

maple<sup>tree</sup>  
logistics

# Proposed Acquisitions of Five Ramp-up Logistics Properties in Singapore

5 July 2018



# Acquisitions Summary

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- Five modern ramp-up, well-located logistics properties (the “Properties”) in Singapore
- Estimated acquisition purchase price of S\$778.3 million comprising consideration of S\$730.0 million and aggregate estimated upfront land premium for the balance lease terms of S\$48.3 million
- The Properties will be leaseback to CWT Pte. Limited and its subsidiaries (“Vendor Group” or “CWT”) with combined WALE (by revenue) of 8.7 years and built-in rent escalation of 1.5% per annum
- The acquisitions are expected to generate an initial net property income yield of approximately 6.2% based on the purchase price of S\$778.3 million and is expected to be DPU-accretive
- MLT has also secured a ROFR on 47 Jalan Buroh (CWT Mega Integrated Logistics Hub), subject only to the prior ROFR to JTC
- The Acquisitions are subject to the requisite approvals from JTC and the shareholders of CWT International Limited (the holding company of the Vendor Group)

# Investment Rationale

- **Strategic expansion in the attractive Singapore logistics market**
  - Singapore is a key global logistics hub – ranked Asia’s top logistics hub since 2007
  - Potential recovery of warehouse market in Singapore
- **Strengthens MLT’s portfolio and competitive positioning**
  - Strategic locations with excellent connectivity
  - Modern ramp-up warehouses offer cost and efficiency advantages over conventional warehouses
  - Properties have a weighted average age (by net lettable area) of 4.8 years<sup>1</sup>
  - High quality building specifications including floor loading of 20 to 50 kN psm and floor-to-ceiling height of 9 to 14 metres
  - Limited supply of chemical and cold storage warehouses supports higher rental rates

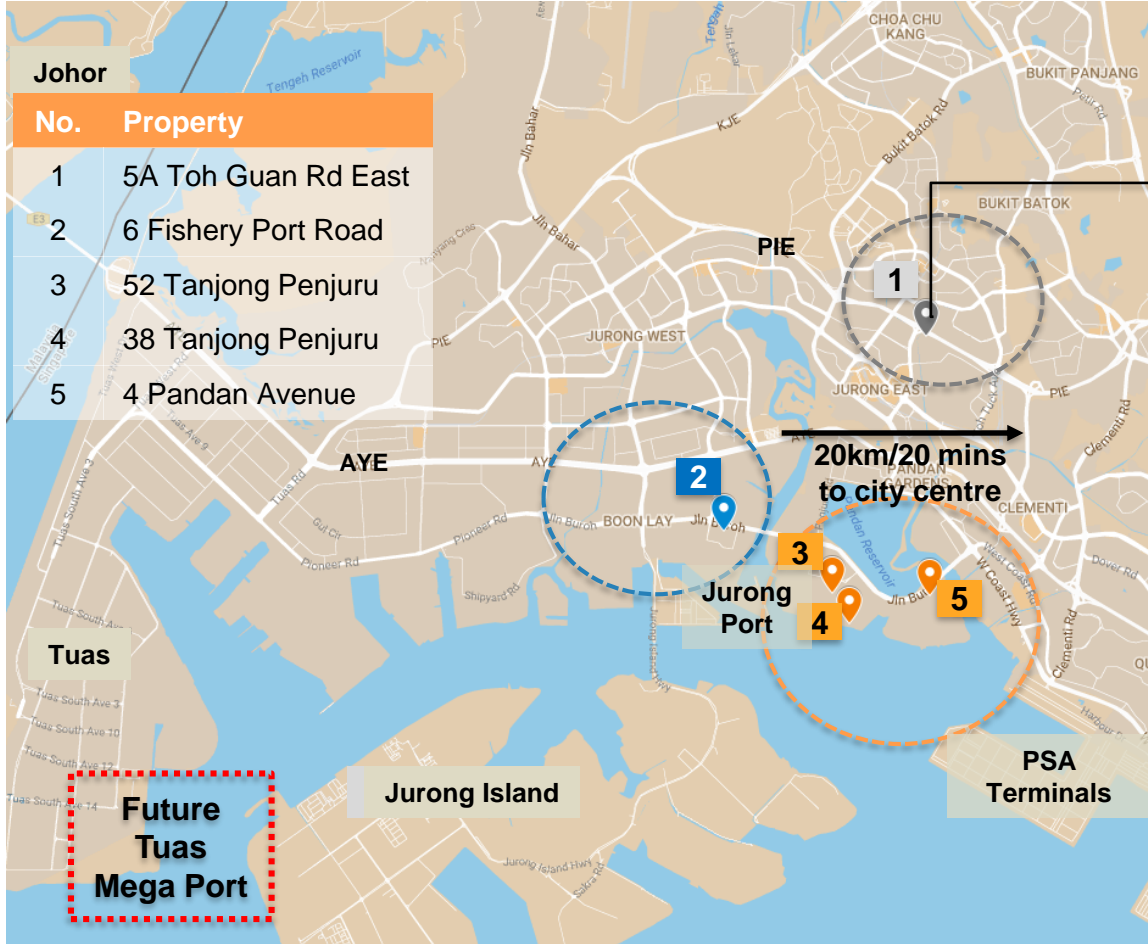
# Investment Rationale

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- **In line with the Manager's aim of rejuvenating MLT's portfolio**
  - Accelerates pursuit of other options to rejuvenate its portfolio, which include selective divestments of older low-yielding properties with limited redevelopment potential to protect and enhance the rental yield of MLT's portfolio
- **Provides stable income stream with organic growth**
  - Properties will be 100% leased to the Vendor Group for lease terms ranging from 5 to 10 years
  - Leases have combined WALE (by revenue) of 8.7 years and built-in rent escalation of 1.5% per annum
- **Acquisition is expected to be accretive with initial NPI yield of 6.2%**

# Overview of Properties

- Located in three key logistics clusters in the western region of Singapore
- Supported by excellent infrastructure and arterial road networks



Adjacent to MLT's existing asset -> potential synergies

## 5A Toh Guan Road East

Close proximity to PSA Terminals, Jurong Port and city centre

## 6 Fishery Port Road

Located next to the Fishery Port and Jurong Port, and close to the PSA Terminals

## Penjuru/Pandan Area

Close proximity to PSA Terminals, Jurong Port, Tuas checkpoint and a majority of the container yards in Singapore

AYE = Ayer Rajah Expressway  
PIE = Pan Island Expressway

# Overview of Properties

4 Pandan Avenue



52 Tanjong Penjuru



38 Tanjong Penjuru



6 Fishery Port Road



5A Toh Guan Road East



Type of Warehouse	Chemical and Ambient	Chemical and Ambient	Chemical and Ambient	Temperature Controlled (in food zone) and Ambient	Ambient
Property Description	<ul style="list-style-type: none"> <li>5-storey ramp-up warehouse with ancillary office</li> <li>Accommodates storage of flammable materials</li> </ul>	<ul style="list-style-type: none"> <li>5-storey ramp-up warehouse with ancillary office</li> <li>Accommodates storage of flammable materials</li> </ul>	<ul style="list-style-type: none"> <li>2-storey ramp-up warehouse with ancillary office</li> <li>Accommodates storage of flammable materials</li> </ul>	<ul style="list-style-type: none"> <li>7-storey ramp-up warehouse with temperature-controlled storage facilities and ancillary office</li> <li>Comprises chillers, freezers and air-conditioned warehouse space</li> </ul>	<ul style="list-style-type: none"> <li>6-storey ramp-up warehouse with ancillary office</li> </ul>
Purchase Consideration (S\$ million)	S\$117.0	S\$179.0	S\$75.0	S\$244.0	S\$115.0
Independent Valuation <sup>1</sup> (S\$ million)	S\$118.0	S\$182.0	S\$78.0	S\$260.0	S\$117.2
Estimated Land Premium (S\$ million)	S\$12.1	S\$13.8	S\$8.2	S\$11.3	S\$2.8
TOP Date	January 2015	April 2011	January 2007	February 2015	January 2014
Land Tenure <sup>2</sup> (Lease Start Date)	30 + 30 years (9 October 1984)	30 + 10 years (1 July 2009)	30 + 14 years (1 November 2005)	30 + 24 years (29 June 2011)	30 + 21 years (1 March 1991)
Site area (sq ft)	255,762	335,170	375,491	300,944	240,535
GFA (sq ft)	638,777	846,303	375,230	751,434	600,301
NLA (sq ft)	585,565	806,193	347,271	660,889	566,090

1) Based on independent valuations conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 27 June 2018, excluding upfront land premium payable to JTC for the balance lease terms.

2) The weighted average land lease expiry including the periods covered by the relevant options to renew (by NLA) is 32.3 years, as at 30 Jun 2018.

The image features a 3D-rendered perspective of a hallway with orange walls and a white floor. The hallway is empty, with a bright light source from the left creating a soft glow. The text "Impact on Portfolio" is centered on the right wall in a white, bold, sans-serif font.

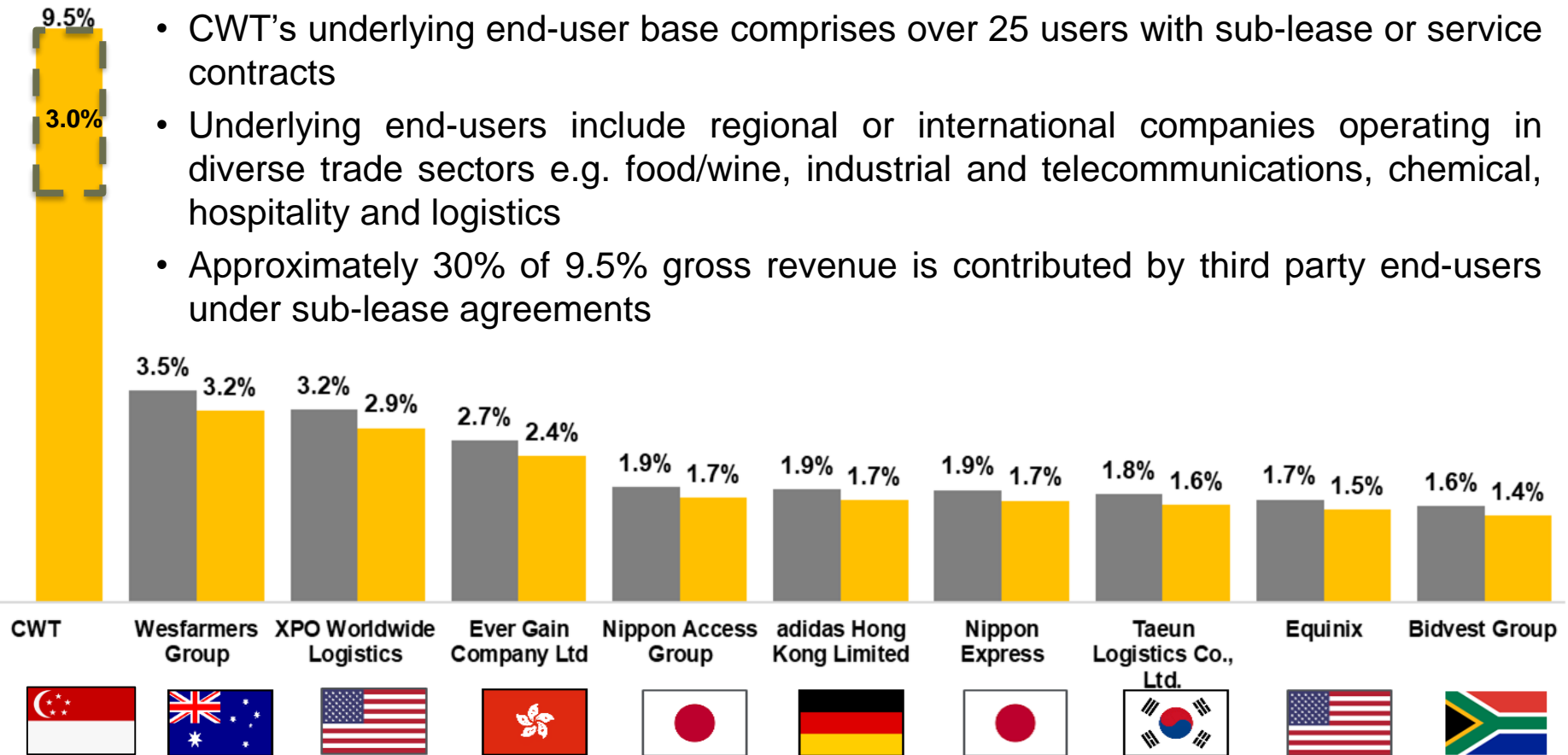
# Impact on Portfolio

# Top 10 Customer Profile (by Gross Revenue)

Post-acquisition, CWT will become MLT's top tenant

■ Existing Portfolio ■ Enlarged Portfolio

- CWT's underlying end-user base comprises over 25 users with sub-lease or service contracts
- Underlying end-users include regional or international companies operating in diverse trade sectors e.g. food/wine, industrial and telecommunications, chemical, hospitality and logistics
- Approximately 30% of 9.5% gross revenue is contributed by third party end-users under sub-lease agreements

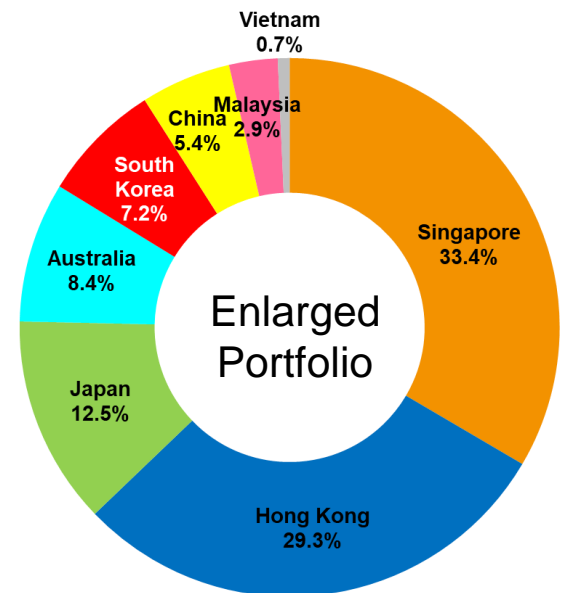
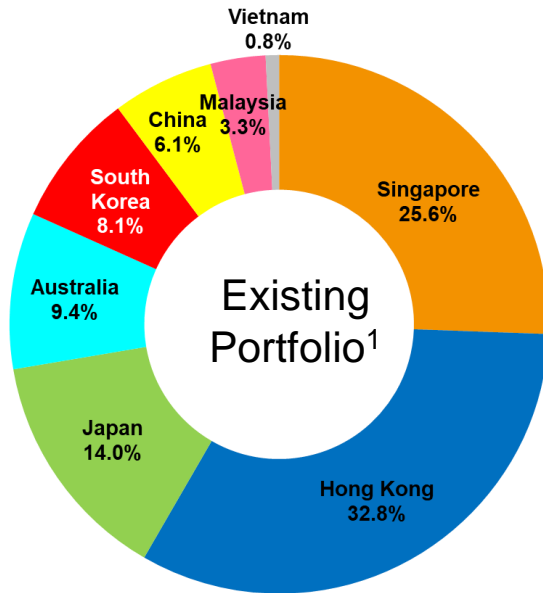


7 1) Based on MLT's financials as of 31 March 2018 and including the pro forma financial effects of the acquisition of a 50.0% interest in 11 China logistics properties which was completed on 6 June 2018.

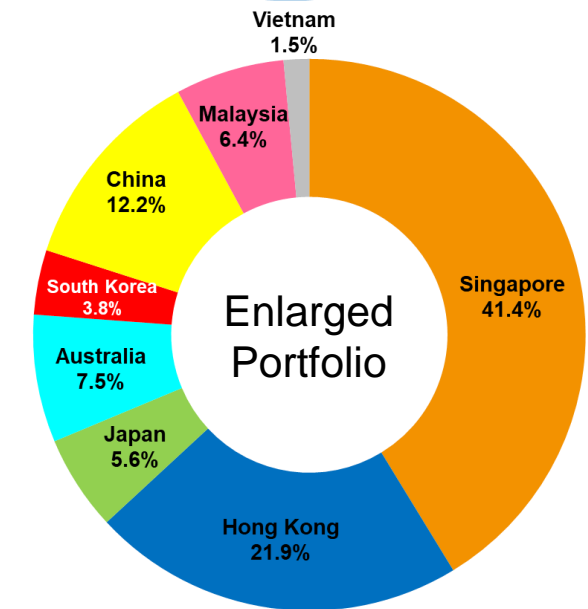
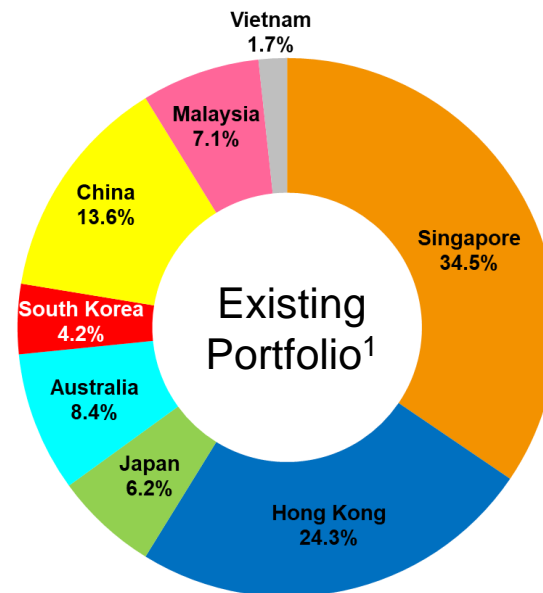


# Geographical Diversification

**Valuation by Geography**



**Gross Revenue by Geography**

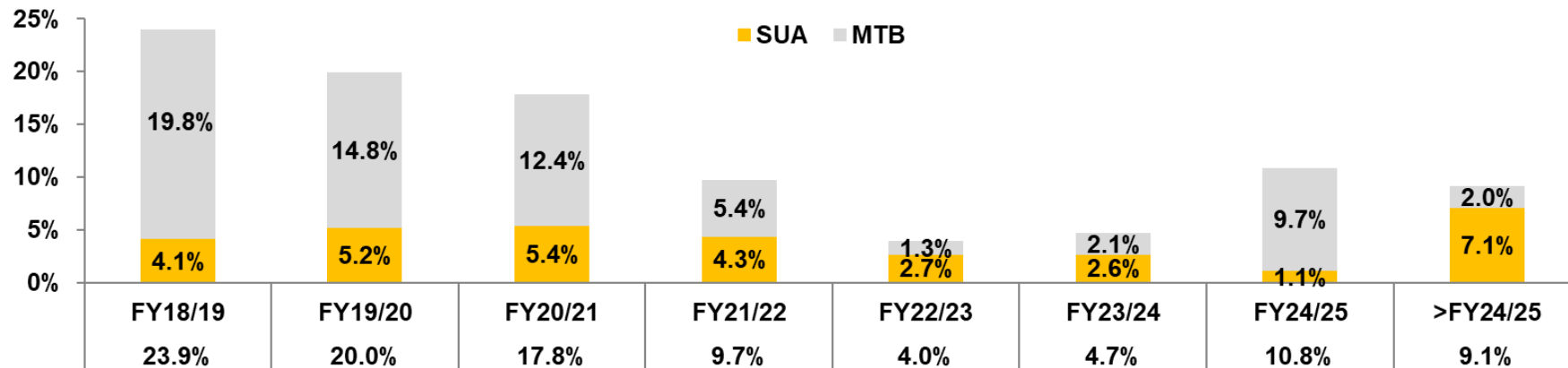


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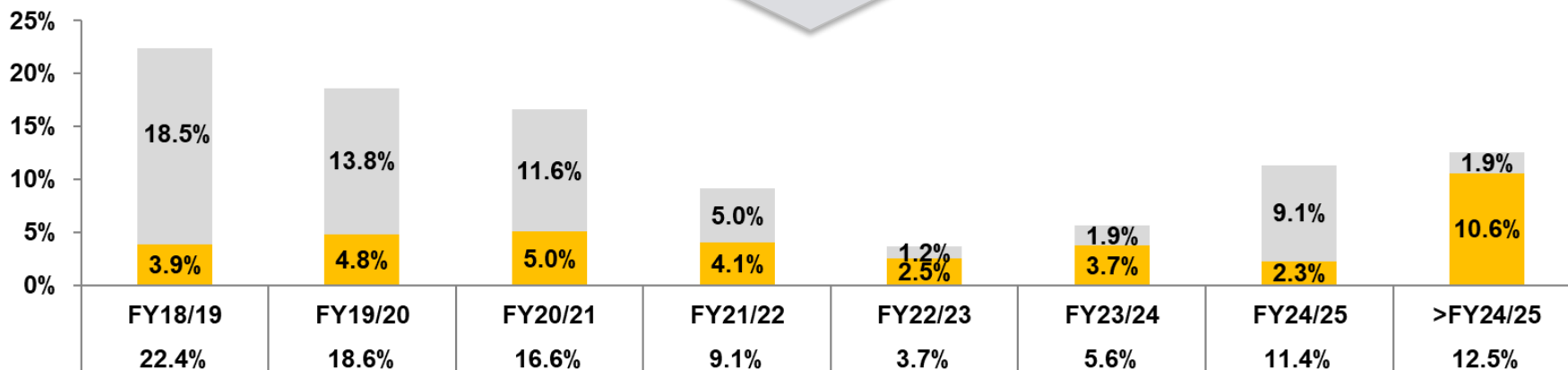
# Lease Expiry Profile (by NLA)

Weighted average lease expiry (by NLA) increases by 0.3 years to **3.8 years**

Existing Portfolio<sup>1</sup>



Enlarged Portfolio

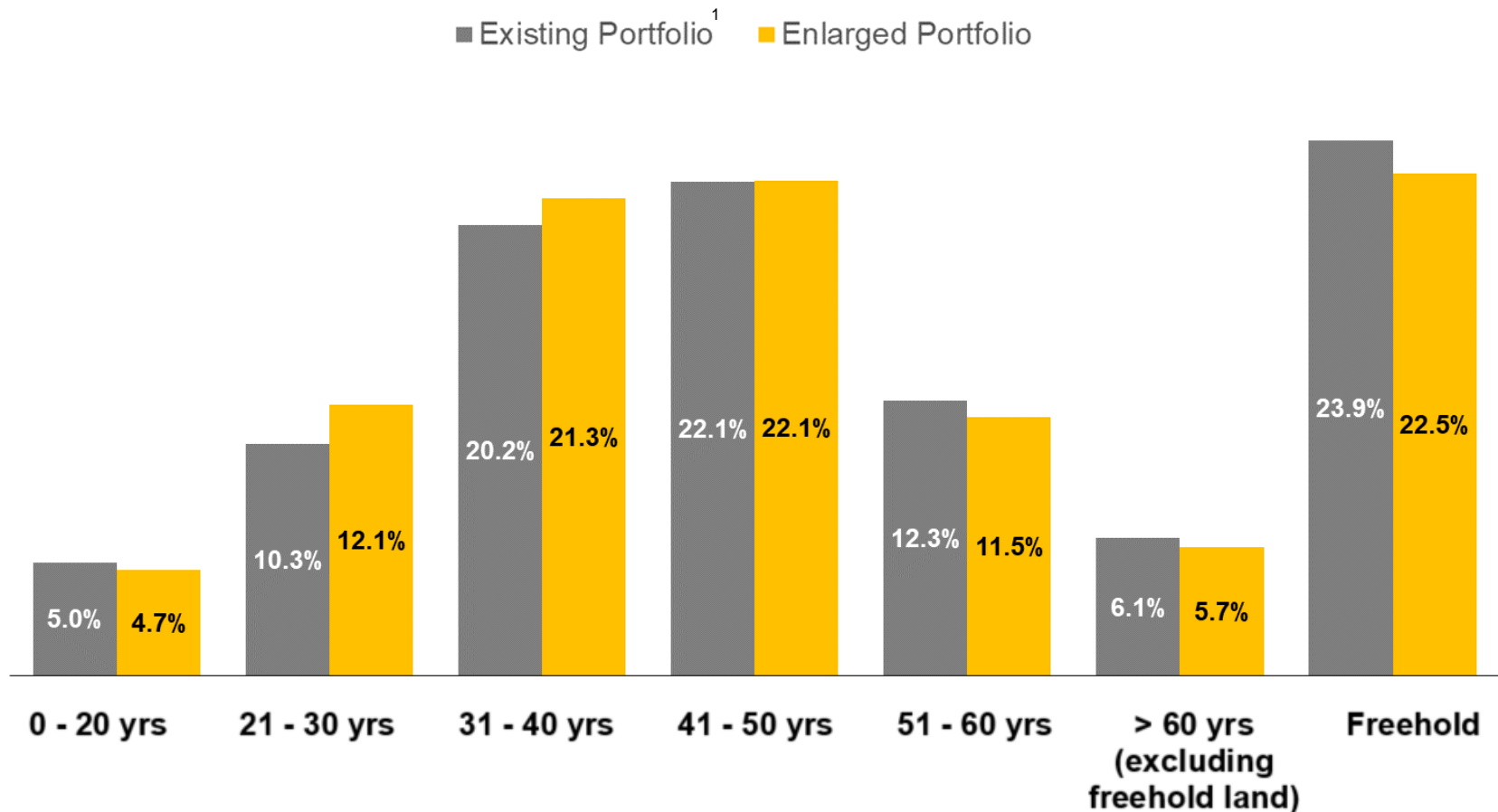


9) Based on MLT's financials as of 31 March 2018 and including the pro forma financial effects of the acquisition of a 50.0% interest in 11 China logistics properties which was completed on 6 June 2018.

# Unexpired Lease of Underlying Land

Weighted average lease term to expiry of underlying leasehold land (excluding freehold land) will decrease by 2.9 years to **44.7 years**

## Remaining Years to Expiry of Underlying Land Lease (by NLA)



<sup>10</sup><sub>1)</sub> Based on MLT's financials as of 31 March 2018 and including the pro forma financial effects of the acquisition of a 50.0% interest in 11 China logistics properties which was completed on 6 June 2018.

# Disclaimer

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The value of units in Mapletree Logistics Trust (“MLT”, and units in MLT, “Units”) and the income 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 its future performance.

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