement**"), the Property Manager is entitled to receive its property management fees and lease management fees, in the form of cash and/or Unit at its sole discretion. The Property Manager has, at its sole discretion, elected to receive the property management fees and lease management fees for the period of for the period 1 July 2017 to 30 September 2017 (the "**2Q Property Management Fee Units**"), in the form of Units.

The Manager is thus seeking approval from Independent Unitholders for a waiver of their right to receive a mandatory offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of:

- the subscription by the Relevant Entities of the Excess MIPL Preferential Offering Units such that MIPL's percentage unitholding in MLT may increase, depending on the amount of excess Units that MIPL subscribes to under the Preferential Offering[2];
- the receipt by the Manager in its personal capacity of 3,629,489 Acquisition Fee Units[3] pursuant to the Trust Deed;
- the receipt by the Manager in its personal capacity of approximately 365,046 Units[4] under the 2Q Management Fee Units pursuant to the Trust Deed; and
- the receipt by the Property Manager in its personal capacity of approximately 141,610 Units[5] under the 2Q Property Management Fee Units pursuant to the Property Management Agreement.

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1 As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 In the event that the Proposed Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding in MLT will decrease immediately after the Private Placement as the Sponsor will not participate in the Private Placement.

3 This is based on an illustrative issue price of S$1.15 per Acquisition Fee Unit.

4 This is based on an illustrative issue price of S$1.15 per 2Q Management Fee Unit.

5 This is based on an illustrative issue price of S$1.15 per 2Q Property Management Fee Unit.

Rule 14.1(b) of the Singapore Code of Take-overs and Mergers (the "**Code**") states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group, holds not less than 30.0% but not more than 50.0% of the voting rights of MLT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1% of the voting rights of MLT.

In accordance with the abovementioned requirements, which are more particularly described in the Circular, KPMG Corporate Finance Pte. Ltd. ("**KPMG CF**") has been appointed as the independent financial adviser to advise the independent directors of the Manager (the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**") and the Trustee as to whether:

(i) the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of MLT and its minority Unitholders; and

(ii) the Proposed Whitewash Resolution is fair and reasonable,

(collectively, the "**Opinions**").

This letter sets out, *inter alia*, our Opinions thereon and has been prepared for inclusion in the circular dated 28 August 2017 to be issued by the Manager, in connection with the Proposed Acquisition and Proposed Whitewash Resolution.

2. TERMS OF REFERENCE

Our responsibility is to provide the Opinions in respect of the Proposed Acquisition and the Proposed Whitewash Resolution (together, termed as the "**Proposed Transactions**").

Our Opinions are delivered solely for the use and benefit of the addressees of this letter (as appropriate) (the "**Addressees**") for their deliberations on the Proposed Transactions, before arriving at a decision on the merits and demerits thereof, and in making any recommendations. We are not a party to any negotiation in relation to the Proposed Transactions. We are also not involved in the deliberations leading up to the decision by the Manager and/or the Trustee to undertake the Proposed Transactions. We do not, by this letter, warrant or make any representation whatsoever in relation to the merits (whether commercial, financial or otherwise) of the Proposed Transactions, other than to form an opinion as to whether (i) the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of MLT and its minority Unitholders; and (ii) whether the Proposed Whitewash Resolution is fair and reasonable.

We have not conducted any review of the business plan, operations, financial performance, financial projections and/or financial condition of MLT, the Manager or the Trustee. We have also not made any evaluation or appraisal of the assets (including the property portfolio) and liabilities of MLT. Our terms of reference do not require us to evaluate or comment on the legal, commercial and financial risks and/or merits of the Proposed Transactions and as such, we do not express an opinion thereon. Such evaluations or comments, if any, remain the sole responsibility of the Addressees, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinions as set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Proposed Transactions to any alternative transactions previously considered by, or that may have been available to MLT or any alternative transactions that may be available in the future. Such evaluations or comments, if any, remain the sole responsibility of the Addressees, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinions as set out in this letter.

In arriving at our Opinions, we have conducted discussions with the directors and management of the Manager, and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Manager and its other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information. However, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the responsibility statement that the Circular has been reviewed and approved by the directors (including those who may have delegated detailed supervision of the Circular) who have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular are fair and accurate and that no material facts has been omitted, the omission of which would make any statement in the Circular (other than this letter) misleading, and they jointly and severally accept responsibility accordingly.

Our Opinions in this letter are based upon market, economic, industry, monetary and other conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our Opinions in light of any subsequent development after the Latest Practicable Date that may affect our Opinions contained herein.

In rendering our Opinions, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any individual Unitholder who may require specific advice in the context of his specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Addressees (as appropriate) have been separately advised by its own advisers in the preparation of the Circular (other than this letter). We are not involved in and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the content of the Circular (other than this letter).

Our Opinions in relation to the Proposed Transactions should be considered in the context of the entirety of this letter and the Circular.

3. SALIENT INFORMATION ON THE PROPOSED ACQUISITION

Salient information on the Proposed Acquisition, including the terms and conditions thereon, is set out in Section 2 of the Circular, while information on the Property is set out in Appendix A of the Circular.

4. SALIENT INFORMATION ON THE PROPOSED WHITEWASH RESOLUTION

Salient information on the Proposed Whitewash Resolution is set out in Section 6 of the Circular.

5. EVALUATION OF THE PROPOSED ACQUISITION

In the course of our evaluation of the Proposed Acquisition, we have given due consideration to, *inter alia*, the following factors:

(i) The rationale for the Proposed Acquisition;

(ii) Total Consideration for the Proposed Acquisition;

(iii) Comparison of the gross property yield of the Property with MLT's Existing Hong Kong Logistics Properties (as defined herein);

(iv) Pro forma financial effects of the Proposed Acquisition; and

(v) Other relevant considerations.

5.1 Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition is set out in Section 3 of the Circular.

5.2 Total Consideration for the Proposed Acquisition

In evaluating the reasonableness of the Total Consideration, we have considered the following factors which have a bearing on our assessment:

<u>Basis for arriving at the Total Consideration</u>

The Total Consideration is the Adjusted Net Asset Value of Mapletree Titanium as at the Completion Date.

The Adjusted Net Asset Value is derived from the Agreed Property Value of HK$4.8 billion (S$834.8 million) which was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

Property Name	Appraised Value		Agreed Property Value
	CBRE	Colliers	
Mapletree Logistics Hub Tsing Yi	HK$4.92 billion Approximately S$855.7 million[1]	HK$4.95 billion Approximately S$860.9 million[1]	HK$4.80 billion Approximately S$834.8 million[1]

1 Based on the exchange rate on 14 August 2017 of S$1.00 = HK$5.75.

The details of the valuation of the Property is contained in Appendix B of the Circular.

We have reviewed the valuation reports of the Independent Valuers (the "**Valuation Reports**") and our observations are as follows:

(i) the Valuation Reports have been prepared in accordance with the RICS Valuation Global Standards 2017 and the International Valuation Standards 2017. In addition to the above, CBRE has also considered the HKIS valuation standards for preparing its valuation report;

(ii) the basis of valuation used is market value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and willing seller in an arm's length transaction, after proper marketing and where the parties has each acted knowledgeably, prudently and without compulsion";

(iii) CBRE and Colliers have valued the Property as at 1 August 2017;

(iv) the property is built on leasehold land which expires on 1 July 2063 (50 years from commencement of government lease). The Independent Valuers have assumed that upon expiry, the lease will be automatically renewed with nil premium and payment of annual government rent (as applicable). The Independent Valuers have stated that this assumption is a customary local market practice for valuing leasehold properties in Hong Kong SAR; and

(v) in arriving at their opinion on the market value for the Property, the Independent Valuers have adopted the following methodologies:

a. Discounted Cash Flow Approach with projections made over a ten year horizon and capitalising the 11^{th} year net operating income to derive the terminal value; and

b. Income Capitalisation Approach which capitalises the rental income (both passing and market rent basis) on a fully leased basis. The adopted fully leased income is capitalised at an appropriate investment yield which reflects the nature, location, tenancy profile of the Property, together with the current market investment criteria.

We note that both these methodologies are widely accepted for the purpose of valuing income generating properties. We have also made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the Valuation Reports. However, we have neither undertaken a review nor an audit of the historical or financial projections of the Property and/or Mapletree Titanium.

We note that the Agreed Property Value represents a discount of approximately 2.4% and 3.0% to the appraised value determined by CBRE and Colliers respectively.

5.3 Comparison of the gross property yield of the Property with MLT's Existing Hong Kong Logistics Properties

For the purposes of our evaluation and for illustration, we set out below a comparison of the gross property yield, implied by the Agreed Property Value, with MLT's existing logistics properties located in Hong Kong SAR ("**MLT's Existing Hong Kong Logistics Properties**").

Property name	Valuation date	Valuation (S$'000)	Gross revenue (S$'000)	Gross property yield(1) (%)	Occupancy rate (%)
Tsuen Wan No. 1	31 March 2017	81,765	3,464	4.24	100.00
Shatin No. 2	31 March 2017	141,397	5,804	4.10	100.00
Shatin No. 3	31 March 2017	140,117	6,727	4.80	100.00
Shatin No. 4	31 March 2017	323,403	14,503	4.48	100.00
Bossini Logistics Centre	31 March 2017	58,900	1,782	3.03	100.00
1 Wang Wo Tsai Street	31 March 2017	121,459	6,816	5.61	100.00
Grandtech Centre	31 March 2017	304,196	14,825	4.87	97.50
Shatin No. 5	31 March 2017	35,303	1,546	4.38	100.00
Minimum				**3.03**	**97.50**
Mean				**4.44**	**99.69**
Maximum				**5.61**	**100.00**
Mapletree Logistics Hub Tsing Yi	1 August 2017	834,783(2)(3)	48,678(2)(4)	5.83(5)	100.00(6)(7)

Source: Circular and MLT Annual Report 2016/2017

Notes:

(1) Computed based on the gross revenue for each property divided by the valuation of the property as disclosed in MLT Annual Report 2016/2017.

(2) Based on the exchange rate on 14 August 2017 of S$1.00 = HK$5.75.

(3) Agreed Property Value.

(4) Based on annualised estimated gross revenue for the Property for the period from 1 January 2018 to 31 March 2018.

(5) Computed based on the assumed gross revenue of the Property divided by the Agreed Property Value of the Property.

(6) With effect from 1 October 2017.

(7) As at 1 August 2017, the Property is fully committed and occupancy level is at approximately 84.0%.

Based on the above analysis, we note that the gross property yield of 5.83% is higher than the range of the gross property yields of MLT's Existing Hong Kong Logistics Properties.

Whilst we have made our comparisons against MLT's Existing Hong Kong Logistics Properties in the above table, we recognise that the other properties owned by MLT are not identical to the Property in terms of building size and design, location, tenant composition, operating history, net lettable area and other relevant factors. Accordingly the Independent Directors and Trustee should note that any comparison made with respect to the Property serves as an illustrative guide only.

5.4 Pro Forma Financial Effects of the Proposed Acquisition

The pro-forma financial effects of the Proposed Acquisition are set out in Section 5.1 of the Circular.

Based on the assumptions set out in the Circular, we note that the Proposed Acquisition is expected to be DPU accretive[1].

5.5 Other Relevant Considerations

Corporate governance in relation to Interested Person Transactions

The Manager has established an internal control system to ensure that all transactions with interested persons ("**Interested Person Transactions**") will be undertaken on normal commercial terms and will not be prejudicial to the interests of MLT and the Unitholders. As a general rule, the Manager must demonstrate to its Audit and Risk Committee that such transactions are in accordance with all applicable requirements of the Property Fund Appendix and/or the Listing Manual. This entails obtaining (where practicable) quotations from parties unrelated to the Manager, and obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or MLT. If the Trustee is to sign any contract with a related party of the Manager or MLT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

The Audit and Risk Committee will periodically review all Interested Person Transactions to ensure compliance with the Manager's internal control system and with the relevant provisions of the Listing Manual as well as the Property Funds Appendix. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

The Manager has confirmed that in relation to the Proposed Acquisition, it has complied with the applicable requirements relating to Interested Person Transactions in the Property Fund Appendix and provisions of the Listing Manual.

6. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In arriving at our opinion in relation to the Proposed Whitewash Resolution, we have taken into account the following key factors:

(i) The rationale for the Proposed Whitewash Resolution;

(ii) Pricing of the Proposed Equity Fund Raising;

(iii) Pricing of the Acquisition Fee Units;

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1 As compared to MLT's distribution per unit ("**DPU**") for FY16/17.

(iv) Pricing of the 2Q Management Fee Units and 2Q Property Management Fee Units;

(v) Potential dilution arising from the issuance of Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units;

(vi) Nature of the Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units; and

(vii) Moratorium on sale of the Acquisition Fee Units.

6.1 Rationale for the Proposed Whitewash Resolution

The rationale for the Proposed Whitewash Resolution is set out in Section 6.3 of the Circular and extracted below:

"The Whitewash Resolution is to enable the subscription by the Relevant Entities of the Sponsor Excess Units such that MIPL's percentage unitholding in MLT after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage, the receipt by the Manager (in its own capacity) of the Acquisition Fee Units, the receipt by the Manager (in its own capacity) of the 2Q Management Fee Units, and the receipt of the Property Manager (in its own capacity) of the 2Q Property Management Fee Units."

6.2 Pricing of the Proposed Equity Fund Raising

The Manager intends to finance the Total Acquisition Cost through the proceeds from the Proposed Equity Fund Raising and the Loan Facilities.

We note that at the annual general meeting dated 17 July 2017, the Unitholders had approved the general mandate (the "**General Mandate**") pursuant to which the Manager intends to issue new Units under the Proposed Equity Fund Raising. As the issue price and number of new Units to be issued pursuant to the Proposed Equity Fund Raising will only be determined by the Manager, Joint Co-ordinators and Bookrunners closer to the date of commencement of the Proposed Equity Fund Raising, we are not able to comment on the issue price and number of such new Units.

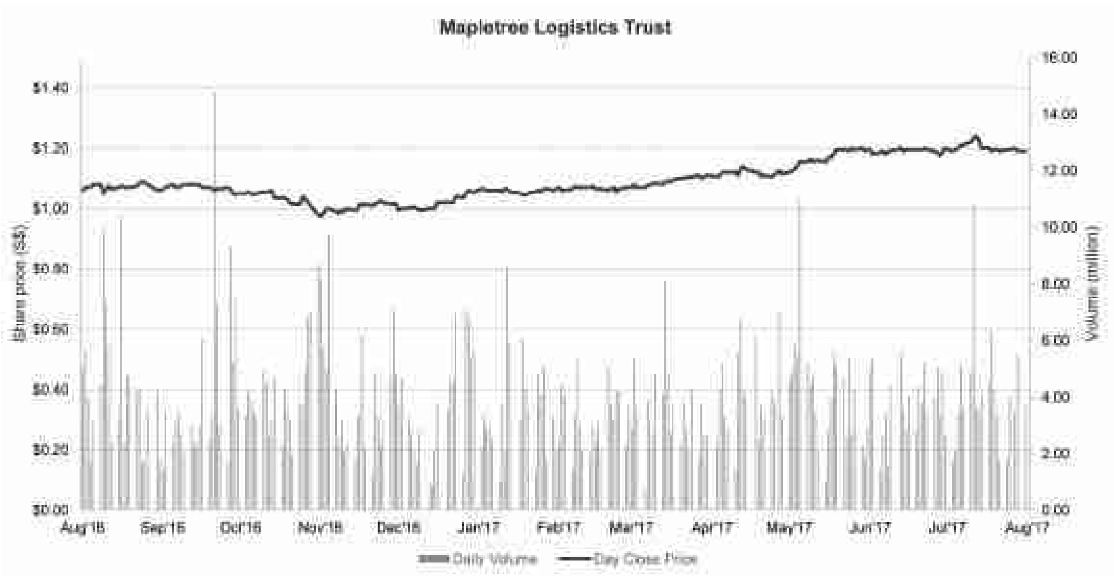
The Manager will announce the details of the Proposed Equity Fund Raising on the SGXNET at the appropriate time when it launches the Proposed Equity Fund Raising in such structure and at such time as may be agreed with the Joint Global Co-ordinators and Bookrunners.

We note that the issue price for the new Units to be issued under the Proposed Equity Fund Raising will comply with Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than 10.0% discount to the volume-weighted average price ("**VWAP**") for trades done on the SGX-ST for the full market day on which the management and underwriting agreement to be entered into between the Manager and the Joint Global Co-ordinators and Bookrunners (the "**Underwriting Agreement**") is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement is signed, excluding (where applicable) accrued distributions provided that the holders of the new Units are not entitled to the accrued distributions.

Historical Unit Price Performance

While pricing of the new Units to be issued under the Proposed Equity Fund Raising will be determined later, for illustrative purposes, the historical Unit prices (closing prices as well as VWAPs) are set out below.

We highlight that under ordinary circumstances, the market valuation of a unit traded on a recognised stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given period in time. Unitholders should also note that the past trading performance of the Units should not be relied upon as a guide of their future trading performance. Therefore, this analysis serves as an illustrative guide only.



Source: Capital IQ

We note that during the last 1-year period prior to the Latest Practicable Date, the closing price of the Units ranged between S$0.98 and S$1.24.

Set out below is a summary of the trading statistics of the Units for the selected reference periods:

	Average Daily Trading Volume(1)	Average Free Float(2)	Average Daily Trading Volume as a percentage of Average Free Float (%)	VWAP (S$)
Last 1-year	3.94 million	1.18 billion	0.34%	1.09
Last 6-month	3.83 million	1.18 billion	0.32%	1.14
Last 3-month	4.03 million	1.18 billion	0.34%	1.19
Last 1-month	4.07 million	1.17 billion	0.35%	1.21
Latest Practicable Date(3)	3.68 million	1.17 billion	0.31%	1.19

Source: Capital IQ

Notes:

(1) The average daily trading volume of the units is calculated based on the total volume of units traded during the period under consideration divided by the number of trading days during that period.

(2) The average free float of the units is calculated based on the total quantity of units in free float during the period under consideration divided by the number of trading days during that period.

(3) Refers to 14 August 2017.

Based on the above analysis, we note that during the last 1-year prior to the Latest Practicable Date, the average daily trading volume for the units was 3.94 million, representing approximately 0.34% of the average free float.

We have reviewed and selected preferential unit offerings announced by REITs listed on SGX-ST from August 2015 until the Latest Practicable Date.

Preferential offerings by Singapore REITs from August 2015 to Latest Practicable Date

REITs	Announcement date of issue price	Basis of offerings	Unit price (S$)	Total gross proceeds raised (S$ million)	Premium over / (Discount to) VWAP for trades done on the SGX-ST for the full market day prior to announcement date
Keppel DC REIT	Oct-16	274 units for every 1,000 existing units	1.16	279.50	(5.0%)
Soilbuild REIT	Aug-16	1 new unit for every 10 existing units	0.63	59.40	(8.2%)
Mapletree Commercial Trust	Jul-16	17 New Units for every 100 existing units	1.42	515.20	(5.3%)
Ascendas REIT	Dec-15	3 new units for every 80 existing units	2.22	144.80	(6.4%)
Viva Industrial Trust	Nov-15	1 new stapled security for every 7 existing stapled security	0.72	72.30	(4.4%)

Source: Respective REIT's announcements and transaction circulars obtained from the SGX website

The Independent Directors and Trustee should note that certain circumstances and terms relating to the other similar issuances of units by REITs are unique and might not be identical to the issuances made in respect of the Proposed Equity Fund Raising, and may be dependent on the market sentiments prevailing at the time of such issuances.

The selected REITs which had carried out the unit issuances might be different from MLT in terms of composition of business activities, scale of operations, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. In addition, the list of selected unit issuances by REITs is by no means exhaustive and information relating to the selected companies was compiled from publicly available information.

Accordingly, the Independent Directors and the Trustee should note that any comparison made with respect to the precedent placements serves as an illustrative guide only.

We observe that the issue price of similar preferential unit offerings is in line with the approach adopted by MLT.

As the terms and number of the new Units to be issued pursuant to the Proposed Equity Fund Raising will only be determined by the Manager, Joint Global Co-ordinators and Bookrunners closer to the date of commencement of the Proposed Equity Fund Raising, we are not able to comment on the terms and number of new Units to be issued pursuant to the Proposed Equity Fund Raising.

6.3 Pricing of the Acquisition Fee Units

Pursuant to the Trust Deed, the Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the acquisition, the prevailing market price of such Units on the date of completion of the acquisition.

We note that the issue price of Acquisition Fees Units is based on the issue price of the new Units to be issued under the Proposed Equity Fund Raising.

6.4 Pricing of the 2Q Management Fee Units and 2Q Property Management Fee Units

The issue price of the 2Q Management Fee Units and the 2Q Property Management Fee Units will be determined based on the VWAP for the 10 days immediately preceding the relevant period in which the fees accrue.

We have reviewed and selected completed precedent management fee and property management fee unit issuances, announced by industrial and logistics REITs listed on SGX-ST from August 2016 until the Latest Practicable Date.

Similar unit issuances by industrial and logistics REITs from August 2016 until the Latest Practicable Date

Announcement Date	REITs	Fee Type	Determination of the issue price
Issuances of management fee units			
4-Aug-17	Frasers Logistics & Industrial Trust	Management fee from 1 April 2017 to 30 June 2017	Based on the VWAP for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days of the financial quarter ended 30 June 2017
15-Jun-17	Ascendas REIT	Management fee for the period from 1 December 2016 to 31 May 2017	Based on 10-business day VWAP from 1 June 2017 to 14 June 2017, being the 10 business days immediately preceding the date of issue of units
14-Jun-17	EC World Reit	Management fee for the quarter ended 31 March 2017	Based on 10-business day VWAP immediately preceding 31 March 2017, being the last business day for the relevant period
1-Jun-17	Mapletree Logistics Trust	Management fee for the quarter ended 31 March 2017	Based on the 10-day VWAP for all trades on the Singapore Exchange Securities Trading Limited up to 31 March 2017
19-May-17	Viva Industrial Trust	Management fee for the quarter ended 31 March 2017	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the base fee accrues (as provided in the VI-REIT trust deed)
4-May-17	Mapletree Industrial Trust	Management fee for the quarter ending 31 March 2017	Based on the 10-day volume-weighted average traded price of Mapletree Industrial Trust prior to and ending on 31 March 2017
7-Apr-17	EC World REIT	Management fee for the quarter ended 31 December 2016	Based on 10-business day VWAP immediately preceding 31 December 2016
30-Mar-17	Mapletree Logistics Trust	Management fee from respective dates of acquisition to 31 December 2016	Based on the 10-day VWAP for all trades on the Singapore Exchange Securities Trading Limited up to 31 December 2016
15-May-17	Frasers Logistics & Industrial Trust	Management fee from 1 January 2017 to 31 March 2017	Based on the VWAP for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days of the financial quarter ended 31 March 2017
17-Feb-17	Viva Industrial Trust	Management fee for the quarter ended 31 December 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the Base Fee accrues (as provided in the VI-REIT trust deed)
10-Feb-17	Frasers Logistics & Industrial Trust	Management fee from 1 October 2016 to 31 December 2016	Based on the VWAP for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days of the financial quarter ended 31 December 2016
3-Feb-17	Mapletree Industrial Trust	Management fee for the quarter ending 31 December 2016	Based on the 10-day volume-weighted average traded price of Mapletree Industrial Trust prior to and ending on 31 December 2016
27-Jan-17	Sabana REIT	Management fee for the quarter ended 31 December 2016	Based on 10-business day VWAP immediately preceding 30 December 2016, being the last business day for the relevant period

Source: Respective REIT's announcements and transaction circulars obtained from the SGX website

Similar unit issuances by industrial and logistics REITs from August 2016 until the Latest Practicable Date			
Announcement Date	**REITs**	**Fee Type**	**Determination of the issue price**
Issuances of management fee units			
15-Dec-16	Ascendas REIT	Management fee for the period 1 June 2016 to 30 November 2016	Based on 10-business day VWAP from 01 December 2016 to 14 December 2016, being the 10 business days immediately preceding the date of issue of units
18-Nov-16	Viva Industrial Trust	Management fee for the quarter ending 30 September 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the base fee accrues (as provided in the VI-REIT trust deed)
15-Nov-16	EC World REIT	Management fee from 28 July 2016 (listing date) to 30 September 2016	Based on 10-business day VWAP immediately preceding 30 September 2016, being the last business day for the period
8-Nov-16	Frasers Logistics & Industrial Trust	Management fee from 20 June 2016 to 30 September 2016	Based on the VWAP for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days of the financial quarter ended 30 September 2016
3-Nov-16	Mapletree Industrial Trust	Management fee for the quarter ending 30 September 2016	Based on the 10-day volume-weighted average traded price of Mapletree Industrial Trust prior to and ending on 30 September 2016
25-Oct-16	Sabana REIT	Management fee for the quarter ended 30 September 2016	Based on 10-business day VWAP immediately preceding 30 September 2016, being the last business day for the relevant period
12-Aug-16	Viva Industrial Trust	Management fee for the quarter ending 30 June 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the base fee accrues (as provided in the VI-REIT trust deed)
4-Aug-16	Mapletree Industrial Trust	Management fee for the quarter ending 30 June 2016	Based on the 10-day volume-weighted average traded price of MIT prior to and ending on 30 June 2016

Source: Respective REIT's announcements and transaction circulars obtained from the SGX website

Similar unit issuances by industrial and logistics REITs from August 2016 until the Latest Practicable Date			
Announcement Date	**REITs**	**Fee Type**	**Determination of the issue price**
Issuances of property management fee units			
1-Jun-17	Mapletree Logistics Trust	Property management fee for the quarter ended 31 March 2017	Based on the 10-day VWAP for all trades on the Singapore Exchange Securities Trading Limited up to 31 March 2017
19-May-17	Viva Industrial Trust	Property Management fee and lease management fee for the quarter ended 31 March 2017	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the fees accrue (as provided in the VI-REIT trust deed)
30-Mar-17	Mapletree Logistics Trust	Property management fee from respective dates of acquisition to 31 December 2016	Based on the 10-day VWAP for all trades on the Singapore Exchange Securities Trading Limited up to 31 December 2016
17-Feb-17	Viva Industrial Trust	Property management fee and lease management fee for the quarter ended 31 December 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the fees accrue (as provided in the VI-REIT trust deed)
18-Nov-16	Viva Industrial Trust	Property management fee and lease management fee for the quarter ending 30 September 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the fees accrue (as provided in the VI-REIT trust deed)
12-Aug-16	Viva Industrial Trust	Property management fee and lease management fee for the quarter ending 30 June 2016	Based on 10-business day VWAP for the last 10 trading days of the relevant period in which the fees accrue (as provided in the VI-REIT trust deed)

Source: Respective REIT's announcements and transaction circulars obtained from the SGX website

The Independent Directors and Trustee should note that certain circumstances and terms relating to the other similar issuances of units by industrial and logistics REITs are unique and might not be identical to the issuances made in respect of the 2Q Management Fee Units and 2Q Property Management Fee Units, and may be dependent on the market sentiments prevailing at the time of such issuances.

The selected industrial and logistics REITs which had carried out the unit issuances might be different from MLT in terms of composition of business activities, scale of operations, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. In addition, the list of selected unit issuances by industrial and logistics REITs is by no means exhaustive and information relating to the selected companies was compiled from publicly available information.

Accordingly, the Independent Directors and the Trustee should note that any comparison made with respect to the precedent unit issuances serves as an illustrative guide only.

We observe from the above that the similar unit issuances were based on 10-business day VWAP pricing formula, which aligns with the approach adopted by MLT.

6.5 Potential dilution arising from the issuance of Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units

The maximum possible increase in the unitholdings of the Concert Party Group would occur in the scenario where (i) 556,521,740 new Units are issued pursuant to the Proposed Equity Fund Raising; (ii) 3,629,489 new Units are issued to the Manager as payment for the Acquisition Fee; (iii) 365,046 new Units are issued to the Manager as payment for the 2Q Management Fee; and (iv) 141,610 new Units are issued to the Property Manager as payment for the 2Q Property Management Fee.

Based on an illustrative issue price of S$1.15 per new Unit, the aggregated unitholding of MIPL (or its nominee) and parties acting in concert with it immediately after the issue of all the above-mentioned new Units will be 39.94%.

The following table sets out the respective unitholdings of the Concert Party Group assuming the maximum possible increase in the unitholdings of the Concert Party Group.

	Before the Proposed Acquisition	**Immediately after the Proposed Acquisition, the Proposed Equity Fund Raising and the issuance of the Acquisition Fees, the 2Q Management Fee Units and the 2Q Property Management Fee Units**
Issued Units	2,501,872,921	3,062,530,806
Number of Units held by the Concert Party Group	998,204,997	1,223,055,726
Number of Units held by Unitholders, other than the Concert Party Group	1,503,667,924	1,839,475,080
% of issued Units held by the Concert Party Group	39.90%	39.94%[(1)]
% of issued Units held by Unitholders, other than the Concert Party Group	60.10%	60.06%

Note:

(1) The percentage is arrived at assuming that the Relevant Entities are allocated in full their application for the Excess MIPL Preferential Offering Units and assuming that all parties acting in concert with MIPL take up their provisional entitlement of Preferential Offering Units.

6.6 Nature of the Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units

The Manager and Property Manager, pursuant to the Trust Deed and Property Management Agreement respectively, are entitled to receive its fees in the form of cash and/or Units.

Further, we also note that pursuant to the Trust Deed, the Manager is entitled to an Acquisition fee of 1% (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Total Consideration. Whilst the Manager may elect to receive the Acquisition Fee in the form of cash and/or Units, the Manager is required under Paragraph 5 of the Property Funds Appendix to receive the Acquisition Fee in Units, in respect of acquisitions from interested parties. We note that without the Proposed Whitewash Resolution, the Manager will still be able to receive the Acquisition Fee Units pursuant to the General Mandate.

The new Units issued under the Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units will rank pari passu in all respects with the Units then in issue.

6.7 Moratorium on the sale of Acquisition Fee Units

In accordance with Paragraph 5 of the Property Funds Appendix which applies to interested party transactions, the Units to be issued as payment for the Acquisition Fee are not to be sold within one year from their date of issuance.

7. OUR OPINIONS

In arriving at our Opinions in respect of the Proposed Acquisition and the Proposed Whitewash Resolution, we have considered, *inter alia*, the following factors summarised below which we considered to be pertinent in our assessment:

In relation to the Proposed Acquisition:

(i) The rationale for the Proposed Acquisition;

(ii) The Agreed Property Value of HK$4.8 billion being lower than the average of the open market values as appraised by the Independent Valuers;

(iii) The gross property yield based on the Agreed Property Value being higher than the range of the gross property yields of MLT's Existing Hong Kong Logistics Properties; and

(iv) Based on the assumptions set out in the Circular, the Proposed Acquisition is expected to be DPU accretive.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our qualifications set out in this letter, we are of the opinion that the Proposed Acquisition is made on normal commercial terms and not prejudicial to MLT and its minority Unitholders.

In relation to the Proposed Whitewash Resolution, we consider the pricing terms to be fair as we note that:

(i) The issue price of the new Units to be issued under the Proposed Equity Fund Raising will take into account the VWAP of the Units for trades done on the SGX-ST for the full market day or preceding market day (as applicable) up to the date of signing of the Underwriting Agreement;

(ii) The issue price of the new Units to be issued under the Acquisition Fee Units will be based on the issue price for the new Units to be issued under the Proposed Equity Fund Raising; and

(iii) The issue price of the new Units to be issued under the 2Q Management Fee Units and the 2Q Property Management Fee Units will be based on the VWAP of the Units for the 10 days immediately preceding the relevant period in which the fees accrue.

In relation to the Proposed Whitewash Resolution, we consider the terms to be reasonable having regard to the following factors:

(i) The rationale for the Proposed Whitewash Resolution;

(ii) In the event the Proposed Equity Fund Raising is structured as a Private Placement prior to a Preferential Offering, the unitholding percentage of all the Unitholders (including the Concert Party Group) as on the date immediately prior to the Private Placement, will be diluted in proportion to the number of new Units to be issued under the Private Placement;

(iii) The Preferential Offering will be undertaken on a pro rata basis to all existing Unitholders as on the date prior to the Proposed Equity Fund Raising. Subject to the level of participation by Unitholders in the Preferential Offering, the Sponsor, in accordance with the terms of the Undertaking, will subscribe and pay in full for the Excess MIPL Preferential Offering Units; and

(iv) In accordance with the terms of the Undertaking, the Sponsor's percentage unitholding in MLT, immediately after the Proposed Equity Fund Raising, will be restricted to the Sponsor's Pre-Placement Percentage.

(v) Pursuant to the Trust Deed, the Manager is entitled to receive the acquisition fees and management fees in the form of cash and/or Units at its sole discretion. In respect of acquisition from interested parties, the Manager is required under Paragraph 5 of the Property Funds Appendix to receive the Acquisition Fee in Units which are not to be sold within one year from their date of issuance;

(vi) Pursuant to the Property Management Agreement, the Property Manager is entitled to receive the property management fees and lease management fees in the form of cash and/or Units at its sole discretion; and

(vii) The new Units issued under the Excess MIPL Preferential Offering Units, Acquisition Fee Units, 2Q Management Fee Units and 2Q Property Management Fee Units, upon issue and allotment, rank pari passu in all respects with the Units then in issue.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our qualifications set out in this letter, we are of the opinion that the Proposed Whitewash Resolution is fair and reasonable.

These Opinions are addressed to the Addressees, in connection with and for the purpose of their consideration of the Proposed Acquisition and the Proposed Whitewash Resolution. Any statement or recommendation made by the Addressees in respect of the terms of the Proposed Acquisition and Proposed Whitewash Resolution shall remain their sole responsibility. Our Opinions do not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

The letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Vishal Sharma
Executive Director

Akhil Bheda
Associate Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of the holders of Units of Mapletree Logistics Trust ("**MLT**", and the holders of Units of MLT, "**Unitholders**") will be held on 13 September 2017 (Wednesday) at 3:30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF MAPLETREE LOGISTICS HUB TSING YI, HONG KONG SAR, WHICH IS AN INTERESTED PERSON TRANSACTION

That:

(i) approval be and is hereby given for the acquisition of Mapletree Logistics Hub Tsing Yi, through the acquisition of 100.0% of the ordinary shares in the issued share capital (the "**Sale Shares**") of Mapletree Titanium Ltd. ("**Mapletree Titanium**", and the acquisition of the Sale Shares, the "**Acquisition**"), on the terms and conditions set out in the share purchase agreement (the "**Share Purchase Agreement**") dated 28 August 2017 made between HSBC Institutional Trust Services (Singapore) Limited, as trustee of MLT (the "**Trustee**") and Mapletree Overseas Holdings Ltd., and that the entry into of the Share Purchase Agreement be and is hereby approved and ratified;

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and

(iii) Mapletree Logistics Trust Management Ltd., as the manager of MLT, (the "**Manager**"), and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of MLT to give effect to the Acquisition and all transactions contemplated under the Share Purchase Agreement, and in this connection, the board of directors of the Manager (the "**Board**") be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 2

THE PROPOSED WHITEWASH RESOLUTION

That subject to the conditions in the letter from the Securities Industry Council dated 10 August 2017 being fulfilled, Unitholders of MLT, other than Mapletree Investments Pte Ltd ("**MIPL**"), parties acting in concert with it and parties which are not independent of them, hereby (on a poll taken) waive their rights to receive a mandatory offer from MIPL and parties acting in concert with it for all the remaining issued units in MLT ("**Units**") not owned or controlled by MIPL and parties acting in concert with it, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of:

(i) the issuance of new Units following a Private Placement (as defined in the circular to Unitholders of MLT dated 28 August 2017) (the "**Circular**") such that MIPL's percentage unitholding in MLT would decrease as MIPL will not be participating in the Private Placement;

(ii) the subscription by MIPL and its subsidiaries (the "**Relevant Entities**") of new Units in connection with the Preferential Offering (as defined in the Circular) in accordance with their pro rata entitlement, and pursuant to the Undertaking (as defined in the Circular), the subscription of excess Units in the Preferential Offering so that if the Relevant Entities are fully allotted the excess Units, MIPL will maintain its percentage unitholding in MLT at the level immediately prior to the Private Placement;

(iii) the receipt by the Manager in its personal capacity of Units as payment for the acquisition fee in relation to the Acquisition;

(iv) the receipt by the Manager in its personal capacity of Units as payment for the management fees for the period from 1 July 2017 to 30 September 2017 ("**2Q 2017/18**"); and

(v) the receipt by Mapletree Property Management Pte. Ltd. in its personal capacity of Units as payment for the property management fees and lease management fees for 2Q 2017/18.

BY ORDER OF THE BOARD

Mapletree Logistics Trust Management Ltd.
(Company Registration No. 200500947N)
As Manager of Mapletree Logistics Trust

Wan Kwong Weng
Joint Company Secretary
Singapore
28 August 2017

Important Notice:

1. A Unitholder who is not a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MLT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3:30 p.m. on 10 September 2017 (Sunday) being 72 hours before the time fixed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of MLT ("**Unitholder**") who is not a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the Proxy Form (defined below) the proxy, or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A Unitholder should insert the total number of Units held in the Proxy Form (defined below). If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of MLT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MLT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3:30 p.m. on 10 September 2017, being 72 hours before the time set for the Extraordinary General Meeting.
5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Extraordinary General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Extraordinary General Meeting.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the Extraordinary General Meeting and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

mapletree logistics

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

IMPORTANT:

1. A Relevant Intermediary may appoint more than one proxy to attend and vote at the Extraordinary General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units of Mapletree Logistics Trust, this Circular is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION only.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), a unitholder of Mapletree Logistics Trust accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 28 August 2017.

EXTRAORDINARY GENERAL MEETING

I/We ____

(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of ____ (Address)

being a Unitholder/Unitholders of Mapletree Logistics Trust ("**MLT**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

or, both of whom failing, the Lead Independent Non-Executive Director of Mapletree Logistics Trust Management Ltd. (as Manager of MLT) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of MLT to be held on 13 September 2017 (Wednesday) at 3:30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

	Resolutions	**For***	**Against***
	ORDINARY RESOLUTIONS		
1	To approve the Acquisition		
2	To approve the Whitewash Resolution		

* *If you wish to exercise all your votes "For" or "Against", please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ____________________ 2017

Total number of Units held

____

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

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2nd fold here and glue all sides firmly. Stapling and spot sealing is not allowed.

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mapletree
logistics

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The Company Secretary
MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.
(as Manager of Mapletree Logistics Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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