mapletree
logistics

MAPLETREE LOGISTICS TRUST

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

CIRCULAR DATED 1 NOVEMBER 2019

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:

THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN A PROPERTY IN MALAYSIA, (B) A 100.0% INTEREST IN TWO PROPERTIES IN VIETNAM THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES AND (C) A 50.0% INTEREST IN FOUR PROPERTIES IN PRC THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES, AS INTERESTED PERSON TRANSACTIONS

IMPORTANT DATES AND TIMES FOR UNITHOLDERS	
Last date and time for lodgement of Proxy Forms	17 Nov 2019 (Sunday) at 2.30 p.m.
Date and time of Extraordinary General Meeting ("EGM")	20 Nov 2019 (Wednesday) at 2.30 p.m.
Place of EGM	20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439

Managed by

MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.

Joint Global Co-ordinators and Bookrunners in relation to the Private Placement (as defined herein) (in alphabetical order)

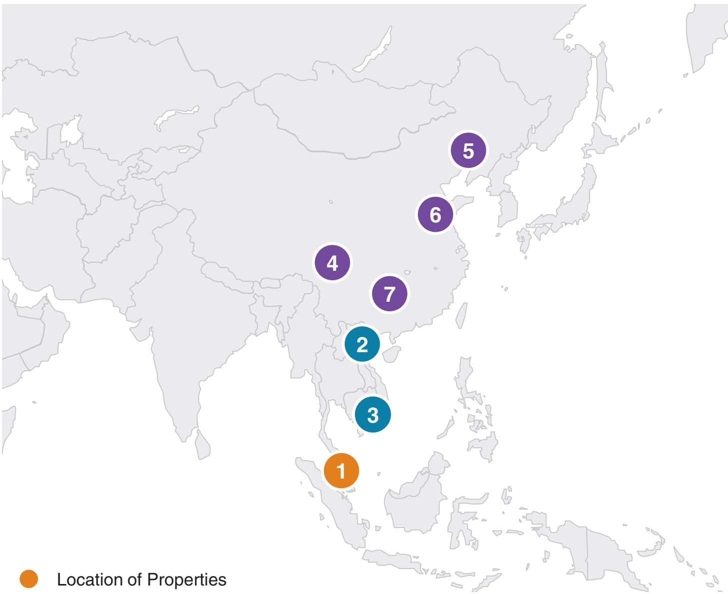
citi DBS HSBC

Independent Financial Adviser to the Independent Directors, Audit and Risk Committee and the Trustee (each as defined herein)

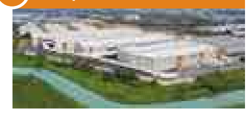
EY

Overview of the Properties[1]

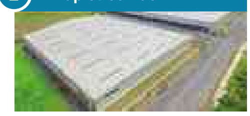
Aggregate Agreed Property Value	Implied Net Property Income ("**NPI**") Yield	Net Lettable Area ("**NLA**")	Occupancy Rate	Weighted Average Lease Expiry ("**WALE**")
S$405.3 million[2]	**~6.1%**	**444,822 sq m**	**100%[3]**	**1.9 years[4]**



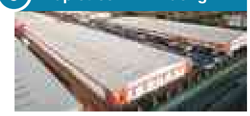
1 Mapletree Shah Alam



2 Mapletree Bac Ninh 2

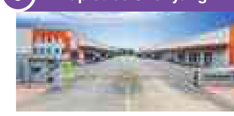


3 Mapletree Binh Duong 1

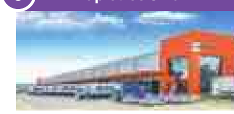


4 Mapletree Chengdu

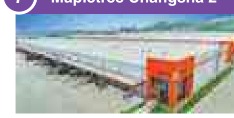
5 Mapletree Shenyang



6 Mapletree Jinan



7 Mapletree Changsha 2



All information is as at 23 October 2019 unless otherwise stated.

MLT After the Proposed Acquisitions

Enlarged Asset Size of S$8,361 million from S$7,950 million

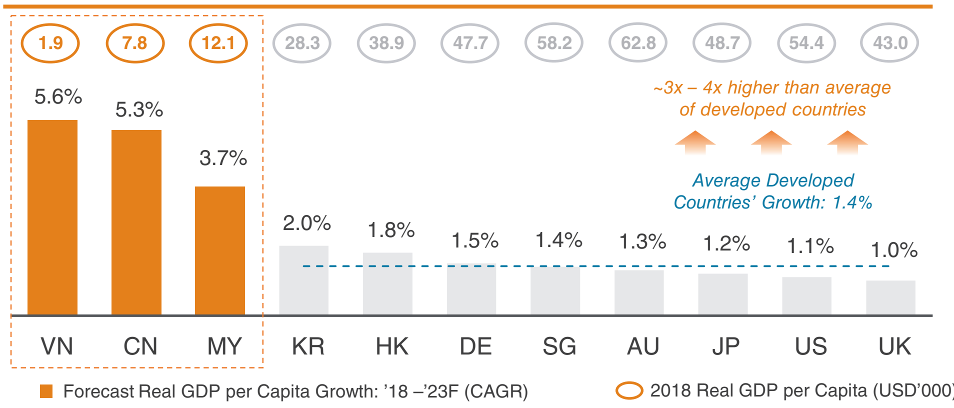
	Existing Portfolio[5]	Properties[6]	Enlarged Portfolio	% Change
NLA ('000 sq m)	4,478	445	4,923	▲ 9.9%
Assets Under Management (S$ million)	7,950	411[7]	8,361	▲ 5.2%
WALE by NLA (Years)	4.6	1.9	4.4	▼ 4.3%
Number of Tenants	617	59	676	▲ 9.6%
Occupancy	97.5%	100%	97.7%	▲ 20bps
Aggregate Leverage (Pro forma as at 30 September 2019)	37.0%[8]	–	37.1%[9]	▲ 10bps
Net Asset Value per Unit (S$) (Pro forma as at 31 March 2019)	1.17	–	1.19	▲ 1.5%

*(1) "**Properties**" means the Malaysia Property, the Vietnam Properties and the PRC Properties.*
(2) Reflects 50.0% interest in the PRC Properties. Had it been 100.0% interest, the aggregate Agreed Property Value will be S$492.2 million.
(3) Committed occupancy as at the Latest Practicable Date (23 October 2019).
(4) By NLA.
(5) As at 30 September 2019 and takes into account MLT's 50.0% interest in 11 properties in China.
(6) As at the Latest Practicable Date (23 October 2019) and takes into account MLT's 50.0% interest in the PRC Properties.
(7) Based on the aggregate Agreed Property Value of the Properties and any capitalised costs. Taking into account MLT's 50.0% indirect interest in the PRC Properties.
(8) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.
(9) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and Deposited Property of each of the HK SPVs.

1 Exploit the Positive Demand-Supply Dynamics in Key Logistics Markets

Expansion into Malaysia, Vietnam and China – Fast Growing Domestic Consumption Markets

Real GDP per Capita and Growth
(%, USD'000)

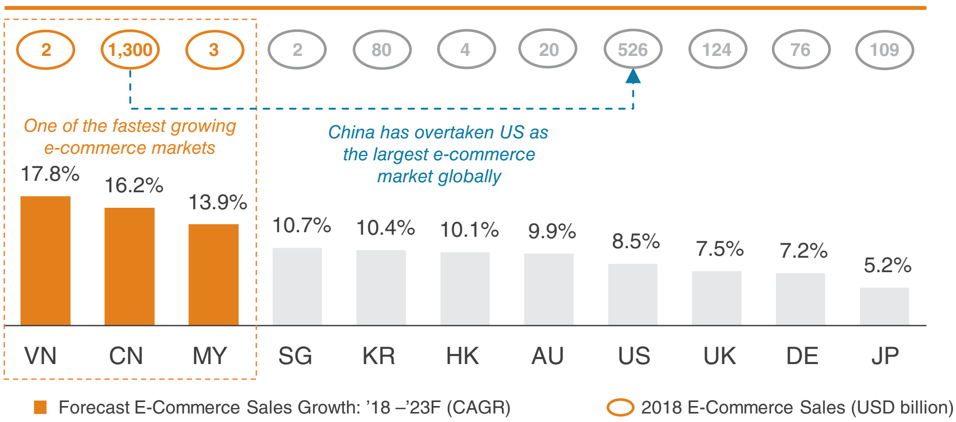


- Malaysia, Vietnam and China are amongst the fastest growing economies in the world
- Significant growth potential in per capita GDP and consumption expenditure → higher demand for logistics services and logistics space

Source: Independent Market Research Consultant.

Demand for Logistics Space Underpinned by Strong Growth in E-Commerce

E-Commerce Sales and Growth
(%, USD billion)

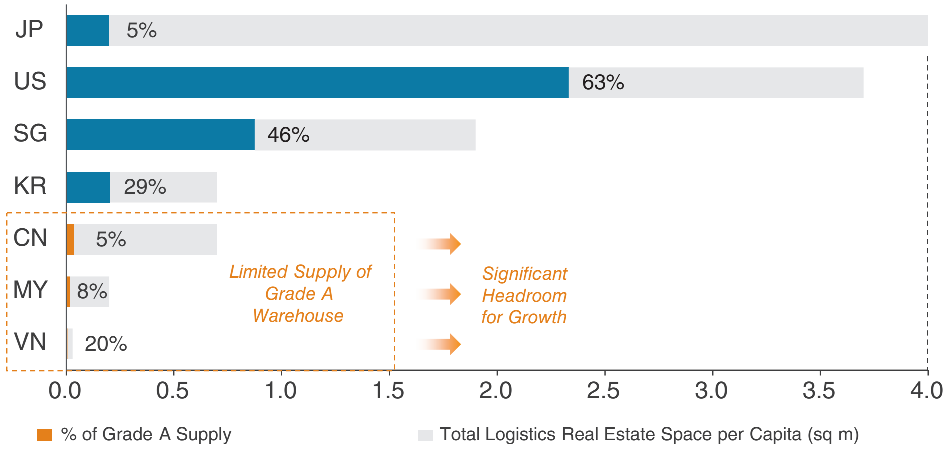


- Malaysia, Vietnam and China are amongst the fastest growing e-commerce markets; China is also the world's largest e-commerce market
- E-commerce players typically require logistics facilities with modern Grade A specifications and 2x – 3x as much warehouse space as traditional retailers

Source: Independent Market Research Consultant.

Limited Supply of Grade A Warehouse Space Presents Opportunity for MLT to Fill the Market Gap

Logistics Real Estate Space per Capita and Grade A Warehouse Supply as % of Total Stock (sq m, %)

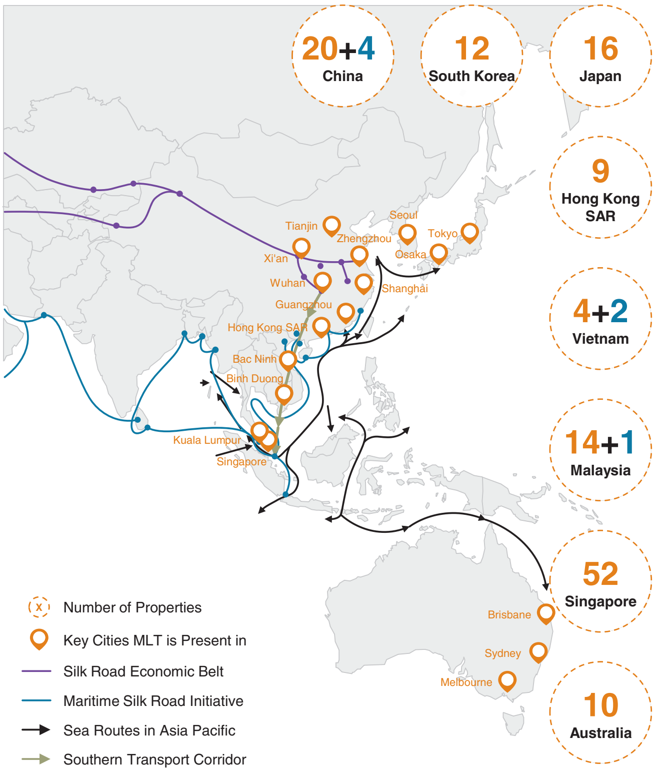


- Limited supply of Grade A warehouse space across Malaysia, Vietnam and China
- Grade A warehouse space commands sizeable rent premium of 20% over traditional warehouses

Source: Independent Market Research Consultants.

2 Strengthen MLT's Network Connectivity across Key Logistics Nodes

Deepen and Expand Coverage across Key Asia Pacific Markets



Key Highlights

Extensive network covering **45** cities in **8** geographic markets

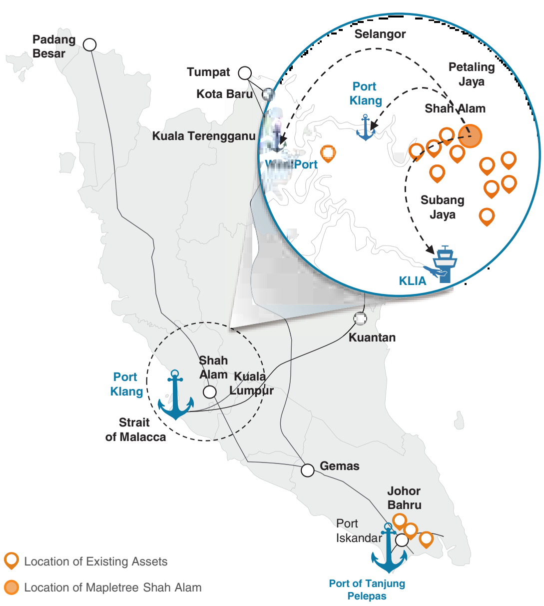
Access to an aggregate population base of **>150** million people

34% of leased area accounted for by multi-location tenants

- MLT's properties are located predominantly in key gateway cities or logistics hubs with direct access to large catchments of growing consumption markets
- Extensive network of logistics facilities offers customers a broad range of regional leasing options
- Growing network effect: multi-location tenants account for 34% of leased area, up from 25% in 2015

Source: Company information.

Expand Footprint in Shah Alam, the Prime Logistics Hub of Malaysia and Deepen Presence in Thriving Logistics Hubs of Vietnam



Key Attractiveness of Shah Alam

- Prime logistics hub serving Klang Valley, the largest and most affluent consumption market in Malaysia
- Readily accessible to Kuala Lumpur City Centre, Kuala Lumpur International Airport and Port Klang

Key Attractiveness of Bac Ninh

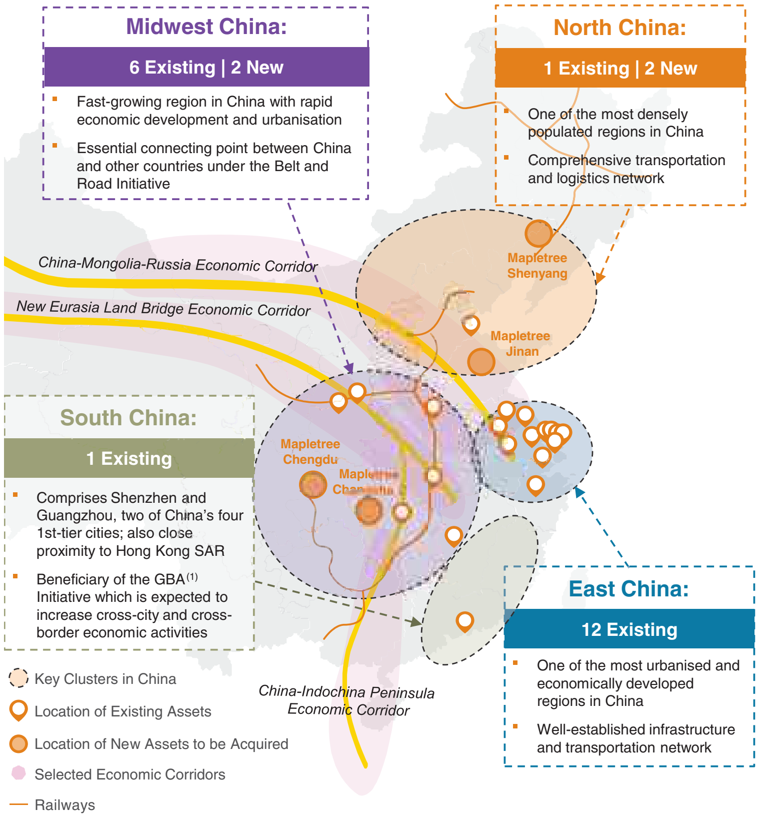
- Close proximity to Hanoi, the largest consumption market in north Vietnam
- Well-connected to key transportation infrastructure – highways, Hai Phong Port, Noi Bai Airport

Key Attractiveness of Binh Duong

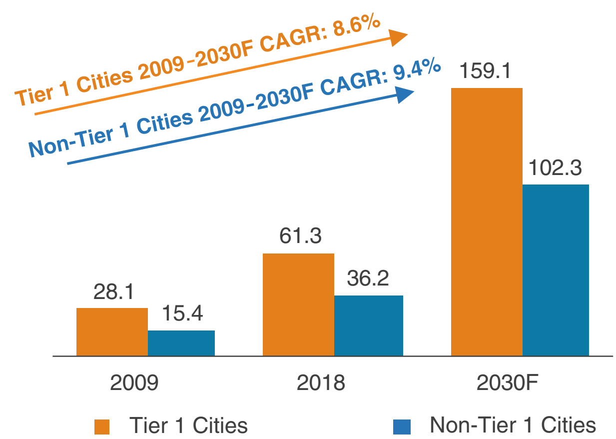
- Largest logistics hub in south Vietnam and home to the country's largest southern industrial zones
- Close proximity to Ho Chi Minh City, the largest consumption market in Vietnam

Source: Independent Market Research Consultant and company information.

Increase Exposure to Key Provinces of China with Strong Consumer Markets



China Disposable Household Income per Capita (RMB '000)



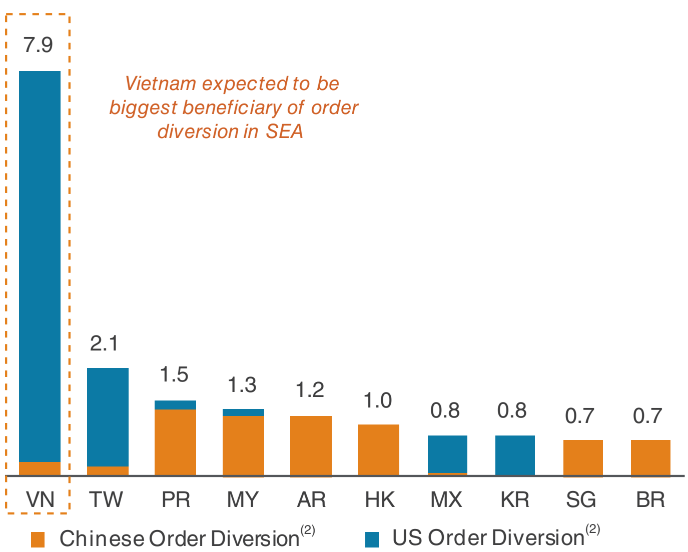
Source: Independent Market Research Consultant.

- Expand MLT's market presence in China from 14 cities to 17 cities. New cities are Chengdu, Shenyang and Jinan
- Capitalise on the growing demand for logistics space, underpinned by per capita disposable household income growth and large consumer markets

Source: Independent Market Research Consultant and company information.

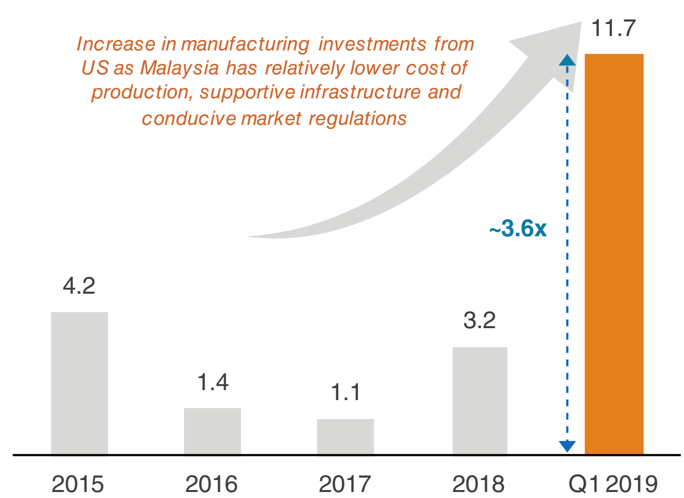
Potential Positive Spillover Effects from the US-China Trade Conflict

Third-Party Economies Gain from Goods Diversion in US-China Trade Conflict (% of GDP)



Source: Independent Market Research Consultants.

US Manufacturing FDI in Malaysia (USD billion)



Source: Independent Market Research Consultant.

- Vietnam and Malaysia are among the prime beneficiaries of the US-China trade conflict
- Multinational corporations are relocating supply chains from China to countries such as Vietnam and Malaysia (lower labor costs, established manufacturing ecosystems, pro-investment policies)
- In Malaysia, increase in FDI and growth in the manufacturing sector, coupled with positive knock-on effect on the economy and domestic consumption → increase demand for logistics space

(1) *Refers to the Guangdong-Hong-Kong-Macau Greater Bay Area.*
(2) *US order diversion is American shift in orders due to higher tariffs on China; Chinese order diversion is that economy's order substitution due to higher levies on US. Data are for year through Q1 2019.*

3 High Quality Portfolio with a Strong and Diversified Tenant Base

High-Quality Modern Facilities with Long Land Tenure

Source: Company information.

Strong and Diversified Tenant Base

Top 10 Tenants for the Properties

(By % of Gross Revenue[2])

Name	Trade Sector[3]	Description	% of GR
Sinotrans (HK) Logistics Ltd	Multi-sector (3PL)	Serves several household names, including a hypermarket chain in Malaysia, a major consumer electronics and furniture retailer and a leading sports footwear and apparel manufacturer	6.7%
GD Express Carrier Bhd	Multi-sector (Courier, Express and Parcel)	Serves primarily an e-commerce shopping platform	6.4%
Confidential Tenant	F&B (3PL)	Serves an established beverage brand	6.3%
A.S Watson Group Holdings Limited	Retail (End-user)	Health and beauty retailer	5.9%
Lazada Express (Malaysia) Sdn Bhd	Multi-sector (E-commerce)	E-commerce company	5.2%
Shopee Mobile Malaysia Sdn Bhd[4]	Multi-sector (E-commerce)	E-commerce company	5.2%
Wanek Furniture Co., Ltd	Furniture & Furnishings (End-user)	Subsidiary of Ashley Furniture, a major American home furniture manufacturer	4.5%
Pan Asia Logistics Singapore Pte Ltd	Telecommunication (3PL)	Serves a major telecommunications provider in Malaysia	3.7%
Best Logistics Technology Co., Ltd	Multi-sector (3PL)	3PL company	3.6%
Cainiao Network Technology Co., Ltd[5]	Multi-sector (3PL)	E-commerce company	3.4%
Top 10 Total			**51.1%**

- 90% of tenant base caters to the consumer markets
- 45% are tenants involved in e-commerce business
- 70% are new tenants (by GR) → diversify tenant base and reduce concentration risks

Source: Company information.
(1) Weighted by the NLA of individual properties as at 30 September 2019.
(2) Gross revenue for the month of September 2019.
(3) The trade sector breakdown reflects the nature of the underlying goods that are stored and handled by the respective tenants at the Properties.
(4) Comprises Shopee Mobile Malaysia Sdn Bhd, Scommerce Trading Malaysia Sdn Bhd, Shopee Express Malaysia Sdn Bhd.
(5) Comprises Hangzhou Cainiao Supply Chain Management Co., Ltd, Zhejiang Cainiao Supply Chain Management Co., Ltd.

Mapletree Shah Alam

Location	Shah Alam, Selangor
NLA	207,662 sq m
Remaining Land Tenure	75 years
Committed Occupancy[(1)]	100%
No. of Tenants	19
Agreed Property Value	MYR 826.0 mil (S$269.1 mil)

Mapletree Bac Ninh 2

Location	Bac Ninh
NLA	49,930 sq m
Remaining Land Tenure	38 years
Committed Occupancy[(1)]	100%
No. of Tenants	6
Agreed Property Value	USD 16.0 mil (S$21.9 mil)

Mapletree Binh Duong 1

Location	Binh Duong
NLA	66,311 sq m
Remaining Land Tenure	36 years
Committed Occupancy[(1)]	100%
No. of Tenants	10 (including office tenants)
Agreed Property Value	USD 20.0 mil (S$27.4 mil)

Mapletree Chengdu

Location	Chengdu, Sichuan
NLA	20,138 sq m
Remaining Land Tenure	46 years
Committed Occupancy[(1)]	100%
No. of Tenants	2
Agreed Property Value	RMB 99.0 mil (S$19.1 mil)

Mapletree Shenyang

Location	Shenyang, Liaoning
NLA	42,881 sq m
Remaining Land Tenure	47 years
Committed Occupancy[(1)]	100%
No. of Tenants	3
Agreed Property Value	RMB 135.0 mil (S$26.0 mil)

Mapletree Jinan

Location	Jinan, Shandong
NLA	80,931 sq m
Remaining Land Tenure	45 years
Committed Occupancy[(1)]	100%
No. of Tenants	7
Agreed Property Value	RMB 287.0 mil (S$55.3 mil)

Mapletree Changsha 2

Location	Changsha, Hunan
NLA	97,888 sq m
Remaining Land Tenure	45 years
Committed Occupancy[(1)]	100%
No. of Tenants	12
Agreed Property Value	RMB 381.0 mil (S$73.4 mil)

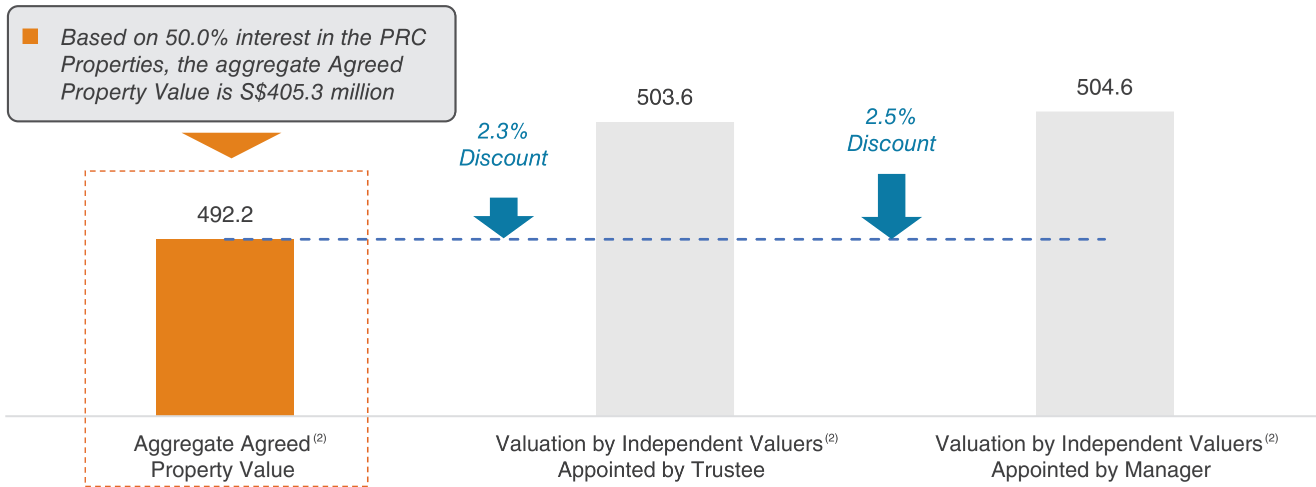
(1) As at Latest Practicable Date (23 October 2019).

4 Attractive Value Proposition

Discount to Independent Valuations

Aggregate Agreed Property Value Relative to Independent Valuations[1]

(S$ million)

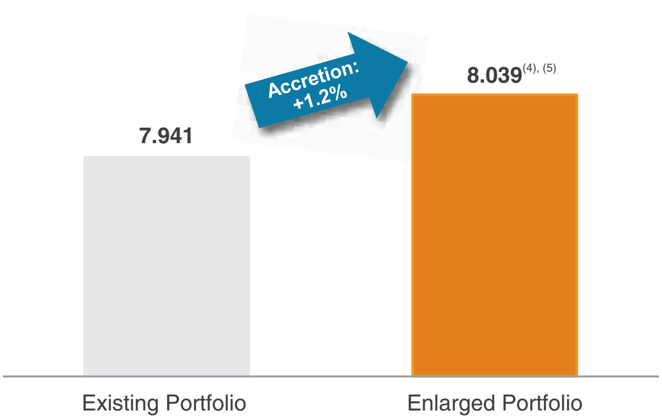


Source: Independent Valuers.

DPU and NAV Accretive Acquisitions

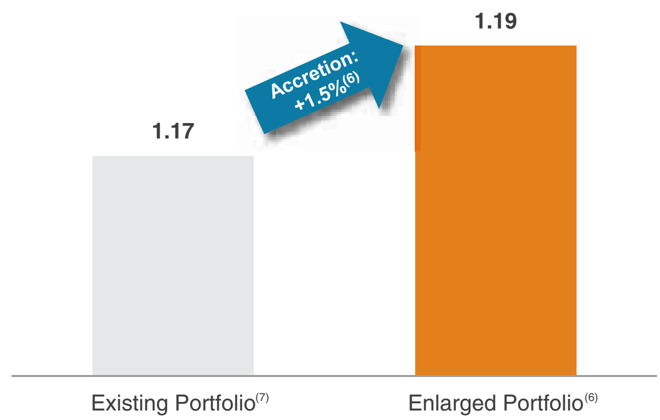
Pro Forma DPU (FY18/19)[3]

(Singapore cents)



Pro Forma NAV (FY18/19)

(S$)



Method of Financing

The Manager intends to finance the Total Acquisition Outlay with part of the gross proceeds of approximately S$250.0 million from the Private Placement of 154,608,000 New Units at an issue price of S$1.617 per New Unit, details of which were announced on 22 and 23 October 2019 (the "**Private Placement**") and a drawdown of debt facilities[8] (the "**Loan Facilities**").

The Private Placement has been undertaken through an issuance of New Units relying on the general mandate of MLT obtained at the annual general meeting of MLT held on 15 July 2019.

(1) As at 30 September 2019.

(2) Reflects 100.0% interest in the PRC Properties.

(3) For the financial year ended 31 March 2019.

(4) Assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full. In relation to the PRC Acquisitions, this figure includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the PRC Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S$169.0 million from the Loan Facilities and PRC Bank Loans, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

(5) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit, (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at an issue price of S$1.617 per Acquisition Fee Unit and (c) approximately 1.3 million New Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the PRC Property Manager as payment for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2018, 30 September 2018 and 31 December 2018, 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.

(6) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit and (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at the issue price of S$1.617 per Acquisition Fee Unit.

(7) As at 31 March 2019.

(8) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.

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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 and Director) Mrs Penny Goh (Lead Independent Non-Executive Director) Mr Lim Joo Boon (Independent Non-Executive Director) Mr Loh Shai Weng (Independent Non-Executive Director) Mr Tan Wah Yeow (Independent Non-Executive Director) Mr Tarun Kataria (Independent Non-Executive Director) Mr Wee Siew Kim (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 and 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
Joint Global Co-ordinators and Bookrunners in relation to the Private Placement (the "Joint Global Co-ordinators and Bookrunners") (in alphabetical order)	:	Citigroup Global Markets Singapore Pte. Ltd. 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982 The Hongkong and Shanghai Banking Corporation Limited Singapore Branch 21 Collyer Quay #10-01 HSBC Building Singapore 049320
Legal Adviser for the Acquisitions and the Private Placement and to the Manager as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser for the Acquisitions as to Malaysia Law	:	Rahmat Lim & Partners Suite 33.01, Level 33 The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Legal Adviser for the Acquisitions as to Cayman Islands Law	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 MYP Centre Singapore 049910
Legal Adviser for the Acquisitions as to Vietnam Law	:	Rajah and Tann LCT Lawyers Saigon Centre, Tower 1, Level 13, Unit 2&3 65 Le Loi Blvd., Dist. 1 HCMC, Vietnam
Legal Adviser for the Acquisitions as to PRC Law	:	Jin Mao Partners 13th Floor, Hong Kong New World Tower No. 300, Huai Hai Zhong Rd Shanghai, 200021, PRC
Legal Adviser for the Acquisitions as to Hong Kong Law	:	Paul Hastings 21-22/F Bank of China Tower 1 Garden Road Central Hong Kong
Legal Adviser to the Joint Global Co-ordinators and Bookrunners in relation to the Private Placement	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
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, Audit and Risk Committee and the Trustee (the "IFA")	:	Ernst & Young Corporate Finance Pte Ltd One Raffles Quay, North Tower, Level 18 Singapore 048583
Independent Reporting Auditor	:	PricewaterhouseCoopers LLP 7 Straits View, Marina One East Tower, Level 12 Singapore 018936

Independent Valuers (the "Independent Valuers")	:	**MALAYSIA** Knight Frank Malaysia Sdn Bhd Suite 10.01, Level 10, Centrepoint South Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia (Appointed by the Trustee) First Pacific Valuers Property Consultants Sdn Bhd Level 3A, Wisma Rapid, No. 32-36, Jalan 30/70A Desa Sri Hartamas 50480 Kuala Lumpur, Malaysia (Appointed by the Manager) **VIETNAM** Jones Lang LaSalle Vietnam Company Limited 26F Saigon Trade Center 37 Ton Duc Thang, District 1 Ho Chi Minh City, Vietnam (Appointed by the Trustee) CBRE (Vietnam) Co., Ltd 13F, A&B Tower, 76A Le Lai Ben Thanh Ward, District 1 Ho Chi Minh City, Vietnam (Appointed by the Manager) **CHINA** Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd 42-43/F, Tower 2, Plaza 66 1366 Nanjing West Road Shanghai 200040, China (Appointed by the Trustee) Knight Frank Petty Limited 4F, Shui On Centre, Nos 6-8 Harbour Road Wan Chai, Hong Kong (Appointed by the Manager)
Independent Market Research Consultants (the "Independent Market Research Consultants")	:	**MALAYSIA** Knight Frank Malaysia Sdn Bhd Suite 10.01, Level 10, Centrepoint South Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia **VIETNAM** Colliers International Vietnam 3F Deutsches Haus, 33 Le Duan Ben Nghe Ward, District 1 Ho Chi Minh City, Vietnam **CHINA** Knight Frank Petty Limited 4F, Shui On Centre, Nos 6-8 Harbour Road Wan Chai, Hong Kong

SUMMARY

The following summary 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 64 to 74 of this Circular.

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

*For illustrative purposes, certain MYR/USD/RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations in relation to the Existing Portfolio (as defined herein) are as at 30 September 2019 and have been made based on the illustrative exchange rate of S$1.00 = MYR3.05/USD0.73/RMB5.07 while such translations in relation to the Properties (as defined herein) are as at 23 October 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), and have been made based on the illustrative exchange rate of S$1.00 = MYR3.07/USD0.73/RMB5.19. Such translations should not be construed as representations that MYR/USD/RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.*

1. 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 30 September 2019, MLT had a market capitalisation of approximately S$5,896.8 million and its portfolio comprised 137 properties located in Singapore, Hong Kong SAR, Japan, Australia, South Korea, the People's Republic of China ("**PRC**"), Malaysia and Vietnam and its assets under management was approximately S$7,950.3 million.

2. SUMMARY OF APPROVAL REQUIRED

The Manager is convening an EGM of MLT to seek the approval of its unitholders ("**Unitholders**") for the proposed Acquisitions as interested person transactions (Ordinary Resolution).

THE PROPOSED ACQUISITIONS AS INTERESTED PERSON TRANSACTIONS

(i) Description of the Properties

The Manager has identified the following Properties as being suitable for acquisition by MLT, namely:

Malaysia

(i) Mapletree Logistics Hub – Shah Alam ("**Mapletree Shah Alam**");

Vietnam

(ii) Mapletree Logistics Park Bac Ninh Phase 2 ("**Mapletree Bac Ninh 2**");

(iii) Mapletree Logistics Park Phase 1 ("**Mapletree Binh Duong 1**");

PRC

(iv) Chengdu DC Logistics Park ("**Mapletree Chengdu**");

(v) Mapletree Shenyang Logistics Park ("**Mapletree Shenyang**");

(vi) Mapletree Jinan International Logistics Park ("**Mapletree Jinan**"); and

(vii) Mapletree Changsha Industrial Park (Phase 2) ("**Mapletree Changsha 2**").

(ii) The Acquisitions

a. Malaysia Acquisition

The Malaysia Acquisition will be made via an asset-backed securitisation structure (the "**Malaysia ABS Structure**"). Under the Malaysia ABS Structure, a bankruptcy-remote special purpose vehicle, Semangkuk 2 Berhad (the "**Malaysia SPV**"), incorporated in Malaysia, will acquire the property known as Mapletree Logistics Hub – Shah Alam located at Lot No. 10003, Jalan Jubli Perak 22/1A, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia (the "**Malaysia Property**"). (See **Paragraph 2.2.1** and **Appendix A** of this Circular for further details.)

The Malaysia SPV has entered into a conditional sale and purchase agreement (the "**Malaysia Asset Purchase Agreement**") with Winning Paramount Sdn. Bhd., a company indirectly owned by Mapletree Investments Pte Ltd ("**MIPL**") and Itochu Corporation ("**Itochu**") in the proportion of 80.0% and 20.0% respectively (the "**Malaysia Vendor**"), on 21 October 2019 to acquire a 100.0% interest in the Malaysia Property (the "**Malaysia Acquisition**"). For the avoidance of doubt, the Malaysia SPV intends to acquire the Malaysia Property from the Malaysia Vendor as an asset acquisition.

Following the Malaysia Acquisition, the Malaysia SPV will wholly-own the Malaysia Property. MLT (and/or its subsidiaries) will subscribe for either (a) the bridge medium term notes to be issued by the Malaysia SPV with an early redemption option (the "**Bridge MTN**") which will be subsequently refinanced with the issue of the medium term notes comprising multiple tranches of variously-ranked notes (the "**ABS MTN**") with the junior ranking ABS MTNs (the "**Junior ABS MTN**") being issued to MLT (and/or its subsidiaries), or (b) the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), together with the senior ranking ABS MTNs (the "**Senior ABS MTN**") to be issued to sophisticated investors by the Malaysia SPV.

b. Vietnam Acquisitions

MapletreeLog VSIP 1 Warehouse Pte. Ltd., a wholly-owned subsidiary of MLT (the "**Vietnam Purchaser**"), has entered into two conditional share purchase agreements (the "**Vietnam Share Purchase Agreements**") with Mapletree Citrine Ltd., a wholly-owned subsidiary of MIPL (the "**Vietnam Vendor**"), on 21 October 2019 to acquire a 100.0% interest in each of the two Cayman Islands special purpose vehicles (the "**Cayman SPVs**", and the acquisitions, the "**Vietnam Acquisitions**") which each holds a 100.0% interest in a Vietnam special purpose vehicle (the "**Vietnam SPVs**"). In turn, each Vietnam SPV holds a property located in Vietnam, namely, Mapletree Bac Ninh 2 located at No 9, Street 6, Vietnam-Singapore Industrial Park Bac Ninh, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam and Mapletree Binh Duong 1 located at 18L2-1, Tao Luc 5 Street, Vietnam-Singapore Industrial Park II (VSIP II), Binh

Duong Industry-Service-Urban Complex, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam (collectively, the "**Vietnam Properties**"). Following the Vietnam Acquisitions, MLT will hold a 100.0% interest in each of the two Cayman SPVs. (See **Paragraph 2.2.2** and **Appendix A** of this Circular for further details.)

c. **PRC Acquisitions**

The Trustee entered into four conditional share purchase agreements (the "**PRC Share Purchase Agreements**") with wholly-owned subsidiaries of MIPL (the "**Sponsor**", and its subsidiaries, the "**MIPL Subsidiaries**") and wholly-owned subsidiaries of Itochu (the "**Itochu Subsidiaries**") as set out in **Appendix A** of this Circular (collectively, the "**PRC Vendors**") on 21 October 2019 to acquire a 50.0% interest in each of the four Hong Kong SAR special purpose vehicles (the "**HK SPVs**", and the acquisitions, the "**PRC Acquisitions**") which each holds a 100.0% interest in a PRC wholly foreign-owned enterprise ("**PRC WFOE**"). In turn, each PRC WFOE holds a property located in the PRC (collectively, the "**PRC Properties**").

Two of the HK SPVs (which hold Mapletree Chengdu and Mapletree Shenyang) are wholly-owned by the MIPL Subsidiaries (the "**Sponsor-owned HK SPVs**") and two of the HK SPVs (which hold Mapletree Jinan and Mapletree Changsha 2) are owned by the MIPL Subsidiaries and the Itochu Subsidiaries in the proportion of 80.0% and 20.0% respectively (the "**Co-owned HK SPVs**").

The PRC Acquisitions involve, in the case of the Sponsor-owned HK SPVs, an acquisition of 50.0% of the entire ordinary issued share capital from the MIPL Subsidiaries, and in the case of the Co-owned HK SPVs, an acquisition of 30.0% and 20.0% of the entire ordinary issued share capital from the MIPL Subsidiaries and the Itochu Subsidiaries respectively. Following the PRC Acquisitions, MLT will hold a 50.0% interest in each of the four HK SPVs, with the other 50.0% interests to be held by the MIPL Subsidiaries. (See **Paragraph 2.2.3** and **Appendix A** of this Circular for further details.)

Subsequently, on the date of completion of the PRC Acquisitions ("**PRC Completion**"), it is contemplated that the Trustee will, on behalf of MLT, enter into four separate shareholders' deeds in relation to each HK SPV (the "**Shareholders' Deeds**", and each, a "**Shareholders' Deed**"), to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the Trustee's relationship with the MIPL Subsidiaries as shareholders of each HK SPV.

For the purposes of this Circular, and unless otherwise stated, the "**Properties**" refer to the Malaysia Property, the Vietnam Properties and the PRC Properties. The "**Purchase Agreements**" refer to the Malaysia Asset Purchase Agreement, the Vietnam Share Purchase Agreements, and the PRC Share Purchase Agreements. The "**Vendors**" refer to the Malaysia Vendor, the Vietnam Vendor and the PRC Vendors. The "**Acquisitions**" refers to the Malaysia Acquisition, the Vietnam Acquisitions and the PRC Acquisitions. The "**Existing Portfolio**" refers to the 137 properties held by MLT as at 30 September 2019. The "**Enlarged Portfolio**" comprises the Existing Portfolio and the Properties.

Unless otherwise stated, the information contained in this Circular on the Existing Portfolio is as at 30 September 2019 and the information on the Properties is as at the Latest Practicable Date.

(See **Paragraph 2.1** and **Appendix A** of this Circular for further details.)

(iii) Purchase Agreements

a. Malaysia Property

Pursuant to the Malaysia Asset Purchase Agreement dated 21 October 2019, the Malaysia SPV will acquire the Malaysia Property from the Malaysia Vendor.

Pursuant to the terms of the Malaysia Asset Purchase Agreement, the aggregate purchase consideration payable by the Malaysia SPV in connection with the Malaysia Acquisition (the "**Malaysia Acquisition Price**") is MYR826.0 million (S$269.1 million) being the Agreed Malaysia Property Value (as defined herein). The Malaysia Acquisition Price will be paid in cash.

b. Vietnam Properties

Pursuant to the Vietnam Share Purchase Agreements dated 21 October 2019, the Vietnam Purchaser will acquire a 100.0% interest in each of the Cayman SPVs through the Vietnam Acquisitions.

Pursuant to the terms of the Vietnam Share Purchase Agreements, the aggregate purchase consideration payable by the Vietnam Purchaser in connection with the Vietnam Acquisitions (the "**Vietnam Aggregate Share Consideration**") is the adjusted consolidated net asset value (the "**Vietnam Adjusted Net Asset Value**") of the Cayman SPVs (the "**Vietnam Total Adjusted Net Asset Values**") as at the date of completion of the Vietnam Acquisitions ("**Vietnam Completion**"). The Vietnam Aggregate Share Consideration is estimated to be USD2.2 million (S$3.0 million), subject to post-Vietnam Completion adjustments to the Vietnam Total Adjusted Net Asset Values. The Vietnam Adjusted Net Asset Value of each Cayman SPV shall take into account the agreed value of the Vietnam Property indirectly owned by each Cayman SPV (the "**Agreed Vietnam Property Value**") and shall be subject to post completion adjustments. For the avoidance of doubt, the Vietnam Aggregate Share Consideration shall have to take into account the existing Cayman SPVs' shareholder's loans of USD36.7 million (S$50.3 million) owed to the Vietnam Vendor (the "**Vietnam Shareholders' Loans**"). Post-Vietnam Completion, the Vietnam Shareholders' Loans shall be owed by the Cayman SPVs to the Trustee. The values of the Vietnam Shareholders' Loans are subject to adjustments based on the actual date of Vietnam Completion to take into account interest accruing up to such date.

The acquisition price payable by the Trustee in respect of the Vietnam Acquisitions (the "**Vietnam Acquisition Price**") would therefore be the sum of the Vietnam Aggregate Share Consideration and the value of the Vietnam Shareholders' Loans being USD38.9 million (S$53.3 million). The Vietnam Acquisition Price will be paid in cash to the Vietnam Vendor on the terms set out in the Vietnam Share Purchase Agreement.

Following Vietnam Completion, MLT will own 100.0% of the ordinary shares in the issued share capital of each of the Cayman SPVs.

c. PRC Properties

Pursuant to the PRC Share Purchase Agreements dated 21 October 2019, the Trustee, on behalf of MLT, will acquire a 50.0% interest in each of the HK SPVs through the PRC Acquisitions.

Pursuant to the terms of the PRC Share Purchase Agreements, the aggregate purchase consideration payable by the Trustee in connection with the PRC Acquisitions (the "**PRC Aggregate Share Consideration**") is 50.0% of the adjusted consolidated net asset value (the "**PRC Adjusted Net Asset Value**") of the four HK SPVs (the "**PRC Total Adjusted Net Asset Values**") as at PRC Completion. The PRC Aggregate Share Consideration, to be satisfied fully in cash, is estimated to be RMB26.1 million (S$5.0 million)[1], subject to post-PRC Completion adjustments to the PRC Total Adjusted Net Asset Values. The PRC Adjusted Net Asset Value of each HK SPV shall take into account the agreed value of the PRC Property indirectly owned by each HK SPV (the "**Agreed PRC Property Value**") less each HK SPV's existing bank loans and shareholders' loans, and shall be subject to post completion adjustments.

In addition to the payment of the PRC Aggregate Share Consideration to the PRC Vendors, the Trustee will at PRC Completion extend loans of RMB288.3 million (S$55.5 million) to the HK SPVs (the "**Trustee Shareholders' Loans**"), to enable them to repay and discharge existing shareholders' loans of RMB203.6 million (S$39.2 million) and RMB84.7 million (S$16.3 million) owed to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively (the "**Repaid Shareholders' Loans**")[2]. The values of the Trustee Shareholders' Loans and the Repaid Shareholders' Loans are subject to adjustments based on the actual date of PRC Completion to take into account interest accruing up to such date. The Trustee Shareholders' Loans shall be for a term of five years (subject to further extension in accordance with the terms of the Trustee Shareholders' Loans provided that both the Trustee and the relevant MIPL Subsidiary provide such loans in the proportion of their shareholdings in the HK SPV) and bear interest at an annual rate of 1.5% above the three-month CNH HIBOR (as defined herein). The Trustee Shareholders' Loans will be extended to the HK SPVs on the same terms as the shareholders' loans extended by the MIPL Subsidiaries to the HK SPVs.

The acquisition price payable by the Trustee in respect of the PRC Acquisitions (the "**PRC Acquisition Price**") would therefore be the sum of the PRC Aggregate Share Consideration and the value of the Trustee Shareholders' Loans being approximately RMB314.3 million (S$60.6 million).

Following PRC Completion, MLT will own 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs. The MIPL Subsidiaries will own the other 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs.

(iv) Total Acquisition Price

The total acquisition price payable by the Trustee in respect of the Acquisitions would therefore be the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S$382.9 million (the "**Total Acquisition Price**").

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1 This amount comprises the purchase consideration of RMB5.0 million (S$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S$4.1 million) payable to the MIPL Subsidiaries.

2 Upon PRC Completion and following the extension of the loan by the Trustee to the HK SPVs and the corresponding discharge of the existing shareholders' loans, the existing shareholders' loans extended by the Itochu Subsidiaries will be fully discharged and the HK SPVs would owe an equal amount to both the Trustee and the MIPL Subsidiaries, as shareholders' loans.

(v) Valuation

The agreed property value of each Property (the "**Agreed Property Value**") was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of each Property as at 30 September 2019.

In this respect, the Trustee and the Manager has each commissioned independent property valuers, to value each of the Properties. In arriving at the open market value of each Property, the Independent Valuers relied on the following valuation methods:

	Independent Valuer appointed by the Trustee	**Valuation Method of Independent Valuer appointed by the Trustee**	**Independent Valuer appointed by the Manager**	**Valuation Method of Independent Valuer appointed by the Manager**
Malaysia Property	Knight Frank Malaysia Sdn Bhd	Discounted Cash Flow Approach and Cost Approach	First Pacific Valuers Property Consultants Sdn Bhd	Discounted Cash Flow Approach, Direct Capitalisation Approach and Cost Approach
Vietnam Properties	Jones Lang LaSalle Vietnam Company Limited	Discounted Cash Flow Approach and Direct Capitalisation Approach	CBRE (Vietnam) Co., Ltd	Discounted Cash Flow Approach, Direct Capitalisation Approach, Sales Comparison Approach and Cost Approach
PRC Properties	Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd	Discounted Cash Flow Approach and Direct Capitalisation Approach	Knight Frank Petty Limited	Discounted Cash Flow Approach and Sales Comparison Approach

The Agreed Property Value of the Properties are:

(i) in relation to the Agreed Property Value of the Malaysia Property, MYR826.0 million (S$269.1 million), representing a discount of approximately 1.1% to Knight Frank Malaysia Sdn Bhd's aggregate valuation of MYR835.0 million (S$272.0 million) and a discount of approximately 1.4% to First Pacific Valuers Property Consultants Sdn Bhd's aggregate valuation of MYR838.0 million (S$273.0 million) (the "**Agreed Malaysia Property Value**");

(ii) in relation to the Agreed Vietnam Property Value of the Vietnam Properties, USD36.0 million (S$49.3 million), representing a discount of approximately 3.0% to Jones Lang LaSalle Vietnam Company Limited's aggregate valuation of USD37.1 million (S$50.8 million) and a discount of approximately 3.4% to CBRE (Vietnam) Co., Ltd's aggregate valuation of USD37.3 million (S$51.1 million); and

(iii) in relation to the Agreed PRC Property Value of the PRC Properties, RMB902.0 million (S$173.8 million), representing a discount of approximately 3.9% to Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd's aggregate valuation of RMB938.5 million (S$180.8 million) and a discount of approximately 3.7% to Knight Frank Petty Limited's aggregate valuation of RMB937.0 million (S$180.5 million).

(See **Paragraph 2.3** of this Circular for further details.)

(vi) Shareholders' Deeds in relation to the PRC Acquisitions

Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee, on behalf of MLT, and each MIPL Subsidiary will enter into separate Shareholders' Deeds at PRC Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV. The parties to each Shareholders' Deed will be the Trustee, the relevant MIPL Subsidiary holding a 50.0% interest in the relevant HK SPV following the PRC Acquisitions (together, the "**PRC Shareholders**"), and the relevant HK SPV. The risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each PRC Shareholder.

By approving the Acquisitions, Unitholders will be deemed to have also approved the Shareholders' Deeds.

(See **Paragraph 2.7** of this Circular for further details.)

(vii) Corporate Guarantees in relation to the PRC Acquisitions

The four HK SPVs have entered into bank facilities, pursuant to which the PRC Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, corporate guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S$33.4 million) (the "**Corporate Guarantees**") at PRC Completion, in place of the existing corporate guarantees provided by the PRC Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's proportionate shareholding interest in each of the four HK SPVs (being 50.0% as at PRC Completion) and will depend on the amounts drawn down under the bank facilities (including accrued interest). For the avoidance of doubt, MIPL shall also be required to provide similar corporate guarantees to such banks in respect of the MIPL subsidiaries' respective proportionate shareholding interest in the four HK SPVs.

By approving the Acquisitions, Unitholders will be deemed to have also approved the Corporate Guarantees.

(See **Paragraph 2.8** of this Circular for further details.)

(viii) Total Acquisition Cost and Total Acquisition Outlay

The total acquisition cost is estimated to be approximately S$420.9 million, comprising:

(a) the Malaysia Acquisition Price of approximately MYR826.0 million (S$269.1 million) which will be paid in cash;

(b) the Vietnam Acquisition Price of approximately USD38.9 million (S$53.3 million) which will be paid in cash;

(c) the PRC Acquisition Price of approximately RMB314.3 million (S$60.6 million), which comprises (a) the PRC Aggregate Share Consideration and (b) the Trustee Shareholders' Loans, both of which will be paid in cash;

(d) in relation to the PRC Acquisitions, the 50.0% pro rata share of the bank loans owed by the HK SPVs to certain financial institutions, being approximately RMB144.0 million (S$27.8 million) (which will not be discharged by the HK SPVs and will remain after PRC Completion) (the "**PRC Bank Loans**")[1];

(e) the acquisition fee payable in Units to the Manager for the Acquisitions (the "**Acquisition Fee**") which is estimated to be approximately S$1.9 million (representing 0.5% of the Total Acquisition Price); and

(f) the estimated professional and other fees and expenses of approximately S$8.3 million incurred or to be incurred by MLT in connection with the Acquisitions and the Private Placement,

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

The total acquisition outlay is estimated to be approximately S$393.1 million, comprising the Total Acquisition Cost less the PRC Bank Loans which will not be discharged by the HK SPVs and will remain after PRC Completion (the "**Total Acquisition Outlay**").

(ix) 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 1.0% of the Total Acquisition Price (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 Acquisition Price.

As the Acquisitions will constitute "interested party transactions" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"), the Acquisition Fee payable in respect of the Acquisitions 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.

In relation to the PRC Acquisitions, while the acquisition of the interests of the Itochu Subsidiaries in the HK SPVs will not constitute an "interested party transaction" under the Property Funds Appendix, the Manager has nevertheless elected to receive the Acquisition Fee payable in respect of the acquisition of interests from the Itochu Subsidiaries in the form of Acquisition Fee Units and not to dispose of such Units within one year from the date of issuance.

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 Acquisitions in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisitions, the prevailing market price (as defined in the Trust Deed) (the "**Market Price**") of such Units on the date of completion of the relevant Acquisition.

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1 In relation to the PRC Bank Loans, pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees, in place of the existing corporate guarantees provided by the holding companies of the PRC Vendors, in respect of MLT's proportionate shareholding interest (being 50.0% as at PRC Completion) in each of the four HK SPVs.

Based on an issue price of S$1.617 per Acquisition Fee Unit (being the issue price per new Unit issued under the Private Placement (the "**New Units**")), the number of Acquisition Fee Units issued shall be approximately 1,184,034 Units.

(x) Method of Financing for the Acquisitions

The Manager intends to finance the Total Acquisition Outlay with part of the gross proceeds of approximately S$250.0 million from the private placement of 154,608,000 New Units at an issue price of S$1.617 per New Unit, details of which were announced on 22 and 23 October 2019 (the "**Private Placement**") and a drawdown of debt facilities[1] (the "**Loan Facilities**"). The net proceeds of the Private Placement of approximately S$241.7 million will be used to partially finance the Total Acquisition Outlay. In the event that MLT does not proceed with the proposed Acquisitions, the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Private Placement at its absolute discretion for other purposes including the funding of future investments and/or to repay existing indebtedness.

The Private Placement has been undertaken through an issuance of New Units relying on the general mandate of MLT obtained at the annual general meeting of MLT held on 15 July 2019.

The table below sets out the changes to the Aggregate Leverage (as defined herein) of MLT based on the above method of financing:

	Before the Acquisitions	After the Acquisitions
Aggregate Leverage	37.0%$^{(1)}$	37.1%$^{(2)}$

Notes:

(1) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.

(2) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and Deposited Property (as defined herein) of each of the HK SPVs.

(xi) Interested Person Transactions and Interested Party Transactions

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,149,798,268 Units, which is equivalent to approximately 31.59% 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 each of the Malaysia Vendor, the Vietnam Vendor and the MIPL Subsidiaries are subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of them (being a 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.

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1 Includes the Senior ABS MTNs.

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

(See **Paragraph 4.3** of this Circular for further details.)

In approving the Acquisitions, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisitions.

Additionally, in approving the Acquisitions, any subscription of additional shares in each HK SPV, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after PRC Completion will be deemed to be approved provided the subscription of additional shares, the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on the same terms[1], the provision of the loan and/or corporate guarantee is not prejudicial to the interest of MLT and its minority unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority unitholders.

(xii) Rationale for and Key Benefits of the Acquisitions

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

(i) Exploit the Positive Demand-Supply Dynamics in Key Logistics Markets;

(ii) Strengthen MLT's Network Connectivity across Key Logistics Nodes;

(iii) High Quality Portfolio with a Strong and Diversified Tenant Base; and

(iv) Attractive Value Proposition.

(See **Paragraph 3** of this Circular for further details.)

1 There may be non-substantive differences in the terms of the corporate guarantees to be provided by the respective guarantors due to the fact that the Trustee is a trustee of a real estate investment trust and MIPL is a Company.

INDICATIVE TIMETABLE

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	17 November 2019 at 2.30 p.m.
Date and time of the EGM	:	20 November 2019 at 2.30 p.m.

Any changes to the timetable above will be announced.

LETTER TO UNITHOLDERS

MAPLETREE LOGISTICS TRUST

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

Directors of the Manager

Mr Lee Chong Kwee (Non-Executive Chairman and Director)
Mrs Penny Goh (Lead Independent Non-Executive Director)
Mr Lim Joo Boon (Independent Non-Executive Director)
Mr Loh Shai Weng (Independent Non-Executive Director)
Mr Tan Wah Yeow (Independent Non-Executive Director)
Mr Tarun Kataria (Independent Non-Executive Director)
Mr Wee Siew Kim (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 and Chief Executive Officer)

Registered Office

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

1 November 2019

To: Unitholders of Mapletree Logistics Trust

Dear Sir/Madam

1. SUMMARY OF APPROVAL REQUIRED

The Manager is convening an EGM of MLT to seek the approval of Unitholders by way of an Ordinary Resolution for the proposed Acquisitions as interested person transactions.

The following paragraphs set forth key information relating to the abovementioned Resolution.

2. THE PROPOSED ACQUISITIONS

2.1 Description of the Properties

The Manager has identified the following Properties as being suitable for acquisition by MLT, namely:

Malaysia

(i) Mapletree Shah Alam;

Vietnam

(ii) Mapletree Bac Ninh 2;

(iii) Mapletree Binh Duong 1;

PRC

(iv) Mapletree Chengdu;

(v) Mapletree Shenyang;

(vi) Mapletree Jinan; and

(vii) Mapletree Changsha 2.

The Malaysia Property listed in (i) above is wholly-owned by the Malaysia Vendor. The Malaysia SPV intends to acquire the Malaysia Property from the Malaysia Vendor as an asset acquisition. Following the Malaysia Acquisition, the Malaysia SPV will wholly-own the Malaysia Property. MLT (and/or its subsidiaries) will subscribe for either (a) the Bridge MTN to be issued by the Malaysia SPV which will be subsequently refinanced with the issue of the ABS MTN with the Junior ABS MTN being issued to MLT (and/or its subsidiaries), or (b) the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), together with the Senior ABS MTN which will be issued to sophisticated investors by the Malaysia SPV.

The two Vietnam Properties listed in (ii) and (iii) above are each held by a Vietnam SPV, which are each in turn wholly-owned by a Cayman SPV. The Cayman SPVs are in turn 100.0% owned by the Vietnam Vendor. MLT intends to acquire all of the shares in the Cayman SPVs from the Vietnam Vendor.

Following the Vietnam Acquisitions, MLT will hold a 100.0% interest in each of the two Cayman SPVs.

The two PRC Properties listed in (iv) and (v) above are held by two PRC WFOEs, which are in turn wholly-owned by two Sponsor-owned HK SPVs. The Sponsor-owned HK SPVs are in turn 100.0% owned by the MIPL Subsidiaries. MLT intends to acquire a 50.0% interest in each of the Sponsor-owned HK SPVs from the MIPL Subsidiaries.

The two PRC Properties listed in (vi) and (vii) above are held by two PRC WFOEs, which are in turn wholly-owned by two Co-owned HK SPVs. The MIPL Subsidiaries hold 80.0% and the Itochu Subsidiaries hold 20.0% of the entire ordinary issued share capital of these Co-owned HK SPVs. MLT intends to acquire a 50.0% interest in each of the Co-owned HK SPVs through the acquisition of a 30.0% interest from the MIPL Subsidiaries and the entire 20.0% interest from the Itochu Subsidiaries.

Following the PRC Acquisitions, MLT will hold a 50.0% interest in each of the four HK SPVs, with the other 50.0% interests to be held by the MIPL Subsidiaries.

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

2.2 Structure of the Acquisitions

2.2.1 Malaysia Property

The Malaysia Acquisition will be made via the Malaysia ABS Structure where the Malaysia SPV has entered into the Malaysia Asset Purchase Agreement to acquire the Malaysia Property from the Malaysia Vendor.

Pursuant to the terms of the Malaysia Asset Purchase Agreement, the Malaysia Acquisition Price payable by the Malaysia SPV in connection with the Malaysia Acquisition is MYR826.0 million (S$269.1 million) being the Agreed Malaysia Property Value. The Malaysia Acquisition Price will be paid in cash.

Pursuant to the Malaysia ABS Structure, the Malaysia SPV is established in connection with the securitisation of the Malaysia Property as well as for future properties acquired in Malaysia. The ordinary shares of the Malaysia SPV are being held by a professional trustee on a discretionary trust for the benefit of charitable organisations. Pursuant to a 60-year, asset-backed medium-term note programme of up to MYR5.0 billion (or approximately S$1.6 billion) (the "**MTN Programme**"), the Malaysia SPV will issue, on a "limited recourse" basis[1] , either (a) the Bridge MTN to, *inter alia*, bridge finance the purchase of the Malaysia Property which will be subsequently refinanced with the issuance of the ABS MTN or (b) the Junior ABS MTN together with the Senior ABS MTN to*, inter alia*, finance the purchase of the Malaysia Property.

The Bridge MTNs, if issued, shall be subscribed in full by MLT and/or its subsidiaries (the "**MLT Group Entities**") and shall be freely tradable and transferable, subject to such restrictions on transfer as may be applicable.

The Senior ABS MTNs, when issued, will be issued to sophisticated investors[2] and the Junior ABS MTNs, when issued, will be subscribed in full by the MLT Group Entities.

By subscribing for the Bridge MTNs or the Junior ABS MTNs, MLT is investing indirectly in the underlying real estate held by the Malaysia SPV (being the Malaysia Property as at date of completion of the Malaysia Acquisition) and will be receiving cash flow from such real estate, in the form of interest income from the Bridge MTNs or the Junior ABS MTNs. The Bridge MTNs or the Junior ABS MTNs would enable MLT (through the Malaysia SPV) to receive any upside or surplus income generated by the Malaysia Property via performance coupon, after netting off payments to the Senior ABS MTN holders (applicable only if issued together with Junior ABS MTNs), fees and expenses in relation to the Malaysia Acquisition and other permitted expenses relating to the Malaysia Property.

Accordingly, the subscription of the Bridge MTN or the Junior ABS MTNs, by MLT is intended to provide MLT with the same economic interest as if it has acquired the Malaysia Property directly.

The Manager intends to use the Malaysia ABS Structure and the Malaysia SPV for other acquisitions of properties in Malaysia in the future.

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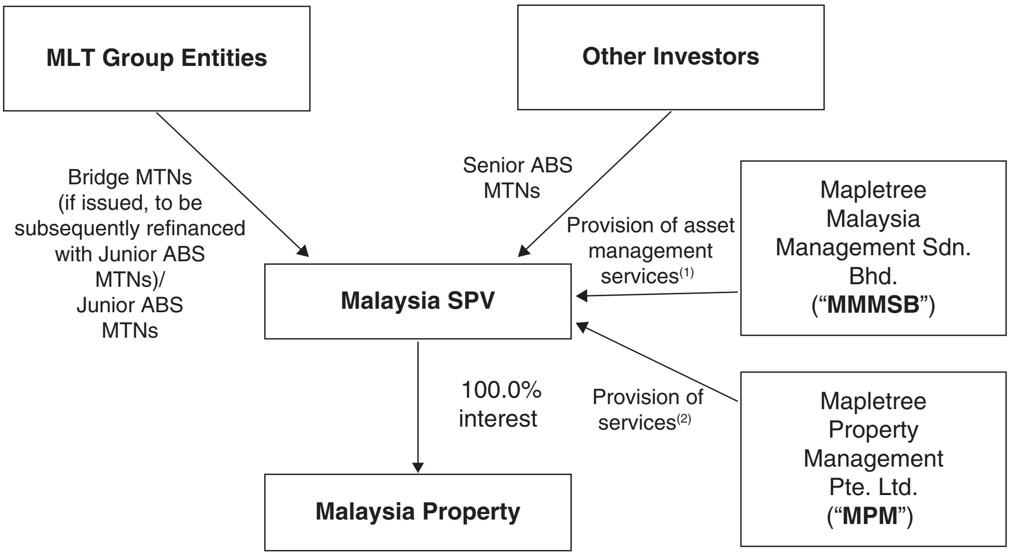
1 The recourse of the holders of the MTNs to the Malaysia SPV is limited to the assets of the Malaysia SPV and no petition for the winding-up or dissolution of the Malaysia SPV may be made by the MTN holders under the terms of the MTNs.

2 As permitted under the Capital Markets and Services Act, 2007 of Malaysia.

The diagram below sets out the relationship between the various parties following completion of the Malaysia Acquisition:



Notes:

(1) The provision of asset management services by MMMSB to the Malaysia SPV in relation to the Malaysia Properties (as defined herein) under the Malaysia Asset Management Agreement (as defined herein).

(2) The provision of services by MPM to the Malaysia SPV in relation to the Malaysia Properties under the Malaysia Servicer Agreement (as defined herein).

2.2.2 Vietnam Properties

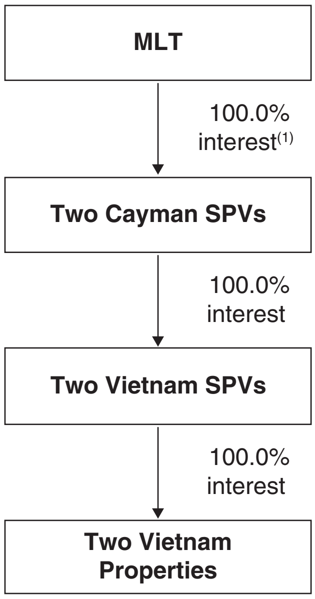
Pursuant to the Vietnam Share Purchase Agreements dated 21 October 2019, the Vietnam Purchaser will acquire a 100.0% interest in each of the Cayman SPVs through the Vietnam Acquisitions.

Pursuant to the terms of the Vietnam Share Purchase Agreements, the Vietnam Aggregate Share Consideration payable by the Trustee in connection with the Vietnam Acquisitions is the Vietnam Total Adjusted Net Asset Values as at the date of Vietnam Completion. The Vietnam Aggregate Share Consideration is estimated to be USD2.2 million (S$3.0 million), subject to post-Vietnam Completion adjustments to the Vietnam Total Adjusted Net Asset Values. The Vietnam Adjusted Net Asset Value of each Cayman SPV shall take into account the Agreed Vietnam Property Value and shall be subject to post completion adjustments. For the avoidance of doubt, the Vietnam Aggregate Share Consideration shall have to take into account the existing Vietnam Shareholders' Loans. Post-Vietnam Completion, the Vietnam Shareholders' Loans shall be owed by the Cayman SPVs to the Trustee. The values of the Vietnam Shareholders' Loans are subject to adjustments based on the actual date of Vietnam Completion to take into account interest accruing up to such date.

The Vietnam Acquisition Price would therefore be the sum of the Vietnam Aggregate Share Consideration and the value of the Vietnam Shareholders' Loans being USD38.9 million (S$53.3 million). The Vietnam Acquisition Price will be paid in cash to the Vietnam Vendor on the terms set out in the Vietnam Share Purchase Agreement.

Following Vietnam Completion, MLT will own 100.0% of the ordinary shares in the issued share capital of each of the Cayman SPVs.

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



Note:

(1) MLT will hold the two Cayman SPVs indirectly through a Singapore special purpose vehicle.

2.2.3 PRC Properties

Pursuant to the PRC Share Purchase Agreements dated 21 October 2019, the Trustee, on behalf of MLT, will acquire a 50.0% interest in each of the HK SPVs through the PRC Acquisitions.

Pursuant to the terms of the PRC Share Purchase Agreements, the PRC Aggregate Share Consideration payable by the Trustee in connection with the PRC Acquisitions is 50.0% of the PRC Total Adjusted Net Asset Values as at PRC Completion. The PRC Aggregate Share Consideration, to be satisfied fully in cash, is estimated to be RMB26.1 million (S$5.0 million)[1], subject to post-PRC Completion adjustments to the PRC Total Adjusted Net Asset Values. The PRC Adjusted Net Asset Value of each HK SPV shall take into account the Agreed PRC Property Value less each HK SPV's existing bank loans and shareholders' loans, and shall be subject to post completion adjustments.

In addition to the payment of the PRC Aggregate Share Consideration to the PRC Vendors, the Trustee will at PRC Completion extend the Trustee Shareholders' Loans of RMB288.3 million (S$55.5 million) to the HK SPVs, to enable them to repay and discharge the Repaid Shareholders' Loans of RMB203.6 million (S$39.2 million) and RMB84.7 million (S$16.3 million) owed to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively[2]. The values of the Trustee Shareholders' Loans and the Repaid Shareholders' Loans are subject to adjustments based on the actual date of PRC Completion to take into account

1 This amount comprises the purchase consideration of RMB5.0 million (S$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S$4.1 million) payable to the MIPL Subsidiaries.

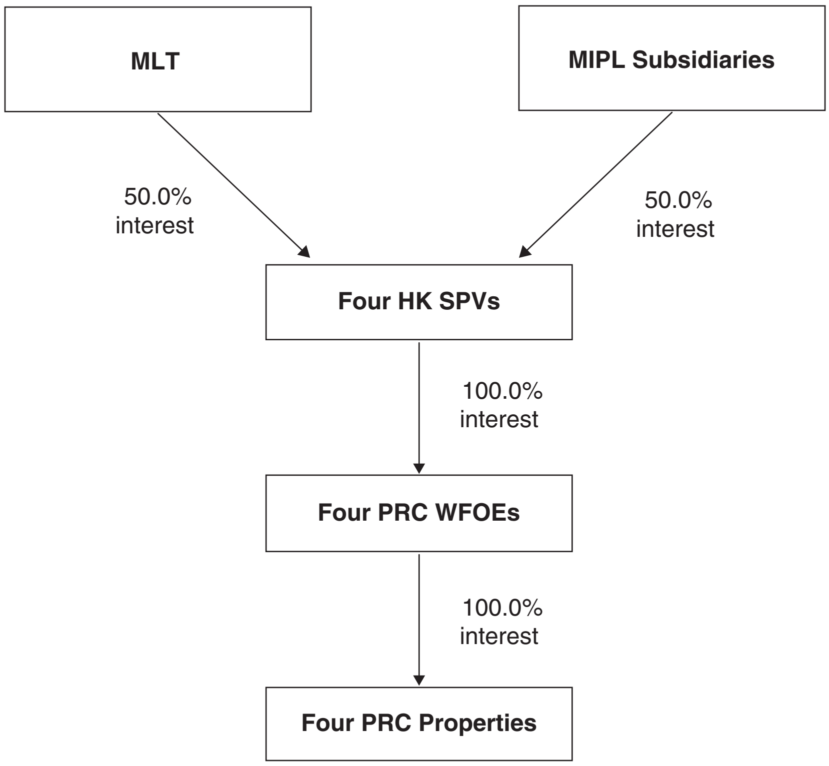
2 Upon PRC Completion and following the extension of the loan by the Trustee to the HK SPVs and the corresponding discharge of the existing shareholders' loans, the existing shareholders' loans extended by the Itochu Subsidiaries will be fully discharged and the HK SPVs would owe an equal amount to both the Trustee and the MIPL Subsidiaries, as shareholders' loans.

interest accruing up to such date. The Trustee Shareholders' Loans shall be for a term of five years (subject to further extension in accordance with the terms of the Trustee Shareholders' Loans provided that both the Trustee and the relevant MIPL Subsidiary provide such loans in the proportion of their shareholdings in the HK SPV) and bear interest at an annual rate of 1.5% above the three-month CNH HIBOR. The Trustee Shareholders' Loans will be extended to the HK SPVs on the same terms as the shareholders' loans extended by the MIPL Subsidiaries to the HK SPVs.

The PRC Acquisition Price payable by the Trustee in respect of the PRC Acquisitions would therefore be the sum of the PRC Aggregate Share Consideration and the value of the Trustee Shareholders' Loans being approximately RMB314.3 million (S$60.6 million).

Following PRC Completion, MLT will own 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs. The MIPL Subsidiaries will own the other 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs.

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



2.2.4 Total Acquisition Price

The Total Acquisition Price payable by the Trustee in respect of the Acquisitions would therefore be the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S$382.9 million.

2.3 Valuation

The Agreed Property Value of each Property was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of each Property as at 30 September 2019.

In this respect, the Trustee and the Manager has each commissioned Independent Valuers, to value each of the Properties. In arriving at the open market value of each Property, the Independent Valuers relied on the following valuation methods:

	Independent Valuer appointed by the Trustee	**Valuation Method of Independent Valuer appointed by the Trustee**	**Independent Valuer appointed by the Manager**	**Valuation Method of Independent Valuer appointed by the Manager**
Malaysia Property	Knight Frank Malaysia Sdn Bhd	Discounted Cash Flow Approach and Cost Approach	First Pacific Valuers Property Consultants Sdn Bhd	Discounted Cash Flow Approach, Direct Capitalisation Approach and Cost Approach
Vietnam Properties	Jones Lang LaSalle Vietnam Company Limited	Discounted Cash Flow Approach and Direct Capitalisation Approach	CBRE (Vietnam) Co., Ltd	Discounted Cash Flow Approach, Direct Capitalisation Approach, Sales Comparison Approach and Cost Approach
PRC Properties	Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd	Discounted Cash Flow Approach and Direct Capitalisation Approach	Knight Frank Petty Limited	Discounted Cash Flow Approach and Sales Comparison Approach

The Agreed Property Value of the Properties are:

(i) in relation to the Agreed Malaysia Property Value of the Malaysia Property, MYR826.0 million (S$269.1 million), representing a discount of approximately 1.1% to Knight Frank Malaysia Sdn Bhd's aggregate valuation of MYR835.0 million (S$272.0 million) and a discount of approximately 1.4% to First Pacific Valuers Property Consultants Sdn Bhd's aggregate valuation of MYR838.0 million (S$273.0 million);

(ii) in relation to the Agreed Vietnam Property Value of the Vietnam Properties, USD36.0 million (S$49.3 million), representing a discount of approximately 3.0% to Jones Lang LaSalle Vietnam Company Limited's aggregate valuation of USD37.1 million (S$50.8 million) and a discount of approximately 3.4% to CBRE (Vietnam) Co., Ltd's aggregate valuation of USD37.3 million (S$51.1 million); and

(iii) in relation to the Agreed PRC Property Value of the PRC Properties, RMB902.0 million (S$173.8 million), representing a discount of approximately 3.9% to Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd's aggregate valuation of RMB938.5 million (S$180.8 million) and a discount of approximately 3.7% to Knight Frank Petty Limited's aggregate valuation of RMB937.0 million (S$180.5 million).

(See **Appendix B** of this Circular for the Summary Valuation Certificates issued by each of the Independent Valuers.)

2.4 Certain Key Information on the Properties

The following table shows certain key information relating to the Properties, with independent valuations by the Independent Valuers being as at 30 September 2019:

	Property Name	Location	Net Lettable Area ("NLA") (sq m)	Independent Valuation by the relevant Independent Valuer appointed by:		Agreed Property Value (million)	Discount of the Agreed Property Value to the Independent Valuation by the relevant Independent Valuer appointed by:		Land Lease Expiry Date	Approximate Remaining Land Tenure
				the Trustee (million)	the Manager (million)		the Trustee	the Manager		
Malaysia Property										
1.	Mapletree Shah Alam	Shah Alam, Selangor	207,662	MYR835.0 (S$272.0)	MYR838.0 (S$273.0)	MYR826.0 (S$269.1)	1.1%	1.4%	9 Jul 2094	75 years
Vietnam Properties										
2.	Mapletree Bac Ninh 2	Bac Ninh, Hanoi	49,930	USD16.6 (S$22.7)	USD16.5 (S$22.7)	USD16.0 (S$21.9)	3.6%	3.3%	30 Nov 2057	38 years
3.	Mapletree Binh Duong 1	Binh Duong, Ho Chi Minh	66,311	USD20.5 (S$28.1)	USD20.7 (S$28.4)	USD20.0 (S$27.4)	2.4%	3.6%	25 Sep 2055	36 years
PRC Properties(1)										
4.	Mapletree Chengdu(2)	Chengdu, Sichuan	20,138	RMB104.6 (S$20.2)	RMB102.0 (S$19.7)	RMB99.0 (S$19.1)	5.4%	2.9%	27 Oct 2065	46 years
5.	Mapletree Shenyang(2)	Shenyang, Liaoning	42,881	RMB140.0 (S$27.0)	RMB140.0 (S$27.0)	RMB135.0 (S$26.0)	3.6%	3.6%	28 Sep 2066	47 years
6.	Mapletree Jinan	Jinan, Shandong	80,931	RMB296.1 (S$57.1)	RMB299.0 (S$57.6)	RMB287.0 (S$55.3)	3.1%	4.0%	15 Mar 2065	45 years
7.	Mapletree Changsha 2	Changsha, Hunan	97,888	RMB397.8 (S$76.6)	RMB396.0 (S$76.3)	RMB381.0 (S$73.4)	4.2%	3.8%	26 Dec 2064	45 years
Total				S$503.6	S$504.6	S$492.2	2.3%	2.5%		

Notes:

(1) The values of the PRC Properties are based on 100.0% of property values.

(2) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.

2.5 Certain Terms and Conditions of the Purchase Agreements

2.5.1 Malaysia Acquisition

The Malaysia SPV has entered into the Malaysia Asset Purchase Agreement with the Malaysia Vendor dated 21 October 2019.

The principal terms of the Malaysia Asset Purchase Agreement include, among others, the following conditions precedent:

(i) the Malaysia SPV obtaining the written confirmation of the Ministry of Economic Affairs ("**MEA**") that MEA's approval is not required for the Malaysia SPV's acquisition of the Malaysia Property from the Malaysia Vendor;

(ii) the Malaysia Vendor obtaining the written approval of the State Authority of Selangor ("**State Authority**") in respect of the transfer of the Malaysia Property by the Malaysia Vendor in favour of the Malaysia SPV;

(iii) the Malaysia SPV obtaining the written approval of the State Authority in respect of the charging of the Malaysia Property by the Malaysia SPV in favour of the trustee of the MTN Programme;

(iv) the Malaysia SPV having submitted the lodgement form for the MTN Programme to the Securities Commission Malaysia;

(v) the Form 14A of the National Land Code 1965, Malaysia duly executed by the Malaysia Vendor and the Malaysia SPV, and endorsed as exempt from stamp duty having been received by the Malaysia SPV's solicitors; and

(vi) the Malaysia SPV having issued the written request to the facility agent of the MTN Programme for the issuance of the Bridge MTN or the ABS MTNs (as the case may be) ("**ABS Notes Issue Request**").

In addition, the Malaysia Asset Purchase Agreement sets out the following principal terms:

(a) the Malaysia Property shall be sold on an "as is where is" basis in the state and condition it is as at the date of the Malaysia Asset Purchase Agreement, and free from all encumbrances save and except for the registered easement, and subject to all conditions of title and all restrictions in interest whether express or implied in the issue document of title to the Malaysia Property;

(b) the Malaysia Acquisition Price shall be paid by the Malaysia SPV on the completion date. In the event that the Malaysia SPV requires an extension of time to pay the Malaysia Acquisition Price, an extension of one month from the completion period (the "**Extended Completion Period**") will be automatically granted by the Malaysia Vendor to the Malaysia SPV; and

(c) completion will take place on the date falling within 2 months from the date the Malaysia Asset Purchase Agreement ceases to be conditional or the Extended Completion Period, as the case may be.

For the avoidance of doubt, should the Resolution not be passed, the Malaysia SPV will not issue the ABS Notes Issue Request. Accordingly, the condition precedent in paragraph 2.5.1(vi) above will not be satisfied and neither MLT nor the Malaysia SPV will be obliged to complete the Malaysia Acquisition.

2.5.2 Vietnam Acquisitions

The Vietnam Purchaser has entered into the Vietnam Share Purchase Agreements with the Vietnam Vendor dated 21 October 2019.

The principal terms of each Vietnam Share Purchase Agreements include, among others, the following conditions precedent**:**

(i) the passing at an EGM of Unitholders of a resolution to approve the Acquisitions;

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

(iii) the listing and commencement of trading of the New Units issued pursuant to the Private Placement;

(iv) the receipt by the Trustee of the proceeds of the Private Placement and/or external borrowings to fully fund the Acquisitions;

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

(vi) the obtaining in terms reasonably acceptable to the Vietnam Purchaser, of all consents, approvals, clearances and authorisations of any relevant authorities or other relevant third parties in Singapore, Vietnam or elsewhere as may reasonably be considered necessary by the Vietnam Purchaser for the execution and implementation of this Agreement; and

(vii) no statute, regulation or decision which would prohibit, restrict or have a material adverse effect on the acquisition of the Vietnam Properties or the operation of any of the Cayman SPVs and/or its subsidiaries or the operation of the Vietnam Properties having been proposed, enacted or taken by any governmental or official authority.

As at the date of this Circular, conditions 2.5.2(ii), (iii) and (iv) have been satisfied. In relation to condition 2.5.2(ii), the SGX-ST's approval in-principle is not an indication of the merits of the Private Placement, the New Units, MLT and/or its subsidiaries.

2.5.3 PRC Acquisitions

The Trustee has entered into the PRC Share Purchase Agreements with the PRC Vendors dated 21 October 2019.

The principal terms of each PRC Share Purchase Agreements include, among others, the following conditions precedent:

(i) the passing at an EGM of Unitholders of a resolution to approve the Acquisitions;

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

(iii) the listing and commencement of trading of the New Units issued pursuant to the Private Placement;

(iv) the receipt by the Trustee of the proceeds of the Private Placement and/or external borrowings to fully fund the Acquisitions;

(v) where the terms of the HK SPV's existing bank facilities contain any restrictions on the change in control of the HK SPVs or PRC WFOEs or include any right to terminate as a result of any matter contemplated by the PRC Share Purchase Agreements, written confirmation of the waiver of such restrictions or such right to terminate;

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

(vii) no statute, regulation or decision which would prohibit, restrict or have a material adverse effect on the PRC Acquisitions or the operation of any of the HK SPVs or PRC WFOEs or the operation of the PRC Properties having been proposed, enacted or taken by any governmental or official authority; and

(viii) the existing bank facilities granted to the HK SPVs remaining in full force and effect, and not being discharged as a result of the PRC Completion.

As at the date of this Circular, conditions 2.5.3(ii), (iii) and (iv) have been satisfied. In relation to condition 2.5.3(ii), the SGX-ST's approval in-principle is not an indication of the merits of the Private Placement, the New Units, MLT and/or its subsidiaries.

In addition, the PRC Share Purchase Agreements set out the following principal terms:

(a) on PRC Completion, the Trustee shall extend the Trustee Shareholders' Loans to the HK SPVs;

(b) the PRC Shareholders will enter into separate Shareholders' Deeds at Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV;

(c) the Trustee is required to provide, or procure the provision of, the Corporate Guarantees (as guarantor) at PRC Completion in respect of MLT's proportionate shareholding interest (being 50.0% as at PRC Completion) in each of the four HK SPVs; and

(d) the PRC Vendors shall procure that applications be made for issuance of the completion certificate and the property title certificate for the relevant PRC Property. The PRC Vendors have undertaken to obtain such certificate(s) within 12 months (or such period agreed between the parties) after PRC Completion[1] and have also provided an indemnity to the Trustee from all losses sustained from time to time by reason of any penalties imposed due to such certificate(s) not being obtained.

2.6 Management Agreements in relation to the Malaysia Acquisition

2.6.1 Malaysia Servicer Agreement

In relation to the Malaysia Acquisition, the Malaysia SPV will appoint MPM (the "**Property Manager**"), the current Property Manager of MLT, as the servicer to administer the assets of the Malaysia SPV[2] (the "**Servicer**").

The Servicer will be entitled to receive, among others, a fee of up to 3% of the gross revenue received by the Malaysia SPV in relation to the Malaysia Properties during the relevant period.

The fees payable by the Malaysia SPV to the Servicer are on substantially the same rates as those payable by MLT to the Property Manager under the Overseas Properties Property Management Agreement (as defined herein). Accordingly, the computation of the Property Manager's fees payable under the Overseas Properties Property Management Agreement will take into account the fees payable to the Servicer and there will be no double payment for services provided for the Malaysia Properties.

2.6.2 Malaysia Asset Management Agreement

In addition, the Malaysia SPV will appoint MMMSB, a wholly-owned subsidiary of MIPL, as its asset manager.

MMMSB will be entitled to receive, among others (i) a base fee of up to 0.5% per annum of all the Malaysia SPV's assets (including the Malaysia Properties under management, cash and investments), and (ii) a performance fee of up to 3.6% per annum of the net property income of the Malaysia SPV.

The fees payable to MMMSB are on substantially the same rates as those payable by MLT to the Manager under the Trust Deed. Accordingly, the computation of the Manager's fees payable under the Trust Deed will take into account any asset management fees payable to MMMSB and there will be no double payment for services provided to the Malaysia SPV.

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1 As at the Latest Practicable Date, all land title certificates for the PRC Properties have been obtained. The property title certificates for Mapletree Jinan and Mapletree Changsha 2 have been obtained while the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of Mapletree Chengdu and Mapletree Shenyang to be obtained by the first half of 2020.

2 Under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission of Malaysia, the Malaysia SPV is required to sub-contract to third parties all services that may be required by it in order to maintain the Malaysia SPV and its assets. The Servicer may appoint a licensed property management company to undertake property management services.

2.7 Shareholders' Deeds in relation to the PRC Acquisitions

Pursuant to the terms of the PRC Share Purchase Agreements, the PRC Shareholders will enter into separate Shareholders' Deeds at PRC Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV. The parties to each Shareholders' Deed will be the PRC Shareholders and the relevant HK SPV. The risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each PRC Shareholder.

2.7.1 Management

Under the terms of each Shareholders' Deed, the board of directors of each HK SPV shall have ultimate responsibility for management and control of the HK SPV. The board of directors shall comprise four directors, two of which shall be appointed by the Trustee and two of which shall be appointed by the relevant MIPL Subsidiary. In the case of the Trustee, the two directors appointed by the Trustee shall be representatives of the Manager. In the event of a conflict of interests, such representatives are required to give priority to the interests of Unitholders as a whole over the interests of the Manager and its shareholders.

2.7.2 Reserved Matters

Each Shareholders' Deed contains a set of matters in relation to the key operational and management issues affecting the HK SPV, which require unanimous approval of all the directors of the HK SPV. These matters include:

(i) any amendment of the articles of association of the HK SPV and the Shareholders' Deed;

(ii) cessation or change of the primary business of the HK SPV and/or any of its subsidiaries (the "**HK SPV Group**");

(iii) winding up, dissolution, liquidation or termination of any member of the HK SPV Group;

(iv) changes in the equity capital structure of any member of the HK SPV Group;

(v) changes to the dividend distribution policies for any member of the HK SPV Group;

(vi) issue of ordinary shares and any other securities (including any options over such securities) by any member of the HK SPV Group;

(vii) incurring and/or repayment of borrowings by any member of the HK SPV Group;

(viii) creation of any security or charge over the assets of any member of the HK SPV Group or any part thereof;

(ix) save for any leasing of the PRC Property or any part thereof in the ordinary course of business, transfer or disposal of the assets of the HK SPV Group;

(x) approval of asset enhancement and capital expenditure plans for the assets of the HK SPV Group, other than those which have been specifically approved in any development budget or annual budget;

(xi) entry into, or any amendment of the terms of any, or waiver of any rights under any, interested person transactions other than those which have been specifically approved in any development budget or annual budget; and

(xii) any matters which are set out in Paragraph 6.5 of the Property Funds Appendix to the extent that such matters are not set out above, if applicable.

2.7.3 Asset Management

Mapletree Real Estate Advisors Pte. Ltd., a wholly-owned subsidiary of MIPL, and the Manager shall be jointly appointed as the asset managers for each PRC Property (the "**PRC Asset Managers**"). The PRC Asset Managers shall be entitled to receive the following fees (or such other fees as may be mutually agreed between the PRC Shareholders) from any member of the HK SPV Group to be shared in equal proportions between the PRC Asset Managers:

(i) a base fee of 0.5% per annum of all the assets of the HK SPV Group;

(ii) a performance fee of 3.6% per annum of the net property income of the HK SPV Group in the relevant financial year; and

(iii) a development management fee of 3.0% of the total project costs incurred in a development project undertaken by the HK SPV or any member of the HK SPV Group.

The fees payable to the PRC Asset Managers are on the same rates as those payable by MLT to the Manager under the Trust Deed.

In the computation of the Manager's fees payable under the Trust Deed, any asset management fees payable to the Manager for the PRC Properties will be taken into account and no double payment will be made in respect of such asset management services provided by the Manager.

2.7.4 Property Management

Shanghai Mapletree Management Co., Ltd., a wholly-owned subsidiary of MIPL, shall be appointed as the property manager for each PRC Property (the "**PRC Property Manager**"). The PRC Property Manager shall be entitled to receive the following fees (or such other fees as may be mutually agreed between the PRC Shareholders) from any member of the HK SPV Group:

(i) a property management fee of 2.0% per annum of the gross revenue of the HK SPV Group;

(ii) a lease management fee of 1.0% per annum of the gross revenue of the HK SPV Group;

(iii) a project management fee (including for asset enhancement initiatives projects) of:

  (a) 3.0% of the construction costs where the construction costs are S$2.0 million or less;

  (b) 2.0% of the construction costs where the construction costs exceed S$2.0 million but do not exceed S$20.0 million;

(c) 1.5% of the construction costs where the construction costs exceed S$20.0 million but do not exceed S$50.0 million; and

(d) an amount to be mutually agreed between the PRC WFOE and the PRC Property Manager where the construction costs exceed S$50.0 million; and

(iv) a marketing service commission equivalent to:

(a) one month's gross rent inclusive of service charge, for securing a tenancy of three years or less;

(b) two months' gross rent inclusive of service charge, for securing a tenancy of more than three years;

(c) half month's gross rent inclusive of service charge, for securing a renewal of tenancy of three years or less;

(d) one month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than three years; and

(e) if a third party agent secures a tenancy, the PRC Property Manager will be responsible for all marketing services commissions payable to such third party agent and the PRC Property Manager will be entitled to a marketing services commission of:

(I) 1.2 month's gross rent inclusive of service charge, for securing a tenancy of three years or less; and

(II) 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than three years.

The fees payable to the PRC Property Manager are on the same rates as those payable by MLT to the Property Manager under the Master Property Management Agreement. In the computation of the Property Manager's fees payable under the Master Property Management Agreement, any property management fees payable to the PRC Property Manager for the PRC Properties will be taken into account and no double payment will be made in respect of such property management services provided by the Property Manager.

2.7.5 Additional Financing

Each PRC Shareholder commits to provide additional funds in the event that additional funding is required and external financing is not available on reasonably acceptable terms or at all, and shall provide such funds (either by way of subscription of additional shares in the HK SPV or through shareholders' loans) in the same percentages as their respective shareholding percentages in the HK SPV.

In approving the Acquisitions, any subscription of additional shares in each HK SPV, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after PRC Completion will be deemed to be approved provided the subscription of additional shares, the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on the same terms[1], the provision of the loan and/or corporate guarantee is not prejudicial to the interest of MLT and its minority unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority unitholders.

2.7.6 Pre-emption Rights; Tag Along and Drag Along Rights

Under the terms of each Shareholders' Deed, the Trustee has pre-emption rights over the relevant MIPL Subsidiary's shares in the relevant HK SPV, in the event that the relevant MIPL Subsidiary wishes to divest its 50.0% interest in the HK SPV. If the Trustee waives its pre-emption rights, the Trustee has tag along rights in the event of such divestment by the relevant MIPL Subsidiary.

If the Trustee wishes to divest its 50.0% interest in the HK SPV, and the relevant MIPL Subsidiary waives its pre-emption rights, the Trustee has drag along rights over the relevant MIPL Subsidiary's interest in the HK SPV.

Reciprocal rights are also provided by the Trustee to the relevant MIPL Subsidiary in respect of the above. The price of the shares in the HK SPVs under the drag along rights exercisable by either party shall not be at a price lower than the fair market value of the shares as determined in accordance with the terms and conditions of the Shareholders' Deed.

2.7.7 Deadlock Provisions

Further, in the event that a resolution of the board of directors of the relevant HK SPV or the PRC Shareholders for the transaction of any business of the relevant HK SPV cannot be obtained after a period of 30 days or after three successive attempts, whichever is the earlier, a deadlock shall be deemed to arise and the parties to the Shareholders' Deed shall immediately upon the occurrence of any deadlock, refer the matter which was to have been discussed to, in the case of the Trustee, the Chief Executive Officer of the Manager, and in the case of the relevant MIPL Subsidiary, the Deputy Group Chief Executive Officer of MIPL (the "**Officer**"). Each PRC Shareholder shall procure that its Officer shall negotiate in good faith with the other Officer(s) with a view to resolution of such matter.

If a resolution of such matter is not agreed upon within 30 days from the date of the parties' referral to the Officers, any PRC Shareholder (the "**Initiator**") may serve a notice (the "**Deadlock Notice**") on the other PRC Shareholder (the "**Non-Initiating Shareholder**"). The Deadlock Notice shall constitute an offer by the Initiator to buy for cash all (but not some only) of the shares held by the Non-Initiating Shareholder and an alternate offer by the Initiator to sell for cash all (but not some only) of its own shares at the price set out in the Deadlock Notice.

The Non-Initiating Shareholder shall within 14 business days from its receipt of the Deadlock Notice elect, by way of written notice to the Initiator, to either (i) sell all of its shares to the Initiator; or (ii) buy all of the Initiator's shares, at the price set out in the Deadlock Notice. If the Non-Initiating Shareholder fails to make an election within the 14 business days notice period, the Initiator must buy all the shares held by the Non-Initiating Shareholder at the price set out in the Deadlock Notice.

By approving the Acquisitions, Unitholders will be deemed to have also approved the Shareholders' Deeds.

1 There may be non-substantive differences in the terms of the corporate guarantees to be provided by the respective guarantors due to the fact that the Trustee is a trustee of a real estate investment trust and MIPL is a Company.

2.8 Corporate Guarantees in relation to the PRC Acquisitions

The four HK SPVs have entered into bank facilities, pursuant to which the PRC Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S$33.4 million) at PRC Completion, in place of the existing corporate guarantees provided by the PRC Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's proportionate shareholding interest in each of the four HK SPVs (being 50.0% as at PRC Completion) and will depend on the amounts drawn down under the bank facilities (including accrued interest). As at the Latest Practicable Date, an aggregate of RMB288.1 million (S$55.5 million) has been drawn down under the bank facilities, of which RMB144.0 million (S$27.8 million) represents the value of the Corporate Guarantees in respect of MLT's proportionate shareholding interest of 50.0%. The Corporate Guarantees are expected to be on market terms. For the avoidance of doubt, MIPL shall also be required to provide similar corporate guarantees to such banks in respect of the MIPL Subsidiaries' respective proportionate shareholding interest in the four HK SPVs. No fee is chargeable for provision of the abovementioned corporate guarantees by each of the Trustee and/or MIPL.

By approving the Acquisitions, Unitholders will be deemed to have also approved the Corporate Guarantees.

2.9 Total Acquisition Cost and Total Acquisition Outlay

The Total Acquisition Cost is estimated to be approximately S$420.9 million, comprising:

(a) the Malaysia Acquisition Price of approximately MYR826.0 million (S$269.1 million) which will be paid in cash;

(b) the Vietnam Acquisition Price of approximately USD38.9 million (S$53.3 million) which will be paid in cash;

(c) the PRC Acquisition Price of approximately RMB314.3 million (S$60.6 million), which comprises (a) the PRC Aggregate Share Consideration and (b) the Trustee Shareholders' Loans, both of which will be paid in cash;

(d) in relation to the PRC Acquisitions, the 50.0% pro rata share of the bank loans owed by the HK SPVs to certain financial institutions, being approximately RMB144.0 million (S$27.8 million) (which will not be discharged by the HK SPVs and will remain after PRC Completion)[1];

(e) the Acquisition Fee which is estimated to be approximately S$1.9 million (representing 0.5% of the Total Acquisition Price); and

(f) the estimated professional and other fees and expenses of approximately S$8.3 million incurred or to be incurred by MLT in connection with the Acquisitions and the Private Placement.

The Total Acquisition Outlay is estimated to be approximately S$393.1 million, comprising the Total Acquisition Cost less the PRC Bank Loans which will not be discharged by the HK SPVs and will remain after PRC Completion.

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1 In relation to the PRC Bank Loans, pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees, in place of the existing corporate guarantees provided by the holding companies of the PRC Vendors, in respect of MLT's proportionate shareholding interest (being 50.0% as at PRC Completion) in each of the four HK SPVs.

2.10 Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Total Acquisition Price (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 Acquisition Price.

As the Acquisitions will constitute "interested party transactions" under the Property Funds Appendix, the Acquisition Fee payable in respect of the Acquisitions 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.

In relation to the PRC Acquisitions, while the acquisition of the interests of the Itochu Subsidiaries in the HK SPVs will not constitute an "interested party transaction" under the Property Funds Appendix, the Manager has nevertheless elected to receive the Acquisition Fee payable in respect of the acquisition of interests from the Itochu Subsidiaries in the form of Acquisition Fee Units and not to dispose of such Units within one year from the date of issuance.

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 Acquisitions in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisitions, the prevailing Market Price of such Units on the date of completion of the relevant Acquisition.

Based on the issue price of S$1.617 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 1,184,034 Units.

2.11 Method of Financing for the Acquisitions

The Manager intends to finance the Total Acquisition Outlay with part of the gross proceeds of approximately S$250.0 million from the Private Placement and a drawdown of the Loan Facilities. The net proceeds of the Private Placement of approximately S$241.7 million will be used to partially finance the Total Acquisition Outlay. In the event that MLT does not proceed with the proposed Acquisitions, the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Private Placement at its absolute discretion for other purposes including the funding of future investments and/or to repay existing indebtedness.

The Private Placement has been undertaken through an issuance of New Units relying on the general mandate of MLT obtained at the annual general meeting of MLT held on 15 July 2019.

The table below sets out the changes to the Aggregate Leverage of MLT based on the above method of financing:

	Before the Acquisitions	After the Acquisitions
Aggregate Leverage	37.0%[(1)]	37.1%[(2)]

Notes:

(1) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.

(2) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and Deposited Property of each of the HK SPVs.

3. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITIONS

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

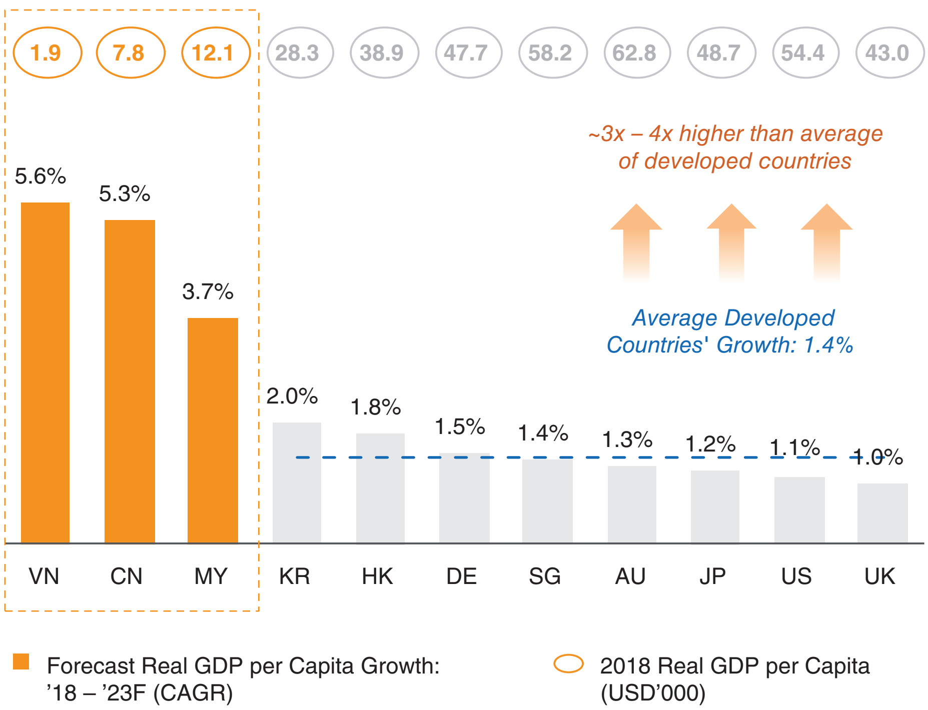
3.1 Exploit the Positive Demand-Supply Dynamics in Key Logistics Markets

Across the various logistics real estate markets in Malaysia, Vietnam and China, growth in domestic consumption as well as e-commerce have been key demand drivers for logistics properties. In particular, as supply chain modernises and e-commerce grows, there is increasing demand for modern logistics space in prime locations. However, the per capita supply of modern logistics properties in these markets is still relatively low, compared to other developed markets such as the US. The proposed acquisitions of the Properties will enable MLT to exploit the positive demand-supply dynamics in these markets.

3.1.1 Expansion into Malaysia, Vietnam and China – Fast Growing Domestic Consumption Markets

The Acquisitions will increase MLT's presence in Malaysia, Vietnam and China, which are among the highest growing economies in the world with their gross domestic product ("**GDP**") forecasted to grow at a CAGR of 3.7%, 5.6% and 5.3% from 2018 to 2023 respectively. These growth rates are approximately three to four times higher than the average GDP growth rate of developed countries.

Real GDP per Capita and Growth
(%, USD'000)

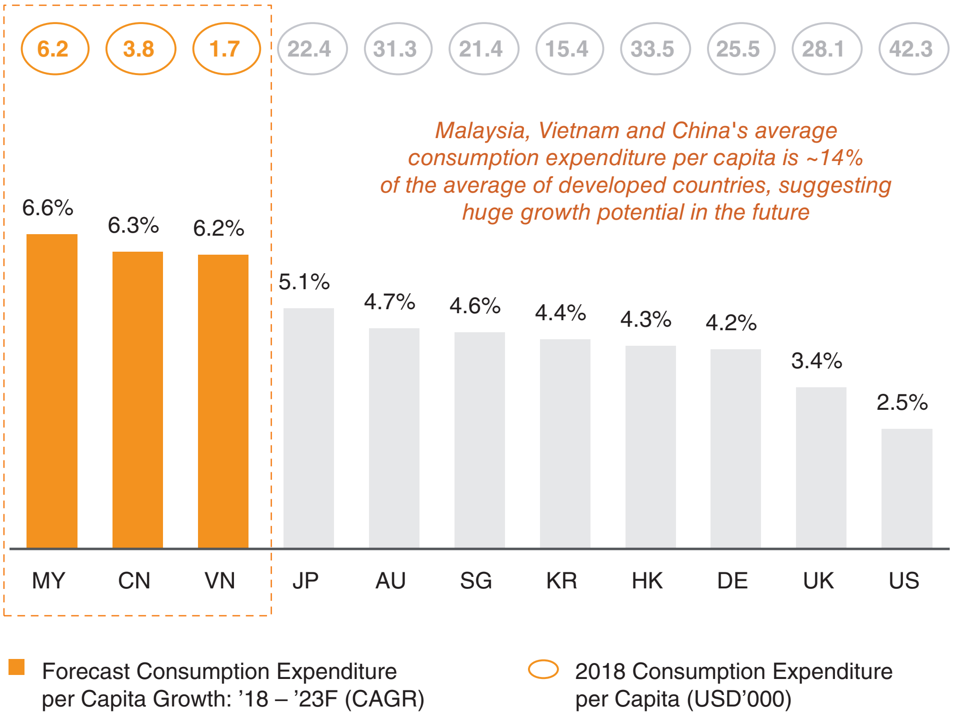


Source: Independent Market Research Consultant.

These countries are among the fastest growing consumer markets in Asia, with strong growth in consumption expenditure per capita underpinned by favorable demographic profiles. According to the Independent Market Research Consultant, 70% of Malaysia's population is of working age, representing a huge pool of productive workforce to drive economic growth and rising domestic consumption.

In Vietnam and China, the middle income population, a segment with strong consumption power, is expected to grow rapidly. In Vietnam, the middle income population is expected to rise from 13% to 26% of the country's population by 2026, whereas China's middle class is projected to represent 22% of global consumption in 2030. The growing middle income populations and accompanying rise in household wealth are expected to boost domestic consumption. As of 2018, the average consumption expenditure per capita of Malaysia, Vietnam and China is estimated to be just 14% of the average of developed countries. This suggests significant growth potential in consumption expenditure which is expected to generate higher demand for logistics services to move and store physical goods, and correspondingly greater demand for logistics space.

Consumption Expenditure per Capita and Growth
(%, USD'000)

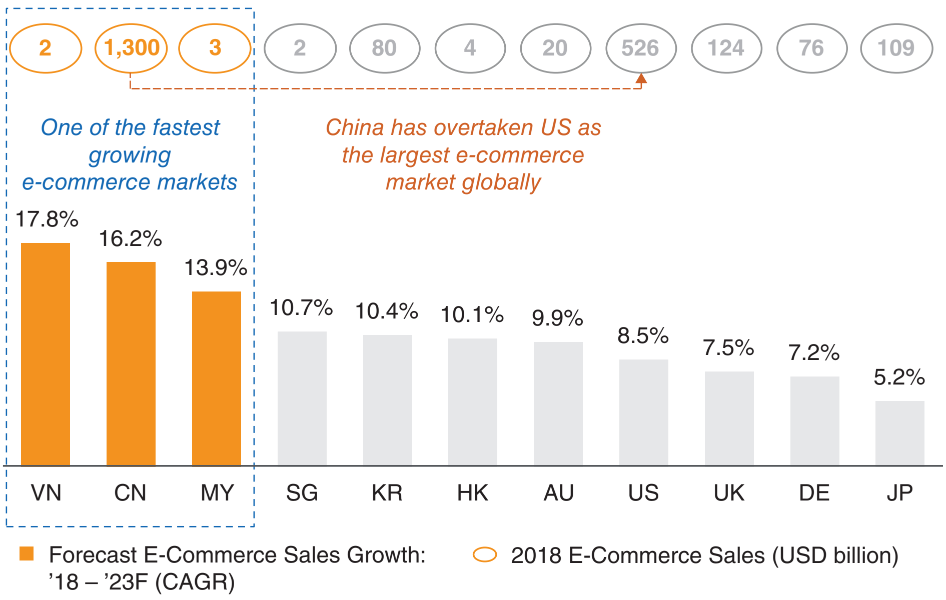


Source: Independent Market Research Consultant.

3.1.2 Demand for Logistics Space Underpinned by Strong Growth in E-commerce

The rapid rise of e-commerce has provided further impetus to the growth in demand for logistics space, particularly modern logistics properties in prime locations. According to the Independent Market Research Consultant, Malaysia, Vietnam and China are among the fastest growing e-commerce markets with a forecasted growth of 13.9%, 17.8% and 16.2% respectively, from 2018 to 2023. Meanwhile, China with e-commerce sales of USD1,300 billion is the world's largest e-commerce market.

E-Commerce Sales and Growth
(%, USD billion)

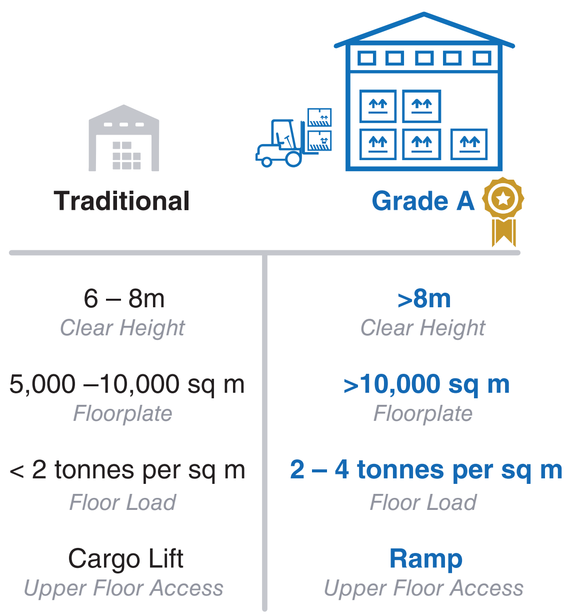


Source: Independent Market Research Consultant.

E-commerce players typically require logistics facilities with modern Grade A specifications and two to three times as much warehouse space as traditional retailers due to more extensive product offerings, higher inventory levels and greater outbound and reverse logistics space requirements. The advent of online shopping also means consumers demand faster delivery time, which translates to demand for logistics facilities closer to population centres and transportation networks.

Modern Grade A specifications for logistics facilities would encompass features such as high ceilings, large floor plates, strong floor load and ramps for multi-storey warehouses.

E-commerce Tenants Require Grade A Facilities



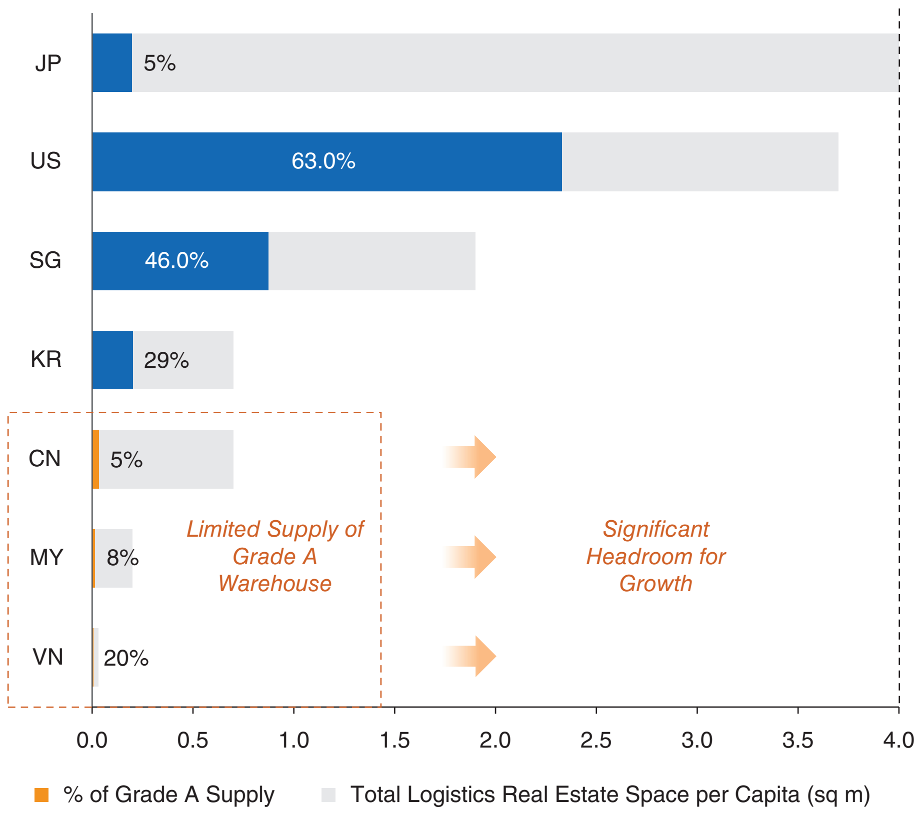
Source: Independent Market Research Consultants.

3.1.3 Limited Supply of Grade A Warehouse Space Presents Opportunity for MLT to Fill the Market Gap

According to the Independent Market Research Consultants, Malaysia, Vietnam, and China's per capita logistics space currently stand at 0.2 sq m, 0.03 sq m and 0.7 sq m respectively. These are significantly lower than the per capita logistics space available in the US of 3.7 sq m.

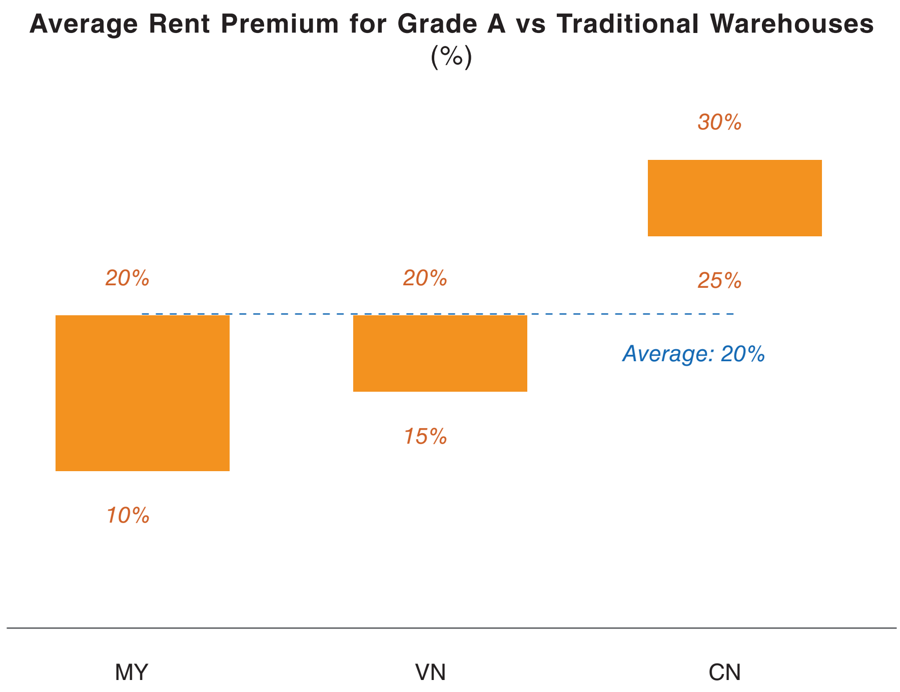
In addition, there is a limited supply of Grade A logistics space across Malaysia, Vietnam and China. It is estimated that only 8.1%, 20.0% and 5.0% of the total logistics facilities in these markets consist of modern facilities for lease respectively. Furthermore, supply chain modernisation which drives greater demand for Grade A logistics facilities, is exacerbating the current supply constraint. This presents a strategic opportunity for MLT to fill the market gap in these markets.

Logistics Real Estate Space per Capita and Grade A Warehouse Supply as a Proportion of Total Stock
(sq m, %)



Source: Independent Market Research Consultants.

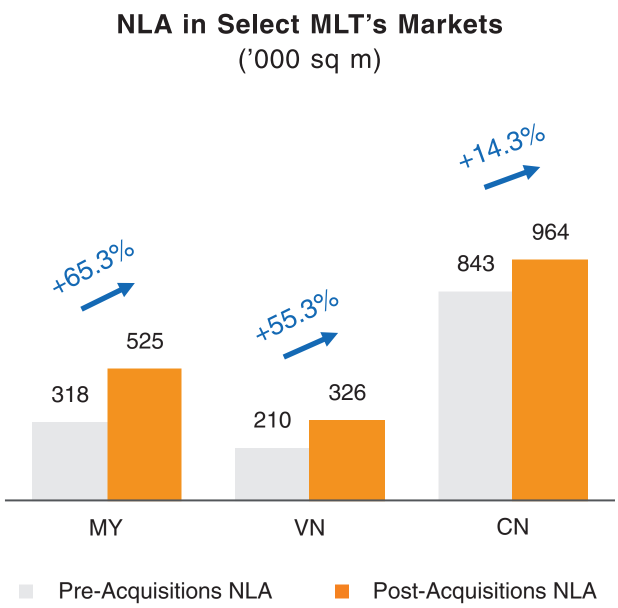
The scarcity of Grade A warehouses in these select countries has consequently allowed them to command a sizeable rent premium, averaging 20% over traditional warehouses.



Source: Independent Market Research Consultants.

3.1.4 Augmenting Growth while Maintaining Large Exposure to Developed Markets in Asia Pacific

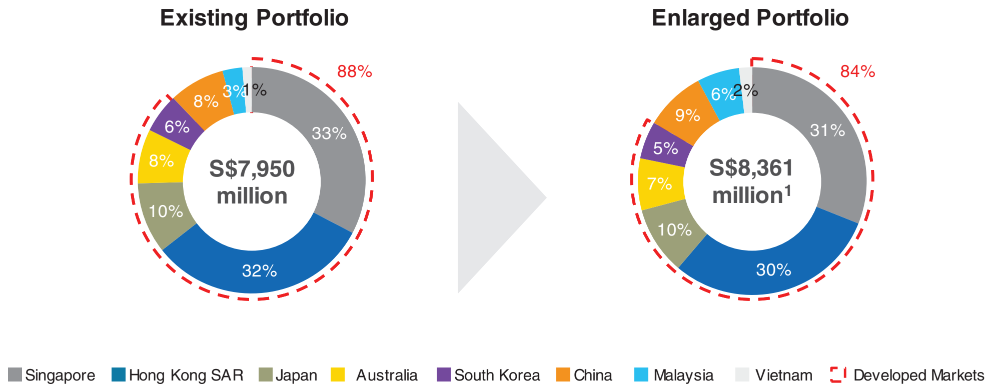
The Acquisitions increase the NLA of MLT's portfolios in Malaysia, Vietnam and China by 65%, 55% and 14% respectively, thus raising MLT's exposure to these high growth markets.



Source: Company information.

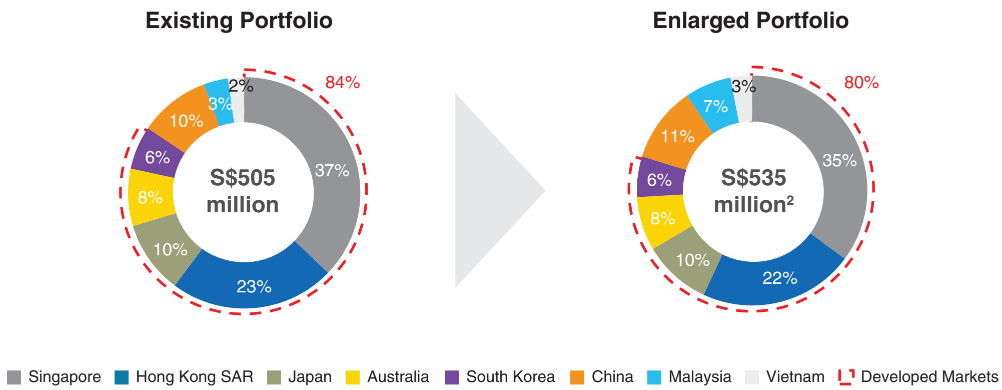
Nevertheless, post-acquisitions of the Properties, developed markets will continue to account for the majority of MLT's assets under management and gross revenue contributing approximately 84% and 80% to the enlarged portfolio's assets under management and Gross Revenue respectively, on a pro forma basis.

Assets under Management by Geography



Source: Company information.

Gross Revenue by Geography



Source: Company information.

Notes:

(1) Based on MLT's annualised consolidated accounts for the half year ended 30 September 2019 and the aggregate Agreed Property Value of the Properties, taking into account MLT's 50.0% interest in the PRC Properties and any capitalised costs.

(2) Based on MLT's annualised consolidated accounts for the half year ended 30 September 2019 and assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018, and that all tenants were paying their rents in full throughout the period.

3.2 Strengthen MLT's Network Connectivity across Key Logistics Nodes

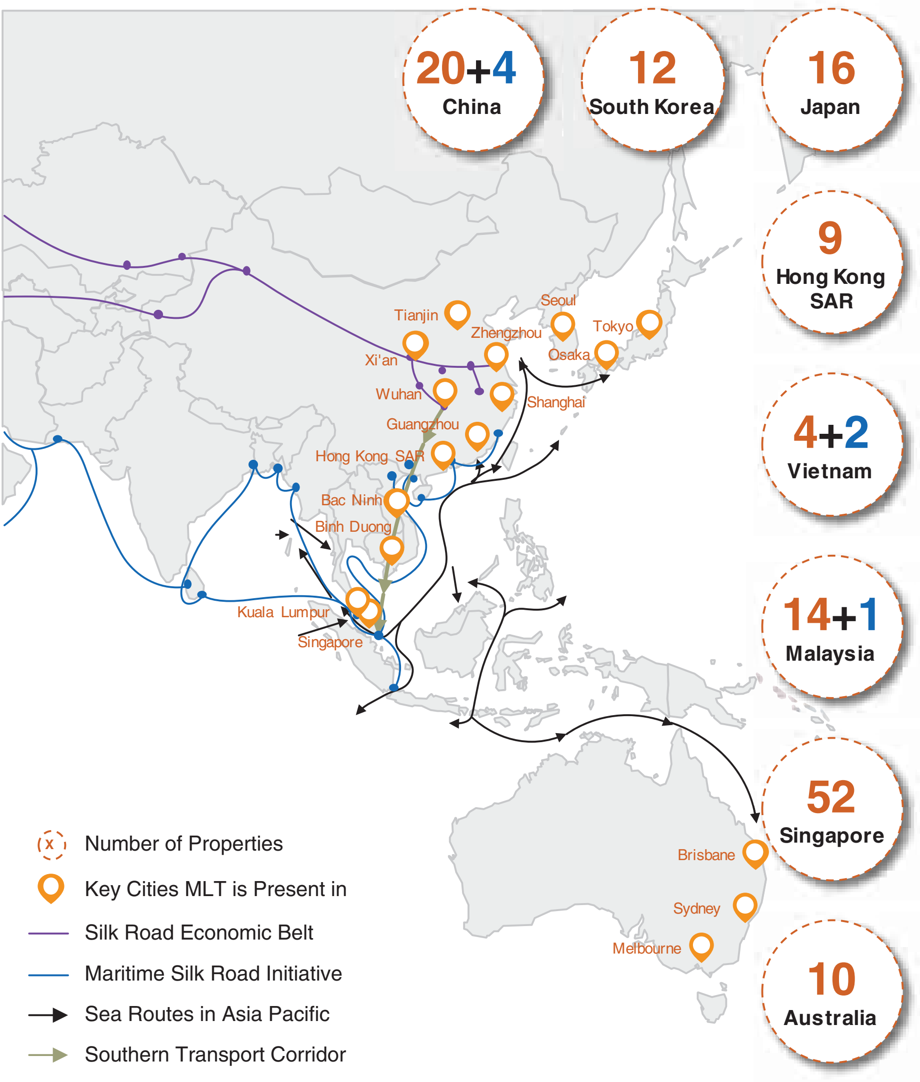
MLT is a leading logistics space provider in Asia Pacific with 137 existing properties located predominantly in key gateway cities or logistics hubs with direct access to large catchments of growing consumption markets. This extensive network of logistics facilities across eight geographic markets provides a key competitive advantage for MLT. It enables MLT to offer its customers a broad range of regional leasing options as they expand regionally to capture growth opportunities presented by the large consumption markets. Bearing testament to MLT's growing network effect, tenants who lease space at multiple locations account for a higher 34% of MLT's leased area, compared to 25% in 2015.

The proposed acquisitions of seven properties located in key logistics hubs or cities of Malaysia, Vietnam and China will increase MLT's scale as well as enhance its network effect and competitive positioning.

3.2.1 Deepen and Expand Coverage across Key Asia Pacific Markets

The Acquisitions deepen MLT's presence in four cities (Shah Alam, Bac Ninh, Binh Duong and Changsha), while adding another three new cities (Chengdu, Jinan and Shenyang) to its network. This brings MLT's regional footprint to a total of 45 cities with access to an aggregate population base of over 150 million people.

Overview of MLT's Geographical Presence

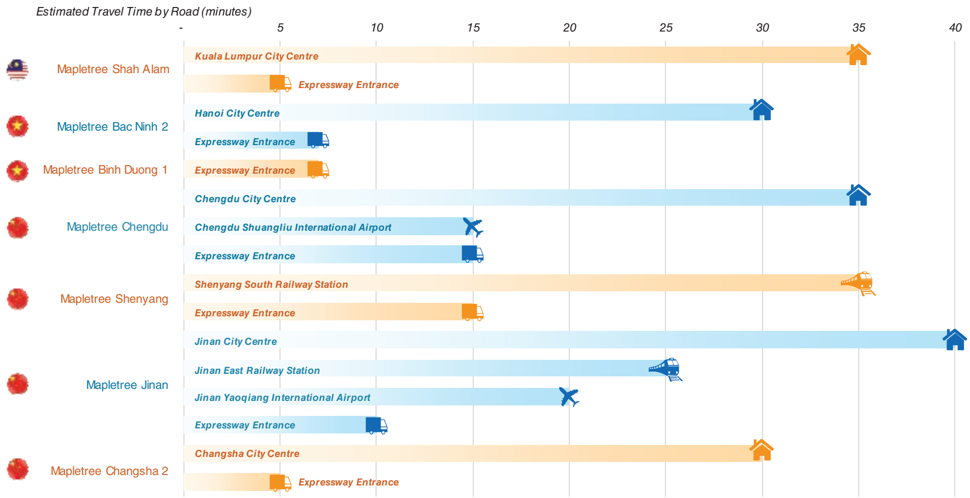


Source: Company information.

3.2.2 Excellent Connectivity to Transport Infrastructure and Key Population Catchments

The Properties are strategically located within the major logistics clusters in the respective markets with excellent connectivity to key transport infrastructure. A majority are also located near city centres (within 40 minutes of travel time), making them suitable for last-mile delivery. Proximity to large population catchments is an important consideration for tenants engaged in last-mile delivery as it brings about operational and cost efficiencies, a key competitive advantage especially for e-commerce players. Warehouse space located near key population catchments would typically enjoy relatively high demand.

Travel Time between Properties and Key Transport Infrastructure/City Centres

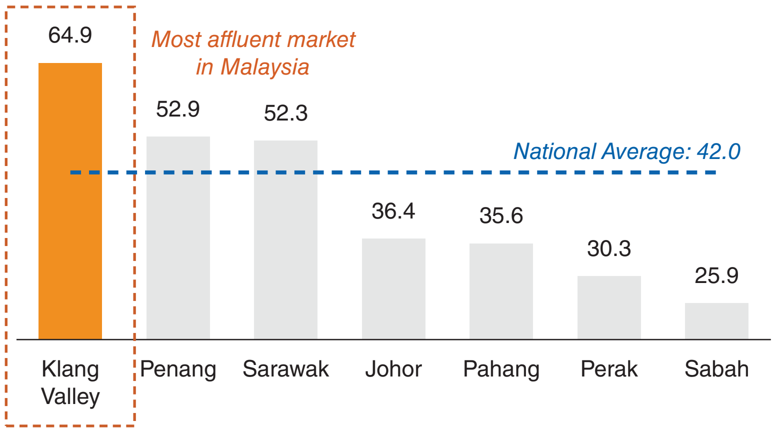


Source: Company information.

3.2.3 Expand Footprint in Shah Alam, the Prime Logistics Hub of Malaysia

Mapletree Shah Alam is located in Shah Alam, the prime logistics hub in Malaysia serving the largest and most affluent consumer market in Malaysia, Klang Valley, as well as the needs of key e-commerce players such as Lazada, Shopee and Zalora. According to the Independent Market Research Consultant, demand for logistics functions will continue to rise to keep pace with the country's anticipated growth in household income and e-commerce.

2018 GDP per Capita in Select States of Malaysia
(MYR'000)



Source: Independent Market Research Consultant.

Shah Alam is a preferred destination for e-commerce players due to its close proximity to the city centre as well as other key transport infrastructure; it is readily accessible to Kuala Lumpur City Centre, Kuala Lumpur International Airport as well as Port Klang, the largest port in Malaysia and second largest port in Southeast Asia for container handling. Its strategic position is further enhanced by the following recent government initiatives:

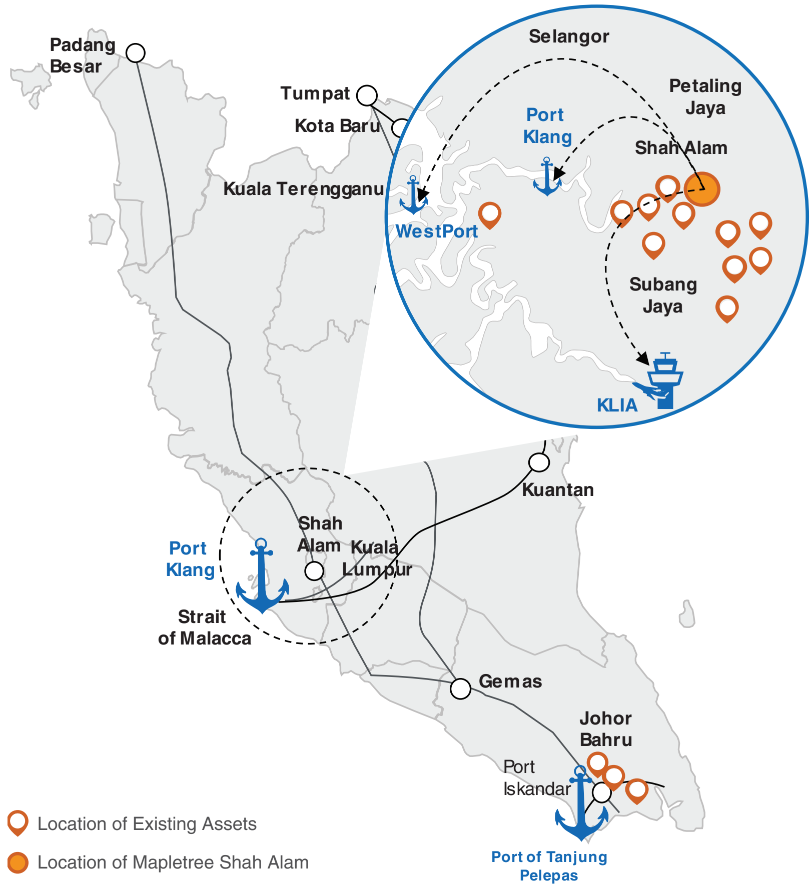
(i) the launch of a Digital Free Trade Zone ("**DFTZ**"), a partnership between the Malaysia government and Alibaba with multiple key strategic partners. The DFTZ aims to increase exports of small and medium enterprises via e-commerce as well as establish Malaysia as a regional e-commerce hub of Southeast Asia;

(ii) the officiation of Kuala Lumpur International Airport Aeropolis, the site for the initial phase of DFTZ. Otherwise recognised as the world's first e-world trade platform, the government is looking to increase its cargo volume from 0.7 million tonnes to 2.5 to 3.0 million tonnes by 2050; and

(iii) the enhancement of Westport and development of a third port in Port Klang on Carey Island. The former aims to raise Westport's capacity to 16 million twenty-foot equivalent units ("**TEUs**"). The latter, while still in the works, is a long-term project which is expected to have a maximum capacity of 30 million TEUs to accommodate Malaysia's increased trade flow.

Collectively, these initiatives will improve the ease of doing business, increase trade flow and expand last-mile delivery opportunities, thereby benefitting the logistics players and anchoring demand for logistics properties in Malaysia.

Shah Alam's Proximity to City Centre and Key Transport Infrastructure



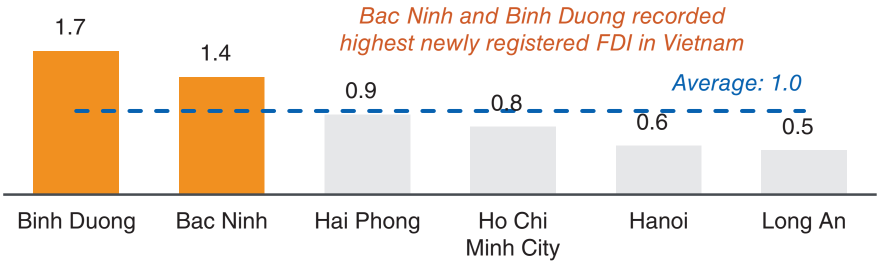
Source: Independent Market Research Consultant and company information.

3.2.4 Deepen Presence in Thriving Logistics Hubs of Vietnam

Mapletree Bac Ninh 2 is located in Bac Ninh, an important economic centre of northern Vietnam, situated in the key economic triangle area of Hanoi – Hai Phong – Quang Ninh. Bac Ninh's close proximity to Hanoi, the largest consumption market in the north, allows it to serve as the logistics and distribution hub for domestic consumption. It is well-connected to key transportation infrastructure such as major highways, the Hai Phong Port and Noi Bai Airport, which facilitates the flow of goods, thereby further contributing to the growth of the local logistics industry. As a result of its strategic location, the government has invested heavily in its infrastructure which has led to a strong inflow of foreign direct investment ("**FDI**") into Bac Ninh. In 2018, Bac Ninh recorded the second highest newly registered FDI. The strong demand for warehouse space is driven by growth in retail and e-commerce as well as the growing presence of third-party logistics firms ("**3PLs**").

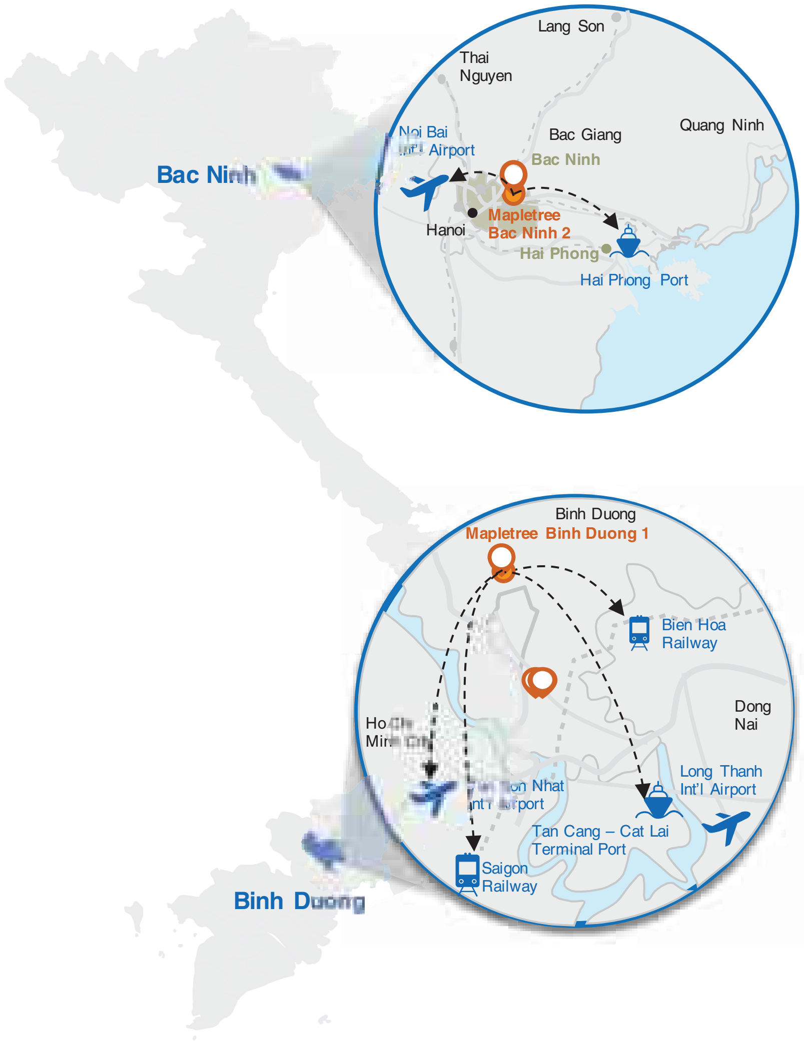
Mapletree Binh Duong 1 is located in Binh Duong, the largest logistics hub in the southern part of Vietnam, and is in close proximity to Ho Chi Minh City which is the largest consumption market in Vietnam. Binh Duong, a major manufacturing province in southern Vietnam, is home to the country's largest southern industrial zones and remains the preferred location for multinational corporations looking to set up their manufacturing base in Vietnam. The strong growth in industrial activities has underpinned demand for modern warehousing facilities. In addition, Binh Duong, a magnet for foreign investment in the southern region, registered the highest newly registered FDI in 2018. Demand for warehouse space is underpinned by rising local consumption, growth in e-commerce as well as expansion of retailers and 3PLs.

2018 Newly Registered FDI
(USD billion)



Source: Independent Market Research Consultant.

Thriving Logistics Hubs of Vietnam – Bac Ninh and Binh Duong



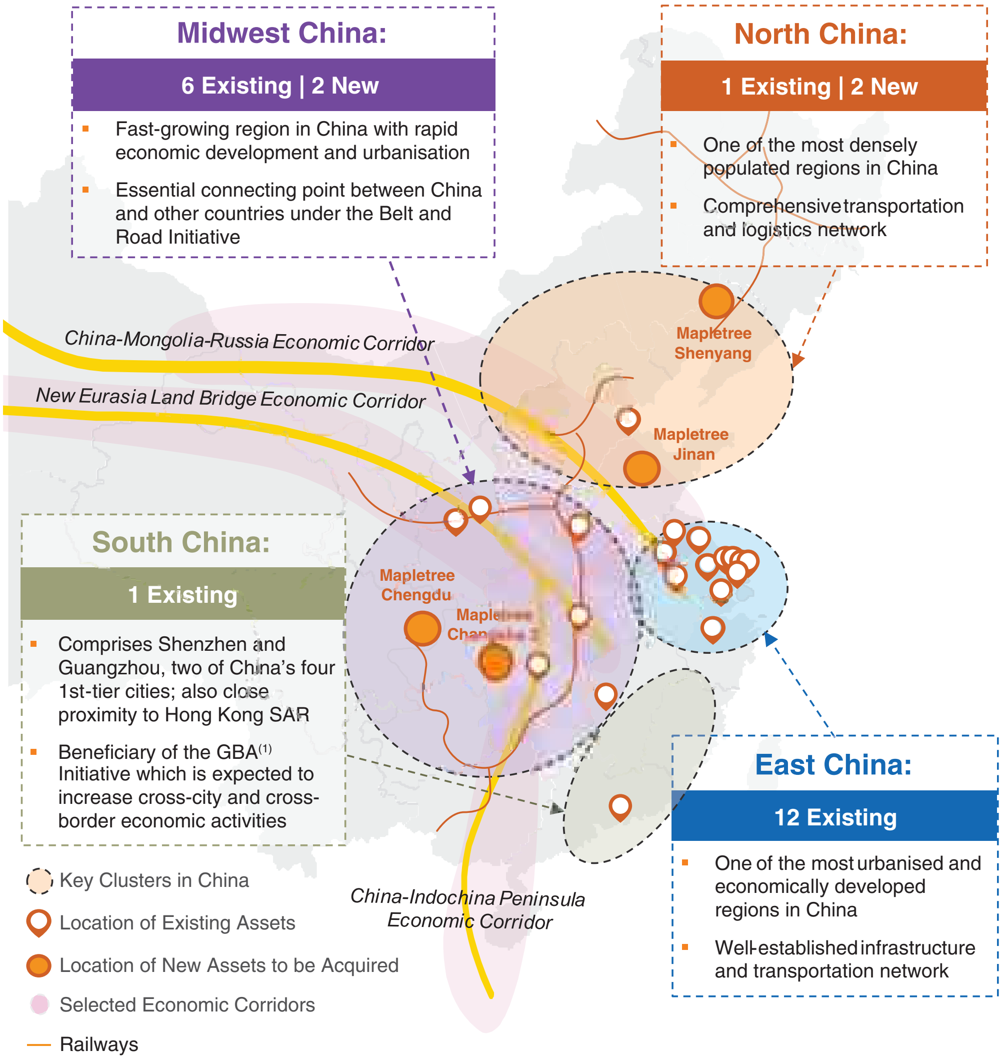
Location of Existing Assets   Location of New Assets to be Acquired

Source: Independent Market Research Consultant and company information.

3.2.5 Increase Exposure to Key Provinces of China with Strong Consumer Markets

The acquisitions of the four PRC Properties which are located in Chengdu, Shenyang, Jinan and Changsha will expand MLT's market presence in China from 14 cities to 17 cities. The new cities are Chengdu, Shenyang and Jinan. As capitals of their respective provinces, these cities are fast-growing, densely populated and have in place established infrastructure and transport networks to support logistics functions.

MLT's Presence across China



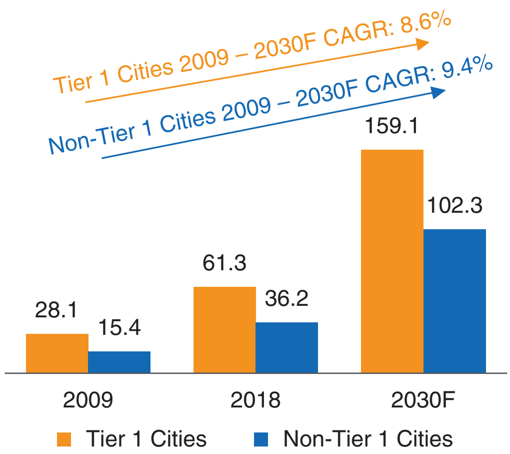
Source: Independent Market Research Consultant and company information.

Note:

(1) Refers to the Guangdong-Hong Kong-Macau Greater Bay Area

According to the Independent Market Research Consultant, the Tier 1 and non-Tier 1 cities are expected to grow at a CAGR of 8.6% and 9.4% respectively between 2009 to 2030. Entry into these cities would enable MLT to capitalise on the growing demand for logistics space, underpinned by per capita disposable household income growth and large consumer markets.

China Disposable Household Income per Capita
(RMB' 000)



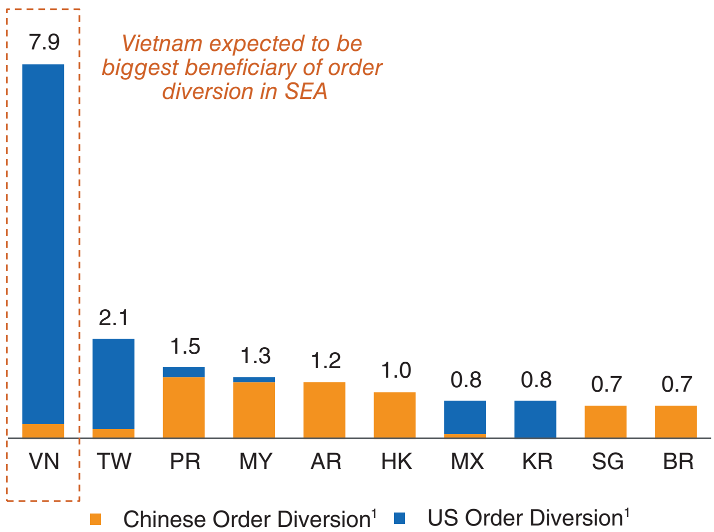
Source: Independent Market Research Consultant.

3.2.6 Potential Positive Spillover Effects from the US-China Trade Conflict

Against the backdrop of the US-China trade conflict, some countries in Southeast Asia stand out as potential beneficiaries of the re-configuration in global supply chains that has emerged in response to the trade conflict. Multinational corporations, daunted by the US tariffs on China goods, are relocating their supply chains from China to countries such as Vietnam and Malaysia due to their lower labor costs, presence of established manufacturing ecosystems as well as pro-investment policies.

According to the Independent Market Research Consultants, Vietnam and Malaysia are among the prime beneficiaries, with Vietnam being the largest beneficiary, gaining 7.9% of GDP from order diversion, based on recent data.

Third-Party Economies Gain from Goods Diversion in US-China Trade Conflict
(% of GDP)



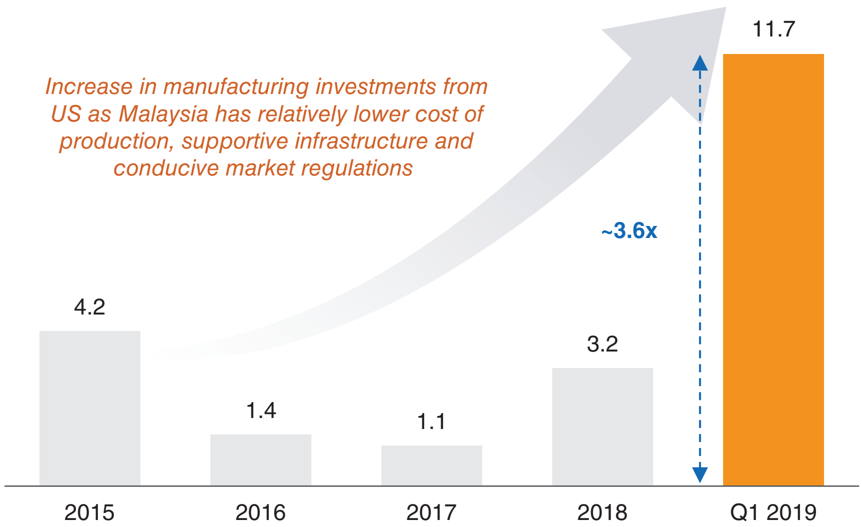
Source: Independent Market Research Consultant.

Note:

(1) US order diversion is American shift in orders due to higher tariffs on China; Chinese order diversion is that economy's order substitution due to higher levies on US. Data are for year through Q1 2019.

In Malaysia, there was a notable increase in manufacturing investments from the US in recent months. According to the Independent Market Research Consultant, manufacturing investments in the first quarter of 2019 alone had eclipsed that of 2018 by 3.6 times. The increase in FDI and growth in the manufacturing sector, coupled with the positive knock-on effect on the economy as well as domestic consumption, are expected to strengthen the demand for logistics facilities.

US Manufacturing FDI in Malaysia
(USD billion)



Source: Independent Market Research Consultant.

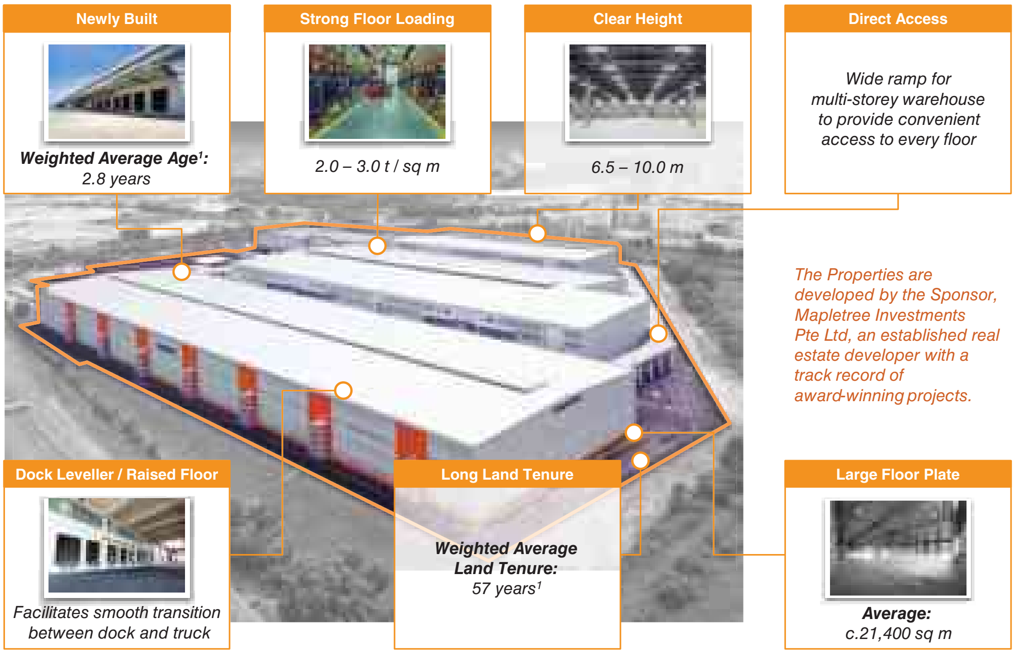
3.3 High Quality Portfolio with a Strong and Diversified Tenant Base

3.3.1 High-Quality Modern Facilities with Long Land Tenure

Apart from their strategic locations, the Properties are high-quality and modern logistics facilities with an average age of approximately 2.8 years[1]. The Properties are built to high specifications, including strong floor load, high ceilings, large floor plates and dock-levellers, to cater to the modern requirements of 3PLs and e-commerce tenants. In addition, the multi-storey property, Mapletree Shah Alam, has a wide ramp to provide convenient access to every floor. The Properties have a weighted average land tenure by NLA of 57 years[1].

1 Weighted by the NLA of individual properties as at 30 September 2019.

High-Quality Modern Specifications



Source: Company information.

Note:

(1) Weighted by the NLA of individual properties as at 30 September 2019.

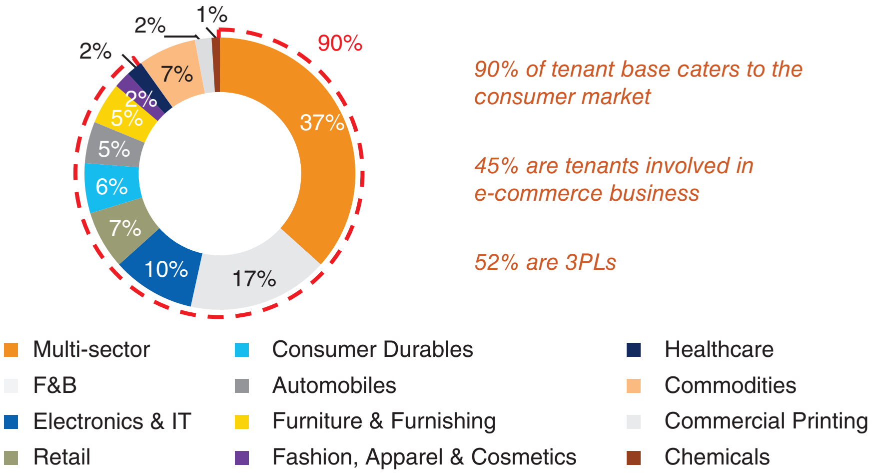
3.3.2 Strong and Diversified Tenant Base

Given the scarcity of modern Grade A logistics facilities, the Properties have attracted a strong and diversified tenant base comprising primarily tenants serving domestic consumption, which account for approximately 90% of the Properties' Gross Revenue[1]. These include strong consumer brands such as Watsons and Ashley Furniture; 3PLs serving household names (including a hypermarket chain in Malaysia and a major consumer electronics and furniture retailer); as well as Lazada eLogistics and Shopee, leading e-commerce players in Southeast Asia. In aggregate, e-commerce companies account for approximately 45% of the Properties' Gross Revenue.

As at the Latest Practicable Date, the Properties have 100.0% occupancy with a weighted average lease expiry by NLA of approximately 1.9 years.

1 As at the Latest Practicable Date.

Tenant Base by Sector[1]
(By % of Gross Revenue[2])



Source: Company information.

Notes:

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

(2) Gross revenue for the month of September 2019.

The top 10 tenants account for a combined 51.1% of the Properties' Gross Revenue, with no more than 6.7% attributable to a single tenant.

Top 10 Tenants for the Properties
(By % of Gross Revenue[2])

Name	Trade Sector[1]	Description	% of Gross Revenue[2]
Sinotrans (HK) Logistics Ltd	Multi-sector (3PL)	Serves several household names, including a hypermarket chain in Malaysia, a major consumer electronics and furniture retailer and a leading sports footwear and apparel manufacturer	6.7%
GD Express Carrier Bhd	Multi-sector (Courier, Express and Parcel)	Serves primarily an e-commerce shopping platform	6.4%
Confidential Tenant	F&B (3PL)	Serves an established beverage brand	6.3%
A.S Watson Group Holdings Limited	Retail (End-user)	Health and beauty retailer	5.9%
Lazada Express (Malaysia) Sdn Bhd	Multi-sector (E-commerce)	E-commerce company	5.2%
Shopee Mobile Malaysia Sdn Bhd[3]	Multi-sector (E-commerce)	E-commerce company	5.2%
Wanek Furniture Co., Ltd	Furniture & Furnishing (End-user)	Subsidiary of Ashley Furniture, a major American home furniture manufacturer	4.5%
Pan Asia Logistics Singapore Pte Ltd	Telecommunication (3PL)	Serves a major telecommunications provider in Malaysia	3.7%
Best Logistics Technology Co., Ltd.	Multi-sector (3PL)	3PL company	3.6%
Cainiao Network Technology Co., Ltd.[4]	Multi-sector (3PL)	E-commerce company	3.4%
Top 10 Total			**51.1%**

Source: Company information.

Notes:

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

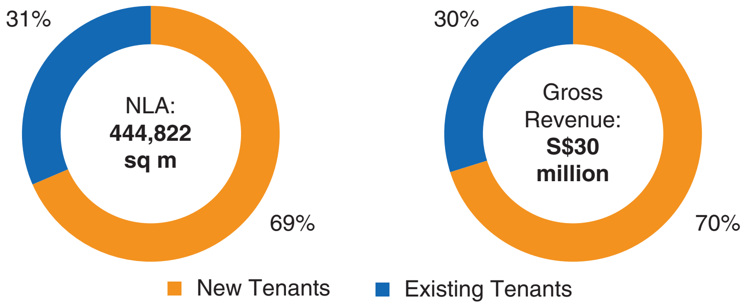
(2) Gross revenue for the month of September 2019.

(3) Comprises Shopee Mobile Malaysia Sdn Bhd, Scommerce Trading Malaysia Sdn Bhd, Shopee Express Malaysia Sdn Bhd.

(4) Comprises Hangzhou Cainiao Supply Chain Management Co., Ltd, Zhejiang Cainiao Supply Chain Management Co., Ltd.

The Acquisitions will further diversify MLT's tenant base and reduce concentration risks with the addition of new tenants to MLT's portfolio (69% and 70% of the tenants by NLA and Gross Revenue, respectively, are new to MLT), while at the same time, strengthen its relationships with existing tenants.

Existing vs. New Tenants
(By % of NLA and Gross Revenue[1])



Source: Company information.

Note:

(1) Based on the annualised gross revenue for the month of September 2019.

3.4 Attractive Value Proposition

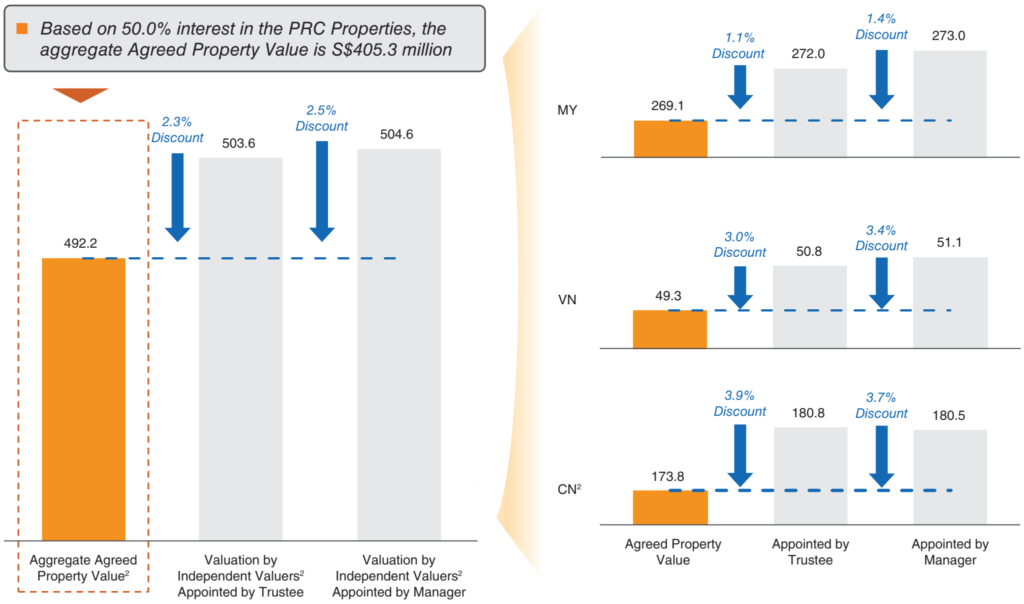
3.4.1 Discount to Independent Valuations

The Manager believes that the Properties provide an attractive value proposition in the current market, given the discount to independent valuations.

The aggregate Agreed Property Value of the Properties is S$492.2 million[1], representing a discount of approximately 2.3% to the aggregate valuation of S$503.6 million by the Independent Valuers appointed by Trustee and a discount of approximately 2.5% to the aggregate valuation of S$504.6 million by the Independent Valuers appointed by Manager.

1 Based on 50.0% interest in the PRC Properties, the aggregate Agreed Property Value is S$405.3 million. The implied net property income yield of the Properties is 6.1%.

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



Source: Independent Valuers.

Notes:

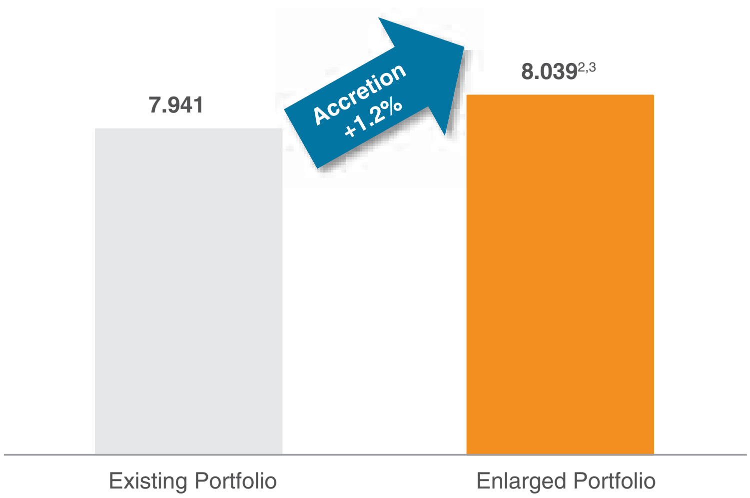
(1) As at 30 September 2019.

(2) Reflects 100.0% interest in the PRC Properties.

3.4.2 DPU and NAV Accretive Acquisitions

Unitholders can expect to benefit from the higher distribution per Unit ("**DPU**") and net asset value ("**NAV**") per Unit as a result of the Acquisitions. On a historical pro forma basis and based on the proposed method of financing, the DPU and NAV per Unit will increase by approximately 1.2% and 1.5% respectively. The charts below illustrate the accretion to MLT's historical pro forma DPU and NAV per Unit in relation to the Existing Portfolio and the Enlarged Portfolio.

Pro Forma DPU (FY18/19)[1]
(Singapore cents)



Source: Company information.

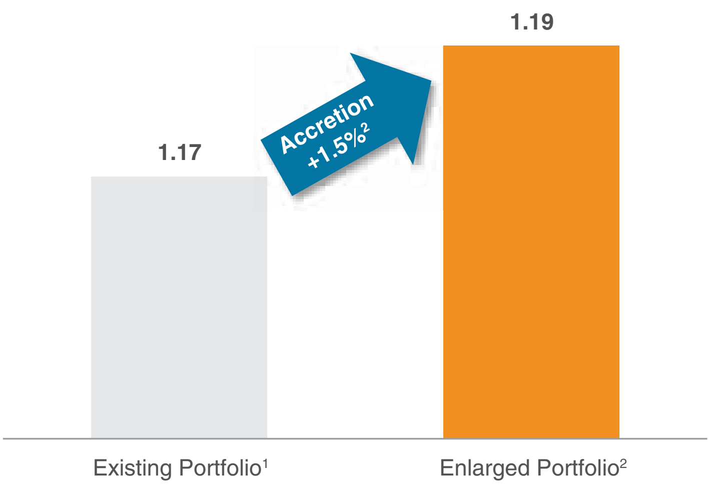
Notes:

(1) For the financial year ended 31 March 2019.

(2) Assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full. In relation to the PRC Acquisitions, this figure includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the PRC Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S$169.0 million from the Loan Facilities and PRC Bank Loans, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

(3) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit, (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at an issue price of S$1.617 per Acquisition Fee Unit and (c) approximately 1.3 million New Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the PRC Property Manager as payment for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2018, 30 September 2018 and 31 December 2018, 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.

Pro Forma NAV (FY18/19)
(S$)



Source: Company information.

Notes:

(1) As at 31 March 2019.

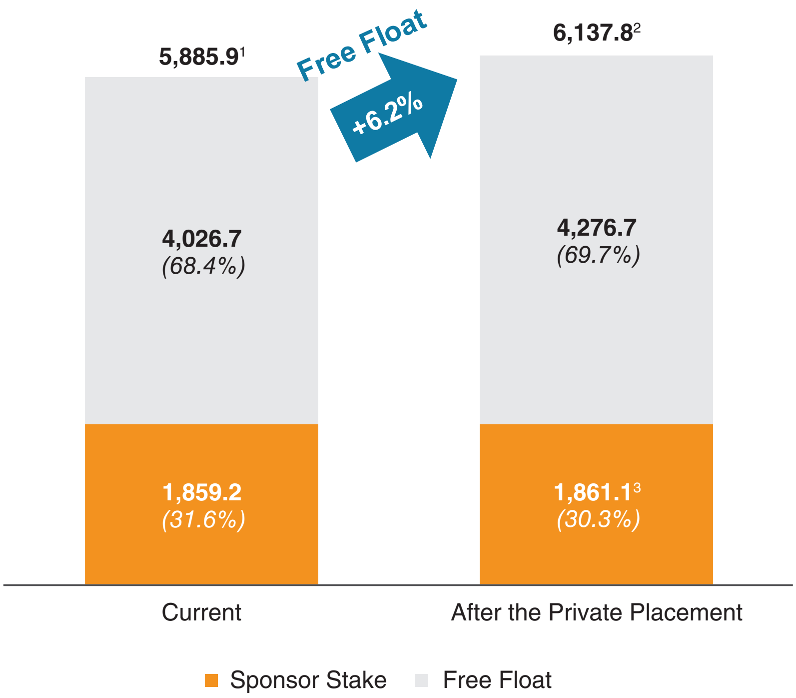
(2) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit and (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at the issue price of S$1.617 per Acquisition Fee Unit.

3.4.3 Increase in Free Float and Liquidity

As gross proceeds of approximately S$250.0 million were raised from the Private Placement to partially fund the Total Acquisition Outlay with approximately 154.6 million New Units issued in relation to the Private Placement at the issue price of S$1.617 per New Unit, MLT's free float would increase by 6.2% from S$4,026.7 million to S$4,276.7 million following completion of the Private Placement.

The New Units, when issued, are expected to increase MLT's free float on the SGX-ST and potentially improve trading liquidity. The larger free float and potential improvement in trading liquidity may lead to an improved market index representation and higher demand for MLT's Units.

Market Capitalisation and Free Float
(S$ million)



Source: Company information.

Notes:

(1) Based on 3,640,028,680 Units in issue as at the Latest Practicable Date and the issue price of S$1.617 per Unit.

(2) Based on 3,640,028,680 Units in issue as at the Latest Practicable Date and the issue of approximately 154.6 million New Units under the Private Placement, approximately 1,184,034 Acquisition Fee Units and the issue price of S$1.617 per Unit.

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

4. REQUIREMENT FOR UNITHOLDERS' APPROVAL

4.1 Discloseable 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 net asset value ("**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; and

(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 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction.

4.2 Relative Figures computed on Bases set out in Rule 1006

The relative figures for the Properties using the applicable bases of comparison described in Paragraphs 4.1(ii) and 4.1(iii) above are set out in the table below.

Comparison of	Properties	MLT	Relative figure
Net Property Income (S$ million)(1)	24.8(2)(3)	448.4(4)	5.5%
Consideration against market capitalisation (S$ million)	382.9(5)	6,078.8(6)	6.3%

Notes:

(1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.

(2) Assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018, and that all tenants were paying their rents in full throughout the period.

(3) In relation to the PRC Properties, this figure includes the Net Property Income (as defined herein) attributable to MLT for its 50.0% indirect interest.

(4) Based on MLT's annualised consolidated accounts for the half year ending 30 September 2019.

(5) This figure represents the Total Acquisition Price.

(6) This figure is based on the closing price of S$1.67 per Unit on the SGX-ST as at 18 October 2019, being the market day immediately prior to 21 October 2019, the date the Purchase Agreements were entered into.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Acquisitions are classified as discloseable transactions.

However, as the Acquisitions constitute "interested person transactions" under Chapter 9 of the Listing Manual and "interested party transactions" under the Property Funds Appendix, the Acquisitions will still be subject to the specific approval of Unitholders.

4.3 Interested Person Transactions and Interested Party Transactions

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 assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the audited financial statements of MLT for FY18/19 (the "**FY18/19 Financial Statements**"), the NTA of MLT was S$4,231.7 million[1] as at 31 March 2019. 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$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S$410.7 million, which in aggregate is 9.7% of the NTA of MLT as at 31 March 2019, such value exceeds the said threshold. Thus, Unitholders' approval is required to be sought pursuant to Rule 906(1)(a) of the Listing Manual.

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 FY18/19 Financial Statements, the NAV of MLT was S$4,231.7 million[1] as at 31 March 2019. 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$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S$410.7 million, which in aggregate is 9.7% of the NAV of MLT as at 31 March 2019, such value exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,149,798,268 Units, which is equivalent to approximately 31.59% 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.

In relation to the Malaysia Acquisition, as the Malaysia Vendor is a subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Malaysia Vendor (being a 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.

1 Represented by Unitholders' funds.

In relation to the Vietnam Acquisitions, as the Vietnam Vendor is a wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vietnam Vendor (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.

In relation to the PRC Acquisitions, as the MIPL Subsidiaries are wholly-owned subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the MIPL Subsidiaries (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 Acquisitions will constitute "interested person transactions" under Chapter 9 of the Listing Manual as well as "interested party transactions" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In relation to the PRC Acquisitions, each of the Shareholders' Deeds will be entered into with the MIPL Subsidiaries, which are wholly-owned subsidiaries of MIPL. Each of the Corporate Guarantees will be provided to guarantee the bank facilities entered into by the four HK SPVs, which will be jointly controlled by MLT and the MIPL Subsidiaries following PRC Completion. Similarly, the Trustee Shareholders' Loans will be extended to the four HK SPVs. Therefore, each of such agreements 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.

Additionally, in approving the Acquisitions, any subscription of additional shares in each HK SPV, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after PRC Completion will be deemed to be approved provided the subscription of additional shares, the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on the same terms[1], the provision of the loan and/or corporate guarantee is not prejudicial to the interest of MLT and its minority unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority unitholders.

In approving the Acquisitions, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisitions.

5. THE FINANCIAL EFFECTS OF THE ACQUISITIONS

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on the FY18/19 Financial Statements, taking into account the Total Acquisition Cost, the Loan Facilities, the gross proceeds from the Private Placement of approximately S$250.0 million to partially fund the Total Acquisition Outlay and assuming that:

1 There may be non-substantive differences in the terms of the corporate guarantees to be provided by the respective guarantors due to the fact that the Trustee is a trustee of a real estate investment trust and MIPL is a company.

(i) the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full;

(ii) the Manager's Acquisition Fee of S$1.9 million is paid in the form of approximately 1,184,034 Acquisition Fee Units at the issue price of S$1.617 per Acquisition Fee Unit; and

(iii) S$169.0 million is drawn down by MLT from the Loan Facilities and PRC Bank Loans with an average interest cost of approximately 4.6% per annum to partially fund the Total Acquisition Outlay.

5.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on MLT's DPU for the FY18/19 Financial Statements, as if the Acquisitions, issuance of New Units in connection with the Private Placement, issuance of Acquisition Fee Units and drawdown of Loan Facilities were completed on 1 April 2018, and as if MLT held the Properties through to 31 March 2019, are as follows:

	Before the Acquisitions	After the Acquisitions
Total return before tax (S$'000)	499,341	512,968(1)
Distributable income (S$'000) attributable to Unitholders	270,028	285,875(1)
Units in issue at the end of the year (million)	3,622.3(2)	3,779.5(3)
DPU (cents)	7.941(4)	8.039
DPU accretion (%)	–	1.2%

Notes:

(1) Assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying their rents in full. In relation to the PRC Acquisitions, this figure includes the contribution to total return before tax arising from MLT's 50.0% indirect interest in the PRC Properties. MLT's expenses comprising borrowing costs associated with the drawdown of S$169.0 million from the Loan Facilities and PRC Bank Loans, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties have been deducted.

(2) Number of Units in issue as at 31 March 2019.

(3) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit, (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at an issue price of S$1.617 per Acquisition Fee Unit and (c) approximately 1.3 million New Units issued in aggregate as payment to (i) the Manager for the base management fee and (ii) the PRC Property Manager as payment for the property management and lease management fees for such services rendered to the Properties for the financial quarters ended 30 June 2018, 30 September 2018 and 31 December 2018, 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.

(4) For the financial year ended 31 March 2019.

5.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 March 2019, as if the Acquisitions, issuance of New Units in connection with the Private Placement, issuance of Acquisition Fee Units and the drawdown of Loan Facilities were completed on 31 March 2019, are as follows:

	Before the Acquisitions	After the Acquisitions
NAV represented by Unitholders' funds (S$ million)	4,231.7	4,479.0
Issued Units (million)	3,622.3[(1)]	3,778.1[(2)]
NAV per Unit (S$)	1.17	1.19

Notes:

(1) Number of Units in issue as at 31 March 2019.

(2) Includes (a) approximately 154.6 million New Units issued in connection with the Private Placement at an issue price of S$1.617 per New Unit and (b) approximately 1,184,034 Acquisition Fee Units issued as payment of the Acquisition Fee payable to the Manager at the issue price of S$1.617 per Acquisition Fee Unit.

5.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma Aggregate Leverage of MLT as at 30 September 2019, as if the Acquisitions, issuance of New Units in connection with the Private Placement, issuance of Acquisition Fee Units and the drawdown of Loan Facilities were completed on 30 September 2019, is as follows:

	Before the Acquisitions	After the Acquisitions
Aggregate Leverage (Pro forma as at 30 September 2019)	37.0%[(1)]	37.1%[(2)]

Notes:

(1) Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.

(2) Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and Deposited Property (as defined herein) of each of the HK SPVs.

6. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER IN RELATION TO THE ACQUISITIONS

The Manager has appointed the IFA, pursuant to Rule 921(4)(a) of the Listing Manual, as well as 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 in relation to the Acquisitions. A copy of the letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee (the "**IFA Letter**"), containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders.

Accordingly, the IFA has advised the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Acquisitions.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, certain directors of the Manager (the "**Directors**") collectively hold an aggregate direct and indirect interest in 9,565,553 Units. Further details of the interests in Units of the Directors and Substantial Unitholders[1] are set out below.

Mr Lee Chong Kwee is the Non-Executive Chairman and Director. Mrs Penny Goh is the Lead Independent Non-Executive Director and Chairperson of the nominating and remuneration committee of the Manager (the "**Nominating and Remuneration Committee**"). Mr Lim Joo Boon is the Independent Non-Executive Director and Chairman of the Audit and Risk Committee. Mr Loh Shai Weng is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Mr Tan Wah Yeow is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Mr Tarun Kataria is the Independent Non-Executive Director and Member of the Nominating and Remuneration Committee. Mr Wee Siew Kim is the Independent Non-Executive Director and Member of the Audit and Risk Committee. Mr Hiew Yoon Khong is the Non-Executive Director and Member of the Nominating and Remuneration Committee. Mr Chua Tiow Chye is the Non-Executive Director. Mr Wong Mun Hoong is the Non-Executive Director. Ms 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:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Lee Chong Kwee	62,412	0.002	–	–	62,412	0.002
Penny Goh	–	–	203,137	0.005	203,137	0.005
Lim Joo Boon	100,000	0.003	–	–	100,000	0.003
Loh Shai Weng	–	–	–	–	–	–
Tan Wah Yeow	–	–	–	–	–	–
Tarun Kataria	–	–	330,000	0.009	330,000	0.009
Wee Siew Kim	–	–	–	–	–	–
Hiew Yoon Khong	1,573,001	0.043	4,572,903	0.126	6,145,904	0.169
Chua Tiow Chye	813,296	0.022	1,773,304	0.049	2,586,600	0.071
Wong Mun Hoong	–	–	–	–	–	–
Ng Kiat	–	–	137,500	0.004	137,500	0.004

Note:

(1) The percentage is based on 3,640,028,680 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**	**%(1)**
	No. of Units	**%(1)**	**No. of Units**	**%(1)**		
Temasek Holdings (Private) Limited ("**Temasek**")(2)	–	–	1,204,068,381	33.08	1,204,068,381	33.08
Fullerton Management Pte Ltd(3)	–	–	1,149,798,268	31.59	1,149,798,268	31.59
Mapletree Investments Pte Ltd(4)	–	–	1,149,798,268	31.59	1,149,798,268	31.59
Mulberry Pte. Ltd. ("**Mulberry**")	400,605,230	11.01	–	–	400,605,230	11.01
Meranti Investments Pte. Ltd. ("**Meranti**")	363,004,703	9.97	–	–	363,004,703	9.97
Mapletree Logistics Properties Pte. Ltd. ("**MLP**")	176,579,586	4.85	–	–	176,579,586	4.85
Mangrove Pte. Ltd. ("**Mangrove**")	176,577,431	4.85	–	–	176,577,431	4.85

Notes:

(1) The percentage is based on 3,640,028,680 Units in issue as at the Latest Practicable Date.

(2) Temasek is deemed to be interested in the 176,579,586 Units held by MLP, 176,577,431 Units held by Mangrove, 363,004,703 Units held by Meranti, 400,605,230 Units held by Mulberry, 29,959,665 Units held by the Manager and 3,071,653 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 a further 54,270,113 Units in which its other subsidiaries and associated companies have direct or deemed interests. Each of MIPL and such other subsidiaries and associated companies are independently-managed Temasek portfolio companies. Neither Temasek nor Fullerton Management Pte Ltd are involved in their business or operating decisions, including those involving their positions in Units.

(3) Fullerton Management Pte Ltd is deemed to be interested in the 176,579,586 Units held by MLP, 176,577,431 Units held by Mangrove, 363,004,703 Units held by Meranti, 400,605,230 Units held by Mulberry, 29,959,665 Units held by the Manager and 3,071,653 Units held by MPM.

(4) MIPL is an indirect holding company of the MIPL Subsidiaries.

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 Acquisitions.

8. DIRECTORS' SERVICE CONTRACTS

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

9. RECOMMENDATION

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

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the resolution to approve the Acquisitions.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 20 November 2019 at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing with or without modification, the Resolution set out in the Notice of EGM, which is set out on page E-1 of this Circular. The purpose of the Circular is to provide Unitholders with relevant information about the Resolution. Approval by way of an Ordinary Resolution is required in respect of the Resolution relating to the Acquisitions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote 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.

11. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, MIPL, through MLP, Mangrove, Mulberry, Meranti, Mapletree Capital Management Pte. Ltd., Mapletree Property Services Pte. Ltd., the Manager and MPM has a deemed interest in 1,149,798,268 Units, which comprises approximately 31.59% of the total number of Units in issue.

As at the Latest Practicable Date, Temasek, through its interests in Fullerton Management Pte Ltd, MIPL and other subsidiaries and associated companies of Temasek, has a deemed interest in 1,204,068,381 Units, which comprises approximately 33.08% of the total number of Units in issue.

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given.

Given that (a) the Malaysia Property will be acquired from the Malaysia Vendor, a subsidiary of MIPL, (b) the interest in the Cayman SPVs will be acquired from the Vietnam Vendor**,** a wholly-owned subsidiary of MIPL and (c) the shareholding interests in the HK SPVs will be acquired from the MIPL Subsidiaries, MIPL and its associates will abstain from voting on the Resolution. Further, MIPL will not and will procure that its associates will not, accept appointments as proxies unless specific instructions as to voting are given.

As Temasek has an aggregate deemed interest in 1,204,068,381 Units, which includes its deemed interest through MIPL, comprising approximately 33.08% of the total number of Units in issue, Temasek and its associates will abstain from voting on the Resolution. Further, Temasek will not and will procure that its associates will not, accept appointments as proxies unless specific instructions as to voting are given.

For the purposes of good corporate governance, as Mr Lee Chong Kwee, the Non-Executive Chairman and Director of the Manager, Mr Hiew Yoon Khong, a Non-Executive Director and Member of the Nominating and Remuneration Committee, Mr Chua Tiow Chye, a Non-Executive Director, Mr Wong Mun Hoong, a Non-Executive Director, and Ms Ng Kiat, an Executive Director and Chief Executive Officer of the Manager, are non-independent Directors, he/she will each abstain from voting on the Resolution in respect of Units (if any) held by them and will not accept appointments as proxies unless specific instructions as to voting are given.

12. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM 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 2.30 p.m. on 17 November 2019, 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 the 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 the Resolution. If a 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 Resolution.

13. 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 Acquisitions, 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. 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.

14. 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 Private Placement contained in the "Summary" section and **Paragraph 2.11** of this Circular constitutes full and true disclosure of all material facts about the Private Placement, and the Joint Global Co-ordinators and Bookrunners are not aware of any facts the omission of which would make any statement about the Private Placement contained in the said paragraphs misleading.

15. CONSENTS

Each of the IFA, the Independent Market Research Consultants, and the Independent Valuers has given and has not withdrawn their written consent to the issue of this Circular with the inclusion of their name and, respectively, where applicable, the IFA Letter, the independent market research report issued by the Independent Market Research Consultants in **Appendix C** of this Circular (the "**Independent Market Research Report**"), the full valuation reports of the Properties prepared by each of the Independent Valuers, and all references thereto, in the form and context in which they are included in this Circular.

16. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager (by prior appointment) 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 Malaysia Asset Purchase Agreement;

(ii) the Vietnam Share Purchase Agreements;

(iii) the PRC Share Purchase Agreements;

(iv) the full valuation reports of the Malaysia Property dated 8 October 2019 by Knight Frank Malaysia Sdn Bhd;

(v) the full valuation reports of the Malaysia Property dated 8 October 2019 by First Pacific Valuers Property Consultants Sdn Bhd;

(vi) the full valuation reports of the Vietnam Properties dated 30 September 2019 by Jones Lang LaSalle Vietnam Company Limited;

(vii) the full valuation reports of the Vietnam Properties dated 8 October 2019 by CBRE (Vietnam) Co., Ltd;

(viii) the full valuation reports of the PRC Properties dated 8 October 2019 by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd;

(ix) the full valuation reports of the PRC Properties dated 8 October 2019 by Knight Frank Petty Limited;

(x) the Independent Market Research Reports by the Independent Market Research Consultants;

(xi) the IFA Letter; and

(xii) the written consents of each of the IFA, the Independent Market Research Consultants 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 securities of MLT 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 securities 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
3PLs	:	Third-party logistics firms
ABS MTN	:	The medium term notes comprising the Senior ABS MTNs and the Junior ABS MTNs
ABS Notes Issue Request	:	The written request issued by the Malaysia SPV to the facility agent of the MTN Programme for the issuance of the Bridge MTN or the ABS MTNs (as the case may be)
Acquisitions	:	The Malaysia Acquisition, the Vietnam Acquisitions and the PRC Acquisitions, collectively
Acquisition Fee	:	The acquisition fee for the Acquisitions which the Manager will be entitled to receive from MLT upon completion of the Acquisitions which is payable fully in Units
Acquisition Fee Units	:	Units to be issued to the Manager as payment of the Acquisition Fee
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 Malaysia Property Value	:	The agreed property value of the Malaysia Property
Agreed PRC Property Value	:	The agreed property value of each PRC Property
Agreed Property Value	:	The agreed property value of each Property
Agreed Vietnam Property Value	:	The agreed property value of each Vietnam Property
Audit and Risk Committee	:	The audit and risk committee of the Manager
Board	:	The board of directors of the Manager
Bridge MTN	:	Bridge medium-term notes with an early redemption option to, *inter alia*, bridge finance the purchase of the Malaysia Property

Cayman SPVs	:	The two Cayman Islands special purpose vehicles in which MLT will acquire a 100.0% interest pursuant to the Vietnam Acquisitions
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 1 November 2019
CNH HIBOR	:	Offshore Chinese Renminbi Hong Kong Interbank Offered Rate
Co-owned HK SPVs	:	The two HK SPVs which are owned by the MIPL Subsidiaries and the Itochu Subsidiaries in the proportion of 80.0% and 20.0% respectively
Corporate Guarantees	:	The corporate guarantees that the Trustee (as guarantor) is required to provide, or procure the provision of, in respect of bank facilities entered into between the HK SPVs and banks
CPF	:	Central Provident Fund
Deadlock Notice	:	In the event of a deadlock, a notice served by the Initiator on the Non-Initiating Shareholder
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
DFTZ	:	The Digital Free Trade Zone, a partnership between the Malaysia government and Alibaba with multiple key strategic partners
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
e-commerce	:	Electronic commerce
EGM	:	The extraordinary general meeting of Unitholders to be held on 20 November 2019 at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, to approve the matters set out in the Notice of Extraordinary General Meeting on page E-1 of this Circular
Enlarged Portfolio	:	Comprises the Existing Portfolio and the Properties
Existing Portfolio	:	The 137 properties held by MLT as at 30 September 2019, unless otherwise stated

Extended Completion Period	:	The automatic extension of one month from the completion period granted by the Malaysia Vendor to the Malaysia SPV when the Malaysia SPV requires an extension of time to pay the Malaysia Acquisition Price
FDI	:	Foreign direct investment
FY18/19	:	Financial year from 1 April 2018 to 31 March 2019
FY18/19 Financial Statements	:	The audited financial statements for MLT for FY18/19
GDP	:	Gross domestic product
GFA	:	Gross floor area
Grade A	:	Grading for warehouses identified by their high specifications, such as a clear ceiling height of 8 metres and floor loading of 20 kN psm to 40 kN psm, according to the Independent Market Research Consultants
Gross Revenue	:	Gross revenue of the property(ies) based on the gross revenue of tenants with existing or committed leases as at the relevant date
HK SPVs	:	The four Hong Kong SAR special purpose vehicles in which MLT will acquire a 50.0% interest pursuant to the PRC Acquisitions
HK SPV Group	:	Each HK SPV and/or any of its subsidiaries
Hong Kong SAR or **Hong Kong**	:	The Hong Kong Special Administrative Region of the People's Republic of China
IFA	:	Ernst & Young 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 D** of this Circular
Independent Directors	:	The independent directors of the Manager, being Mrs Penny Goh, Mr Lim Joo Boon, Mr Loh Shai Weng, Mr Tan Wah Yeow, Mr Tarun Kataria and Mr Wee Siew Kim
Independent Market Research Consultants	:	Knight Frank Malaysia Sdn Bhd, Colliers International Vietnam and Knight Frank Petty Limited
Independent Market Research Report	:	The independent market research report issued by the Independent Market Research Consultants as set out in **Appendix C** of this Circular

Independent Valuers	:	Knight Frank Malaysia Sdn Bhd, First Pacific Valuers Property Consultants Sdn Bhd, Jones Lang LaSalle Vietnam Company Limited, CBRE (Vietnam) Co., Ltd, Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd and Knight Frank Petty Limited
Initiator	:	In the event of a deadlock, any PRC Shareholder that serves a notice on the Non-Initiating Shareholder
Itochu	:	Itochu Corporation
Itochu Subsidiaries	:	Wholly-owned subsidiaries of Itochu with which the Trustee has entered into certain PRC Share Purchase Agreements
Joint Global Co-ordinators and Bookrunners	:	The joint global co-ordinators and bookrunners in relation to the Private Placement, being Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Junior ABS MTN	:	Junior ranking ABS MTNs
km	:	Kilometre
kN psm	:	KiloNewtons per square metre
Latest Practicable Date	:	23 October 2019, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The listing manual of the SGX-ST
Loan Facilities	:	Debt facilities (including the Senior ABS MTNs) to be drawn down to finance the Total Acquisition Outlay
m	:	Metre
Malaysia ABS Structure	:	The structure of the proposed asset-backed securitisation exercise to be used for the acquisition of the Malaysia Properties, which involves the acquisition of the Malaysia Properties by the Malaysia SPV and the issuance of the MTNs by the Malaysia SPV to finance the acquisition of the Malaysia Properties
Malaysia Acquisition	:	The acquisition of a 100.0% interest in the Malaysia Property
Malaysia Acquisition Price	:	The aggregate purchase consideration payable by the Malaysia SPV in connection with the Malaysia Acquisition. As at the date of this Circular, the Malaysia Acquisition Price is estimated to be MYR826.0 million (S$269.1 million)

Malaysia Asset Management Agreement	:	The asset management agreement to be entered into between, among others, the Malaysia SPV and MMMSB, a wholly-owned subsidiary of MIPL, under which MMMSB will be appointed as the asset manager for the Malaysia Properties
Malaysia Asset Purchase Agreement	:	The conditional sale and purchase agreement entered into between the Malaysia SPV and the Malaysia Vendor dated 21 October 2019
Malaysia Properties	:	The Malaysia Property, and the various commercial/ industrial warehouses and logistics properties located in Malaysia, that may be acquired from time to time, by the Malaysia SPV from vendors to be identified, and funded with the issuance of one or more classes of MTNs pursuant to the MTN Programme
Malaysia Property	:	The property located in Malaysia, details of which are set out in **Appendix A** of this Circular
Malaysia Servicer Agreement	:	An agreement to be entered into between, among others, the Malaysia SPV and the Servicer setting out the duties and functions of the Servicer
Malaysia SPV	:	Semangkuk 2 Berhad, a bankruptcy-remote special purpose vehicle incorporated in Malaysia under the Malaysia ABS Structure
Malaysia Vendor	:	Winning Paramount Sdn. Bhd.
Manager	:	Mapletree Logistics Trust Management Ltd., in its capacity as manager of MLT
Mangrove	:	Mangrove Pte. Ltd.
Market Price	:	Has the meaning ascribed to it in the Trust Deed
Mapletree Bac Ninh 2	:	Mapletree Logistics Park Bac Ninh Phase 2
Mapletree Binh Duong 1	:	Mapletree Logistics Park Phase 1
Mapletree Changsha 2	:	Mapletree Changsha Industrial Park (Phase 2)
Mapletree Chengdu	:	Chengdu DC Logistics Park
Mapletree Jinan	:	Mapletree Jinan International Logistics Park
Mapletree Shah Alam	:	Mapletree Logistics Hub – Shah Alam
Mapletree Shenyang	:	Mapletree Shenyang Logistics Park

Master 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
Meranti	:	Meranti Investments Pte. Ltd.
MIPL	:	Mapletree Investments Pte Ltd
MIPL Subsidiaries	:	Wholly-owned subsidiaries of MIPL with which the Trustee has entered into the PRC Share Purchase Agreements
MLP	:	Mapletree Logistics Properties Pte. Ltd.
MLT	:	Mapletree Logistics Trust
MLT Group Entities	:	MLT and/or its subsidiaries
MMMSB	:	Mapletree Malaysia Management Sdn. Bhd. a wholly-owned subsidiary of MIPL
MPM	:	Mapletree Property Management Pte. Ltd.
MTN	:	Medium term note
MTN Programme	:	The 60-year, asset-backed medium-term note programme of up to MYR5.0 billion (approximately S$1.6 billion) under which the Bridge MTN and the ABS MTN will be issued by the Malaysia SPV
Mulberry	:	Mulberry Pte. Ltd.
NAV	:	Net asset value
Net Property Income	:	Has the meaning ascribed to it in the Trust Deed
New Units	:	New Units issued for the purpose of the Private Placement
NLA	:	Net lettable area
Nominating and Remuneration Committee	:	The nominating and remuneration committee of the Manager
Non-Initiating Shareholder	:	In the event of a deadlock, the other PRC Shareholder that the Initiator serves a notice on
NTA	:	Net tangible assets
Officer	:	In the case of the Trustee, the Chief Executive Officer of the Manager, and in the case of the relevant MIPL Subsidiary, the Deputy Group Chief Executive Officer of MIPL

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
Overseas Properties Property Management Agreement	:	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
PRC or **China**	:	The People's Republic of China
PRC Acquisitions	:	The acquisition of a 50.0% interest in each of the four Hong Kong SAR special purpose vehicles
PRC Acquisition Price	:	The acquisition price payable by the Trustee in respect of the PRC Acquisitions
PRC Adjusted Net Asset Value	:	The adjusted consolidated net asset value of each HK SPV
PRC Aggregate Share Consideration	:	The aggregate purchase consideration payable by the Trustee in connection with the PRC Acquisitions. As at the date of this Circular, the PRC Aggregate Share Consideration is estimated to be RMB26.1 million (S$5.0 million) (comprising the purchase consideration of RMB5.0 million (S$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S$4.1 million) payable to the MIPL Subsidiaries), subject to post-PRC Completion adjustments to the PRC Total Adjusted Net Asset Values
PRC Asset Managers	:	Mapletree Real Estate Advisors Pte. Ltd., a wholly-owned subsidiary of MIPL, and the Manager
PRC Bank Loans	:	The 50.0% pro rata share of the bank loans owed by the HK SPVs to certain financial institutions which will not be discharged by the HK SPVs and will remain after PRC Completion
PRC Completion	:	The completion of the PRC Acquisitions
PRC Properties	:	The four properties located in the PRC, details of which are set out in **Appendix A** of this Circular
PRC Property Manager	:	Shanghai Mapletree Management Co., Ltd.
PRC Share Purchase Agreements	:	The four conditional share purchase agreements entered into between the Trustee and the PRC Vendors dated 21 October 2019

PRC Shareholders	:	The Trustee and the relevant MIPL Subsidiary, each of which will hold a 50.0% interest in the relevant HK SPV upon PRC Completion
PRC Total Adjusted Net Asset Values	:	The PRC Adjusted Net Asset Value of the four HK SPVs
PRC Vendors	:	The MIPL Subsidiaries and the Itochu Subsidiaries, collectively
PRC WFOEs	:	The four PRC wholly foreign-owned enterprises, details of which are set out in **Appendix A** of this Circular
Private Placement	:	The private placement of 154,608,000 new Units at an issue price of S$1.617 per new Unit, details of which were announced on 22 and 23 October 2019
Properties	:	The Malaysia Property, the Vietnam Properties and the PRC Properties, collectively
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
Property Manager	:	Mapletree Property Management Pte. Ltd.
Proxy Form	:	The instrument appointing a proxy or proxies as set out in this Circular
Purchase Agreements	:	The Malaysia Asset Purchase Agreement, the Vietnam Share Purchase Agreements and the PRC Share Purchase Agreements, collectively
REIT	:	Real estate investment trust
Repaid Shareholders' Loans	:	The existing shareholders' loans of RMB203.6 million (S$39.2 million) and RMB84.7 million (S$16.3 million) owed by the HK SPVs to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively, to be repaid and discharged on PRC Completion, subject to adjustments based on the actual date of PRC Completion to take into account interest accruing up to such date
Resolution	:	The Ordinary Resolution in respect of the proposed Acquisitions
RMB	:	The lawful currency of the PRC
S$ and **cents**	:	Singapore dollars and cents
Securities Act	:	U.S. Securities Act of 1933, as amended

Senior ABS MTNs	:	Senior ranking ABS MTNs issued to sophisticated investors
Servicer	:	Mapletree Property Management Pte. Ltd., a wholly-owned subsidiary of MIPL appointed by the Malaysia SPV as the servicer to administer the assets of the Malaysia SPV or to perform such other services on behalf of the Malaysia SPV in accordance with the terms and conditions set out in the Malaysia Servicer Agreement
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shareholders' Deeds	:	The four separate shareholders' deeds the Trustee has undertaken to enter into in relation to each HK SPV at PRC Completion
State Authority	:	State Authority of Selangor
Sponsor	:	Mapletree Investments Pte Ltd
Sponsor-owned HK SPVs	:	The two HK SPVs which are wholly-owned by the MIPL Subsidiaries
sq m	:	Square metre
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Temasek	:	Temasek Holdings (Private) Limited
TEUs	:	Twenty-foot equivalent units
Total Acquisition Cost	:	The total cost of the Acquisitions as set out in Paragraph 2.9 of this Circular
Total Acquisition Outlay	:	Total Acquisition Cost less the PRC Bank Loans which will not be discharged by the HK SPVs and will remain after PRC Completion
Total Acquisition Price	:	The total acquisition price payable by the Trustee in respect of the Acquisitions being the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S$382.9 million
Trust Deed	:	The trust deed dated 5 July 2004 constituting MLT, as supplemented, amended and restated from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT

Trustee Shareholders' Loans	:	The loans of RMB288.3 million (S$55.5 million) to be extended by the Trustee to the HK SPVs at PRC Completion, subject to adjustments based on the actual date of PRC Completion to take into account interest accruing up to such date
Unit	:	A unit representing an undivided interest in MLT
United States	:	United States of America
Unitholder	:	The Depositor whose securities account with CDP is credited with Unit(s)
Vendors	:	The Malaysia Vendor, the Vietnam Vendor and the PRC Vendors, collectively
Vietnam Acquisitions	:	The acquisition of a 100.0% interest in each of the two Cayman SPVs
Vietnam Acquisition Price	:	The acquisition price payable by the Trustee in respect of the Vietnam Acquisitions
Vietnam Adjusted Net Asset Value	:	The adjusted consolidated net asset value of each of the Cayman SPVs as at the date of Vietnam Completion
Vietnam Aggregate Share Consideration	:	The aggregate purchase consideration payable by the Vietnam Purchaser in connection with the Vietnam Acquisitions. As at the date of this Circular, the Vietnam Aggregate Share Consideration is estimated to be USD2.2 million (S$3.0 million) subject to post-Vietnam Completion adjustments to the Vietnam Total Adjusted Net Asset Values
Vietnam Completion	:	The completion of the Vietnam Acquisitions
Vietnam Properties	:	The two properties located in Vietnam, details of which are set out in **Appendix A** of this Circular
Vietnam Shareholders' Loans	:	The sum of USD36.7 million (S$50.3 million) owed by the Cayman SPVs to the Vietnam Vendor
Vietnam Purchaser	:	MapletreeLog VSIP 1 Warehouse Pte. Ltd., a wholly-owned subsidiary of MLT
Vietnam Share Purchase Agreements	:	The two conditional share purchase agreements entered into between the Vietnam Purchaser and the Vietnam Vendor dated 21 October 2019
Vietnam SPVs	:	The two Vietnam special purpose vehicles, details of which are set out in **Appendix A** of this Circular

Vietnam Total Adjusted Net Asset Values	:	The total adjusted consolidated net asset values of the Cayman SPVs as at the date of Vietnam Completion
Vietnam Vendor	:	Mapletree Citrine Ltd.

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. Figures shown as totals in tables may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to one decimal place.

INFORMATION ABOUT THE PROPERTIES AND THE ENLARGED PORTFOLIO

1. THE PROPERTIES

1.1. Description of the Properties

The Manager has identified the following Properties as being suitable for acquisition by MLT, namely:

Malaysia

(i) Mapletree Shah Alam;

Vietnam

(ii) Mapletree Bac Ninh 2;

(iii) Mapletree Binh Duong 1;

PRC

(iv) Mapletree Chengdu;

(v) Mapletree Shenyang;

(vi) Mapletree Jinan; and

(vii) Mapletree Changsha 2.

The Malaysia Property listed in (i) above is wholly-owned by the Malaysia Vendor. The Malaysia SPV intends to acquire the Malaysia Property from the Malaysia Vendor as an asset acquisition. Following the Malaysia Acquisition, the Malaysia SPV will wholly-own the Malaysia Property. MLT (and/or its subsidiaries) will subscribe for either (a) the Bridge MTN to be issued by the Malaysia SPV which will be subsequently refinanced with the issue of the ABS MTN with the Junior ABS MTN being issued to MLT (and/or its subsidiaries), or (b) the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), together with the Senior ABS MTN which will be issued to sophisticated investors by the Malaysia SPV.

The two Vietnam Properties listed in (ii) and (iii) above are each held by a Vietnam SPV, which are each in turn wholly-owned by a Cayman SPV. The Cayman SPVs are in turn 100.0% owned by the Vietnam Vendor. MLT intends to acquire all of the shares in the Cayman SPVs from the Vietnam Vendor.

Following the Vietnam Acquisitions, MLT will hold a 100.0% interest in each of the two Cayman SPVs.

The two PRC Properties listed in (iv) and (v) above are held by two PRC WFOEs, which are in turn wholly-owned by two Sponsor-owned HK SPVs. The Sponsor-Owned HK SPVs are in turn 100.0% owned by the MIPL Subsidiaries. MLT intends to acquire a 50.0% interest in each of the Sponsor-owned HK SPVs from the MIPL Subsidiaries.

The two PRC Properties listed in (vi) and (vii) above are held by two PRC WFOEs, which are in turn wholly-owned by two Co-owned HK SPVs. The MIPL Subsidiaries hold 80.0% and the Itochu Subsidiaries hold 20.0% of the entire ordinary issued share capital of these Co-owned HK SPVs. MLT intends to acquire a 50.0% interest in each of the Co-owned HK SPVs through the acquisition of a 30.0% interest from the MIPL Subsidiaries and the entire 20.0% interest from the Itochu Subsidiaries.

Following the PRC Acquisitions, MLT will hold a 50.0% interest in each of the four HK SPVs, with the other 50.0% interests to be held by the MIPL Subsidiaries.

1.2. Ownership of the Malaysia Property

	Property Name	Vendor holding 100.0% of the Malaysia Property
1.	Mapletree Shah Alam	Winning Paramount Sdn. Bhd.

1.3. Ownership of the Vietnam Properties

	Property Name	Vietnam SPV holding 100.0% of the Vietnam Property	Cayman SPV holding 100.0% of the Vietnam SPV	Vendor holding 100.0% of the Cayman SPVs
1.	Mapletree Bac Ninh 2	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co., Ltd.	Mapletree VSIP Bac Ninh Phase 2 (Cayman) Co. Ltd.	Mapletree Citrine Ltd.
2.	Mapletree Binh Duong 1	Mapletree Logistics Park Phase 1 (Vietnam) Co., Ltd.	Mapletree VSIP 2 Phase 1 (Cayman) Co. Ltd.	Mapletree Citrine Ltd.

1.4. Ownership of the PRC Properties

	Property Name	PRC WFOE holding 100.0% of the PRC Property	HK SPV holding 100.0% of the PRC WFOE	Vendors and their interests in the HK SPV before the Acquisitions
1.	Mapletree Chengdu	Digital China (Chengdu) Science Park Co., Ltd.(1)	Chengdu DC Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
2.	Mapletree Shenyang	Fengda Warehouse (Shenyang) Co., Ltd.(1)	Shenyang SYEDA Development (HKSAR) Limited	Mapletree Overseas Holdings Ltd. – 100.0%
3.	Mapletree Jinan	Fengcheng Logistics Development (Jinan) Co., Ltd.	SD Licheng (HKSAR) Limited	Mapletree Licheng Ltd. – 80.0% ITC Jinan Investment LIMITED – 20.0%
4.	Mapletree Changsha 2	Fengyi Warehouse (Changsha) Co., Ltd.	Changsha Development II (HKSAR) Limited	Mapletree Changsha II Ltd. – 80.0% ITC Chousa II Investment LIMITED – 20.0%

Note:

(1) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.

1.5. Description by Asset

The tables in this section set out a summary of selected information on each of the Properties as at 23 October 2019 (unless otherwise indicated).

Malaysia Property

1. Mapletree Shah Alam	
Address	Lot No. 10003, Jalan Jubli Perak 22/1A, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia
Description	Three blocks of double-storey ramp-up warehouse with mezzanine floor offices and other ancillary buildings.
Land Tenure	Leasehold estate of 99 years expiring on 9 July 2094 (approximately 75 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 172,700 sq m GFA: 237,810 sq m NLA: 207,662 sq m
Building Specifications	Clear ceiling height: 10 m Floor loading: 25 – 30kN psm Column grid: 1st floor – 12m by 22.8m, 2nd floor – 12m by 11.4m
Completion	Block 3: 10 November 2017 Block 1 & 2: 21 March 2018
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Lazada Express (Malaysia) Sdn Bhd, Shopee Mobile Malaysia Sdn Bhd, Watson's Personal Care Store Sdn Bhd
Number of Tenants	19
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	MYR838.0 (S$273.0)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	MYR835.0 (S$272.0)

Vietnam Properties

1. Mapletree Bac Ninh 2	
Address	No 9, Street 6, Vietnam-Singapore Industrial Park Bac Ninh, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam
Description	Multi-tenanted single-storey warehouse.
Land Tenure	Duration of Land Use until 30 November 2057 (approximately 38 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 99,707 sq m GFA: 50,147 sq m NLA: 49,930 sq m
Building Specifications	Clear ceiling height: 6.5 m Floor loading: 20 kN psm Column grid: 11.4 m by 24 m
Completion	10 November 2016
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Pantos Logistics Vietnam Co., Ltd, YCH Protrade Co., Ltd, Kubota Vietnam Co., Ltd
Number of Tenants	6
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	USD16.5 (S$22.7)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	USD16.6 (S$22.7)

2. Mapletree Binh Duong 1	
Address	Pham Van Dong Street, Vietnam-Singapore Industrial Park II (VSIP II), Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam
Description	Multi-tenanted single-storey warehouse and an office building.
Land Tenure	Duration of Land Use until 25 September 2055 (approximately 36 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 117,963 sq m GFA: 73,809 sq m NLA: 66,311 sq m
Building Specifications	Clear ceiling height: 8 m Floor loading: 30 kN psm Column grid: 17.75 m by 10 m
Completion	31 December 2010
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Sunwah Commodities (Vietnam) Co., Ltd, Wanek Furniture Co., Ltd, LF Logistics (Vietnam) Co., Ltd
Number of Tenants	10 (including office tenants)
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	USD20.7 (S$28.4)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	USD20.5 (S$28.1)

PRC Properties

1. Mapletree Chengdu	
Address	South of No. 2 Hangshu Road, Shuangliu District, Chengdu, Sichuan Province
Description	One block single-storey warehouse with four units, with an ancillary office of each warehouse unit.
Land Tenure	Term of Land Use until 27 October 2065 (approximately 46 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 32,332 sq m GFA: 20,769 sq m NLA: 20,138 sq m
Building Specifications	Clear ceiling height: 9 m Floor loading: 30 kN psm Column grid: 11.4 m by 21.7 m
Completion	19 September 2018
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Sichuan ChuanLeng Supply Chain Management Co., Ltd, Shanghai Lantu Information Technology Co., Ltd
Number of Tenants	2
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	RMB102.0 (S$19.7)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	RMB104.6 (S$20.2)

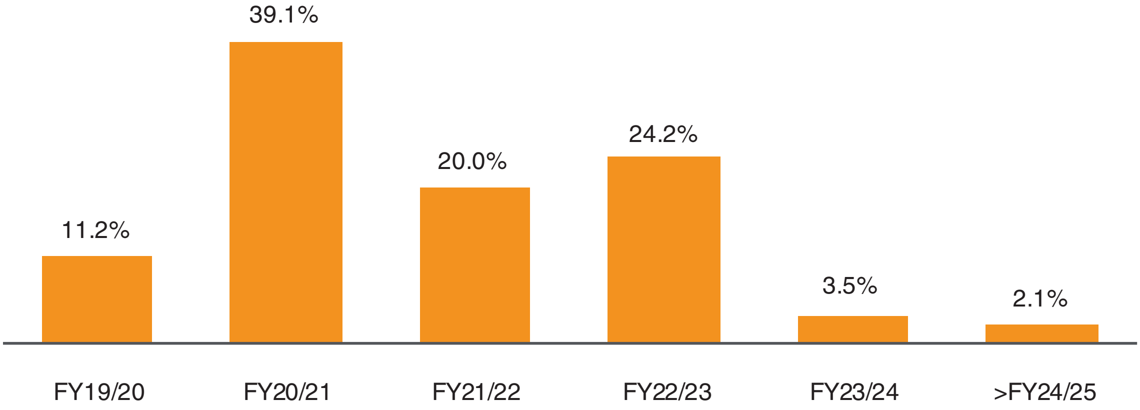
2. Mapletree Shenyang	
Address	4A, 4A1, 4A2, 4A3, Hunhe Shiba Street, Economic Technology Development Zone, Shenyang, Liaoning Province, PRC
Description	Two blocks of single-storey steel framed warehouse, with mezzanine office.
Land Tenure	Term of Land Use until 28 September 2066 (approximately 47 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 71,361 sq m GFA: 43,927 sq m NLA: 42,881 sq m
Building Specifications	Clear ceiling height: 9 m Floor loading: 30 kN psm Column grid: 22 m by 12 m
Completion	9 October 2018
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Three Squirrels Co., Ltd, Xiaomi Communications Technology Co., Ltd, Hubei Jiuzhoushuntian International Logistics Co., Ltd
Number of Tenants	3
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	RMB140.0 (S$27.0)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	RMB140.0 (S$27.0)

3. Mapletree Jinan	
Address	Unit 3153, Lingang Road, Gaoxin District, Jinan, Shandong Province, PRC
Description	Four blocks of single-storey steel framed warehouse, with mezzanine office.
Land Tenure	Term of Land Use until 15 March 2065 (approximately 45 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 126,770 sq m GFA: 78,921 sq m NLA: 80,931 sq m
Building Specifications	Clear ceiling height: 9 m Floor loading: 30 kN psm Column grid: 22 m by 12 m
Completion	1 November 2016
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Jinan Junneng Logistics Co., Ltd, Best Logistics Technology (China) Co., Ltd
Number of Tenants	7
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	RMB299.0 (S$57.6)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	RMB296.1 (S$57.1)

4. Mapletree Changsha 2	
Address	No. 20 Jinqiao Road, Yue Lu District, Fengyi Changsha Logistics Park, Changsha, Hunan Province, PRC
Description	Four blocks of single storey and one block of double storey steel framed warehouse.
Land Tenure	Term of Land Use until 26 December 2064 (approximately 45 years remaining)
Land, Gross Floor and Net Lettable Area	Land area: 140,207 sq m GFA: 99,842 sq m NLA: 97,888 sq m
Building Specifications	Clear ceiling height: 9 m Floor loading: 1F warehouse 30 kN psm/2F warehouse 25 kN psm Column grid: 24 m by 11.4 m
Completion	4 July 2018
Committed Occupancy as at 23 October 2019	100.0%
Key Tenant(s)	Zhejiang Cainiao Supply Chain Management Co., Ltd, Hangzhou Cainiao Supply Chain Management Co., Ltd
Number of Tenants	12
Independent Valuation by the Valuer appointed by the Manager as at 30 September 2019 (million)	RMB396.0 (S$76.3)
Independent Valuation by the Valuer appointed by the Trustee as at 30 September 2019 (million)	RMB397.8 (S$76.6)

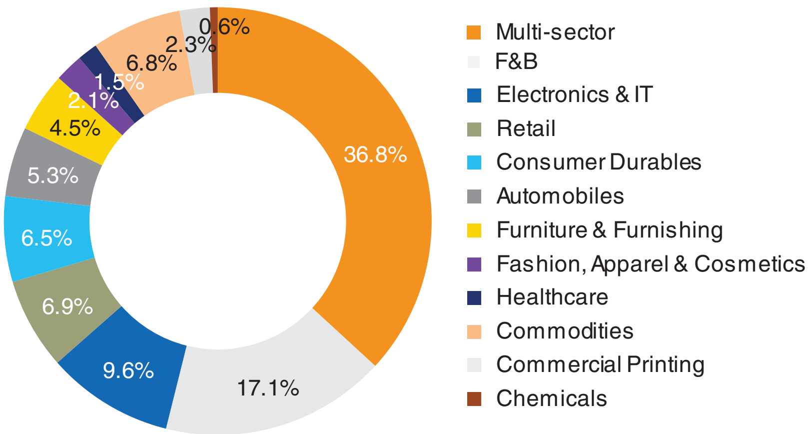
1.6. Lease Expiry Profile of the Properties

The chart below illustrates the committed lease profile of the Properties by NLA. As at 23 October 2019, the weighted average lease expiry ("**WALE**") by NLA for the Properties is 1.9 years.



1.7. Trade Sector Analysis for the Properties

The chart below provides a breakdown by Gross Revenue of the different trade sectors represented in the Properties as at 23 October 2019.



1.8. Top 10 Tenants for the Properties

The table below shows the top 10 tenants of the Properties by Gross Revenue as 23 October 2019.

Top 10 Tenants	% of Gross Revenue	Trade Sector (Business Nature)
Sinotrans (HK) Logistics Ltd	6.7%	Multi-sector (3PL)
GD Express Carrier Bhd	6.4%	Multi-sector (Courier, Express and Parcel)
Confidential Tenant	6.3%	F&B (3PL)
A.S Watson Group Holdings Limited	5.9%	Retail (End-user)
Lazada Express (Malaysia) Sdn Bhd	5.2%	Multi-sector (E-commerce)
Shopee Mobile Malaysia Sdn Bhd[1]	5.2%	Multi-sector (E-commerce)
Wanek Furniture Co., Ltd	4.5%	Furniture & Furnishings (End-user)
Pan Asia Logistics Singapore Pte Ltd	3.7%	Telecommunication (3PL)
Best Logistics Technology Co., Ltd	3.6%	Multi-sector (3PL)
Cainiao Network Technology Co., Ltd[2]	3.4%	Multi-sector (3PL)
Total	**51.1%**	

2. EXISTING PORTFOLIO

As at 30 September 2019, MLT's portfolio comprised 137 properties located in Singapore, Hong Kong SAR, Japan, Australia, South Korea, PRC, Malaysia and Vietnam. The graphs and charts set out in this Paragraph 2 are based on MLT's portfolio as at 30 September 2019, which comprised 137 properties.

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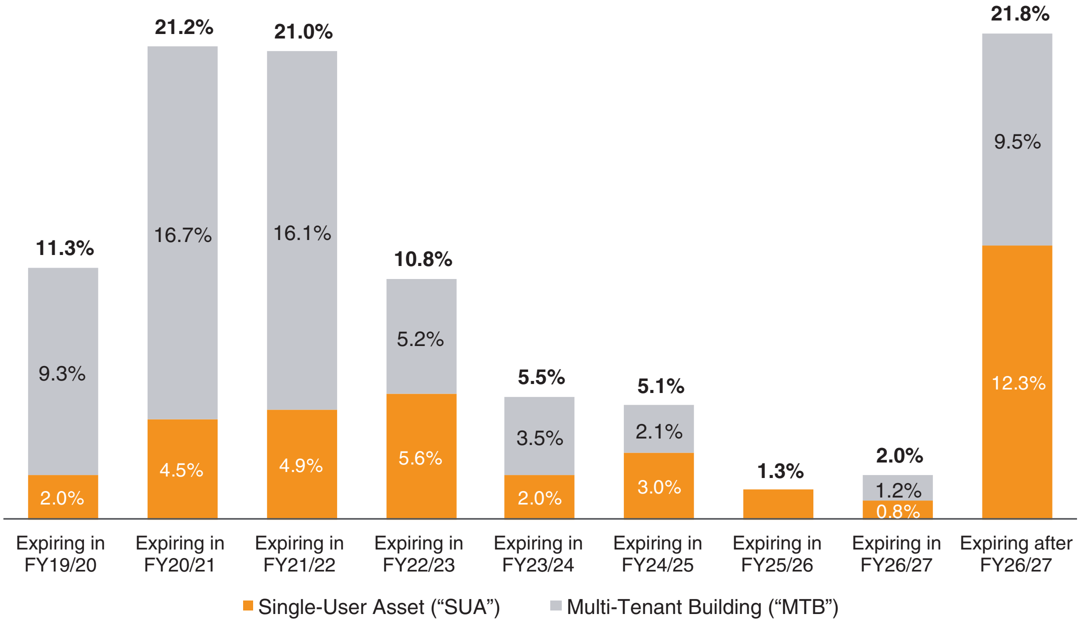
1 Comprises Scommerce Trading Malaysia Sdn Bhd, Shopee Express Malaysia Sdn Bhd, Shopee Mobile Malaysia Sdn Bhd

2 Comprises Hangzhou Cainiao Supply Chain Management Co., Ltd, Zhejiang Cainiao Supply Chain Management Co., Ltd

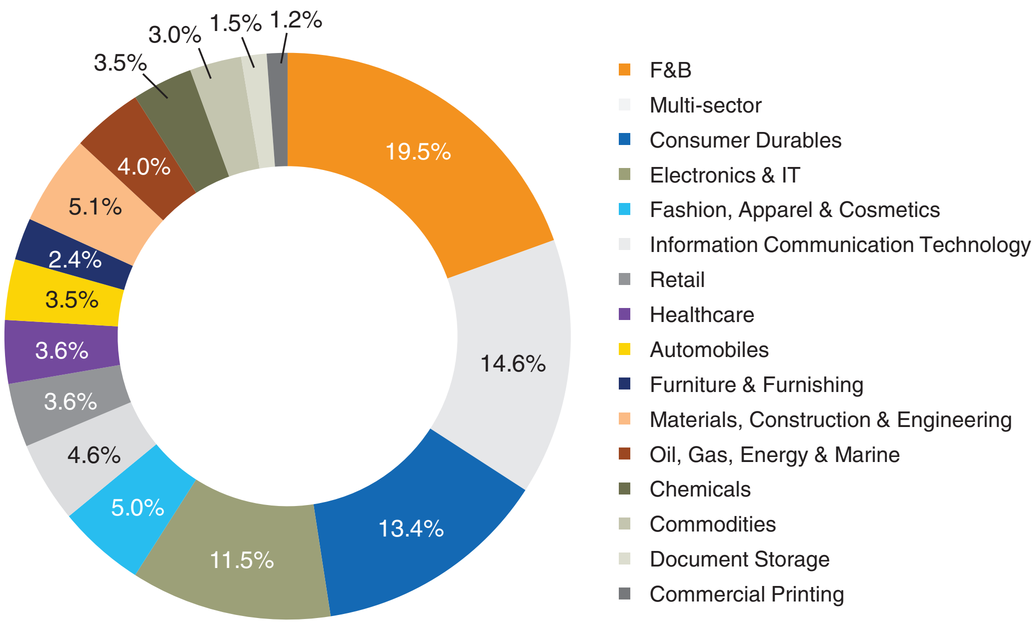
2.1. Lease Profile for the Existing Portfolio (as at 30 September 2019)

The chart below illustrates the committed lease profile of the Existing Portfolio by NLA. As at 30 September 2019, the WALE by NLA for the Existing Portfolio is approximately 4.6 years[1].



2.2. Trade Sector Analysis for the Existing Portfolio (as at 30 September 2019)

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



1 WALE by Gross Revenue is 4.3 years.

2.3. Top 10 Tenants of the Existing Portfolio (as at 30 September 2019)

The table below sets out the top 10 tenants by Gross Revenue of the Existing Portfolio (as at 30 September 2019).

Top 10 Tenants	% of Gross Revenue	Trade Sector
CWT	9.5%	Multi-sector (3PL)
Coles Group	4.3%	F&B (End-user)
Equinix	4.2%	Information Communication Technology (End-user)
adidas Hong Kong Limited	1.8%	Fashion, Apparel & Cosmetics (End-user)
Nippon Access Group	1.8%	F&B (End-user)
XPO Worldwide Logistics	1.8%	Multi-sector (3PL)
Nippon Express	1.7%	Multi-sector (3PL)
Ever Gain Company Ltd	1.7%	Consumer Durables (3PL)
Bidvest Group	1.5%	F&B (End-user)
Woolworths	1.3%	F&B (End-user)
Total	**29.5%**	

3. ENLARGED PORTFOLIO

The table below sets out selected information on the Enlarged Portfolio.

	Existing Portfolio(1)	Properties(2)	Enlarged Portfolio
GFA (sq m)	4,471,066	483,496	4,954,562
NLA (sq m)	4,478,389	444,822	4,923,211
Number of Tenants	617	59	676
Assets Under Management (S$)	7,950,262,983	410,865,888(3)	8,361,128,871
Occupancy Rate (%)	97.5%(4)	100.0%(5)	97.7%

Notes:

(1) As at 30 September 2019.

(2) As at 23 October 2019, taking into account MLT's 50.0% Indirect Interest in the PRC Properties.

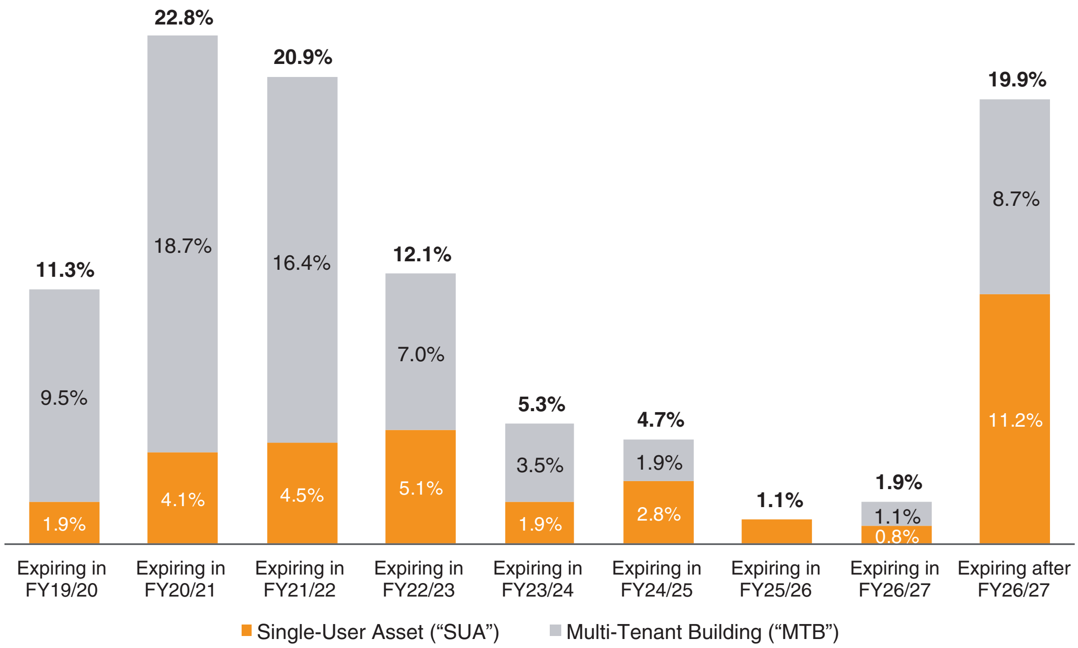
(3) Based on the aggregate Agreed Property Value of the Properties and any capitalised costs. Taking into account MLT's 50.0% indirect interest in the PRC Properties.

(4) Based on the actual occupancy.

(5) Based on the committed occupancy.

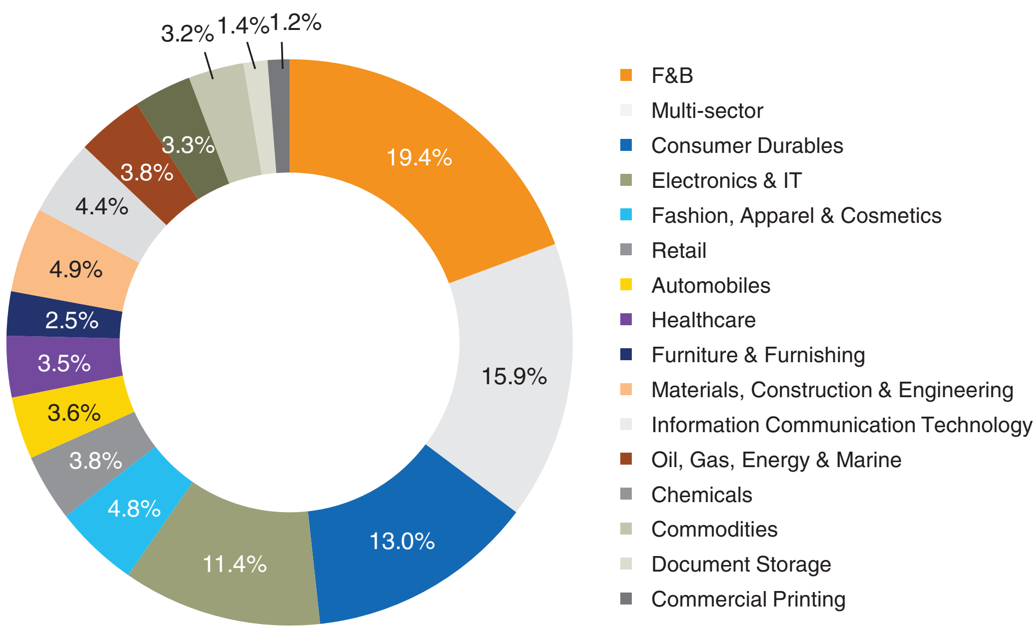
3.1. Lease Profile for the Enlarged Portfolio

The chart below illustrates the committed lease profile of the Enlarged Portfolio by NLA. The WALE by NLA for the Enlarged Portfolio is approximately 4.4[1] years.



3.2. Trade Sector Analysis for the Enlarged Portfolio

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



1 WALE by Gross Revenue is 4.1 years.

3.3. Top 10 Tenants of the Enlarged Portfolio.

The table below sets out the top 10 tenants by Gross Revenue of the Enlarged Portfolio.

Top 10 Tenants	% of Gross Revenue	Trade Sector
CWT	9.0%	Multi-sector (3PL)
Coles Group	4.0%	F&B (End-user)
Equinix	4.0%	Information Communication Technology (End-user)
adidas Hong Kong Limited	1.7%	Fashion, Apparel & Cosmetics (End-user)
Nippon Access Group	1.7%	F&B (End-user)
XPO Worldwide Logistics	1.7%	Multi-sector (3PL)
Nippon Express	1.6%	Multi-sector (3PL)
Ever Gain Company Ltd	1.6%	Consumer Durables (3PL)
Bidvest Group	1.4%	F&B (End-user)
Taiun Co., Ltd	1.2%	Electronics & IT (3PL)
Total	**27.9%**	

SUMMARY VALUATION CERTIFICATES

Knight Frank

PRIVATE & CONFIDENTIAL

HSBC Institutional Trust Services (Singapore) Limited
(As Trustee of Mapletree Logistics Trust)
21, Collyer Quay
#13-02, HSBC Building
Singapore 049320

Date: 8th October 2019

Reference: V/COR/10/0060/cgc

Dear Sir / Madam,

VALUATION CERTIFICATE FOR MAPLETREE LOGISTIC HUB – SHAH ALAM, LOT 10003, JALAN JUBLI PERAK 22/1A, SECTION 22, 40300 SHAH ALAM, SELANGOR DARUL EHSAN
(HEREINAFTER REFERRED TO AS THE SUBJECT PROPERTY)

We were instructed by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Mapletree Logistics Trust) (hereinafter referred to as the "**Client**") to ascertain the Market Value of the unexpired 99-year leasehold interest (remaining unexpired term of 75 years) in the Subject Property.

This Valuation Certificate is prepared for **inclusion in the Circular to be issued by Mapletree Logistics Trust Management Ltd in connection with the acquisition.**

The Valuation has been undertaken in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual (where applicable).

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal Valuation Report.

The basis of valuation adopted is the **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".

Accordingly, we have conducted the site inspection on various occasions; being the latest on **30th September 2019**. As such, we have adopted **30th September 2019** as the material date of valuation.

Brief description of the Subject Property is as attached overleaf.

Knight Frank Malaysia Sdn Bhd (Co. No.585479-A) (VE (1) 0141)

Suite 10.01, Level 10, Centrepoint South, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia
T + 603 228 99 688 F + 603 228 99 788 www.knightfrank.com

IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property	Unexpired 99-year leasehold interest expiring 9th July 2094 in an industrial logistics hub comprising three (3) detached blocks of double-storey ramp-up logistics and warehousing facilities with mezzanine office area together with other supporting facilities + amenities and ancillary buildings (identified as "**Mapletree Logistics Hub – Shah Alam**"); sited on Lot 10003 Section 22 held under Title No. Pajakan Negeri 112703, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan (hereinafter referred to as the "**Subject Property**").
Address	Mapletree Logistics Hub – Shah Alam, Lot 10003, Jalan Jubli Perak 22/1A, Section 22, 40300 Shah Alam, Selangor Darul Ehsan.
Title Particulars	The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars	
Lot No.	: Lot 10003 Section 22 held under Title No. Pajakan Negeri 112703, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan.
Land Area	: 172,700 square metres (42.675 acres)
Tenure	: Leasehold interest for a term of 99 years, expiring on 9th July 2094.
Registered Proprietor	: Winning Paramount Sdn Bhd
Category of Land Use	: "Perusahaan" (Industrial).
Express Condition	: "Perusahaan" (Industrial).
Restriction-in-Interest	: "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri". [The land described herein shall not be transferred, leased or charged except with the permission of the State Authority]
Encumbrance	: Nil.
Endorsement	: "Pemberian laman – Lot menanggung Bandar Shah Alam HSD 259842 PT 1 bagi tempoh selama-lamanya", vide Presentation No. 100462/2011 registered on 3rd October 2011.

PROPERTY DESCRIPTION

Property Description	Located approximately 23 kilometres due south-west of the Kuala Lumpur city centre, Mapletree Logistics Hub – Shah Alam is an industrial logistics hub accommodating three (3) detached blocks (Block 1 to 3) of double-storey ramp-up logistics and warehousing facilities with mezzanine office area (total 34 units) together with other supporting facilities + amenities and ancillary buildings attached thereto including a double-storey cafeteria with an office, a TNB Sub-Station, a pump room, two (2) electrical room(s), two (2) refuse depot(s) and two (2) guard houses; all constructed on a 12.27-hectare regular shaped of industrial land.

PROPERTY DESCRIPTION (CONT'D)

Gross Floor Area
237,809.88 square metres (2,559,764.15 square feet).

Net Lettable Area
207,662.00 square metres (2,235,255.08 square feet).

Occupancy Status
Fully occupied.

Planning
Designated for industrial use; and was issued with two (2) Certificates of Completion and Compliance; both by Lembaga Arkitek Malaysia vide Certificate Nos. 13887 dated 7th November 2017 (Phase 1 – Block 3) and 13888 dated 6th March 2018 (Phase 2 – Block 1 & 2) respectively.

MARKET VALUE

Valuation Methodology

a) Income Approach by Discounted Cash Flow (DCF) Method

DCF incorporates the estimation of future annual cash flows over an investment horizon (5 to 10-year) from the valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date. We have assumed that the property is sold at the commencement of the terminal year of the cash flow at the expected rate of return of similar asset classes.

Summary of Parameters – Income Approach by DCF Method	
Terminal Yield / Capitalisation Rate	6.50%
Discount Rate (Present Value)	8.00%
Discount Period	10 years

b) Cost Approach

This summation method considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risks are involved. In practice, the approach also involves an estimate of depreciation for older and / or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.

Summary of Parameters – Cost Approach	
Improved Land Value	RM170 psf / land area
Depreciated Building Value	RM202 psf / GFA
Depreciation Rate	2.00% per annum

Knight Frank

MARKET VALUE (CONT'D)

We wish to draw attention that the title of the Subject Property carries a restriction-in-interest which stipulates that "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri". In this regard, our valuation is on the basis that written consent from the State Authority in respect of the aforesaid restriction-in-interest will not be unreasonably withheld.

Having regards to the foregoing, our opinion of the **Market Value** of the unexpired 99-year leasehold interest (remaining unexpired term of approximately 75 years) in the Subject Property; as an industrial logistics hub comprising three (3) detached blocks of double-storey ramp-up logistics and warehousing facilities with mezzanine office area together with other supporting facilities + amenities and ancillary buildings attached thereto; constructed on Lot 10003 Section 22 held under Title No. Pajakan Negeri 112703, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan; with Certificate(s) of Completion and Compliance issued, subject to existing tenancies and the title being free from all encumbrances, good, marketable and registrable, as at 30th September 2019 is **RM835,000,000 (Ringgit Malaysia Eight Hundred And Thirty Five Million Only).**

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(signed and sealed by)

OOI HSIS YU
Registered Valuer, V-692
MRISM, MRICS, MPEPS

Date: 9th October 2019

Notes:-

i) Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.

ii) The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Chong Teck Beng (Registered Valuer, V-331).

FIRST PACIFIC

FIRST PACIFIC VALUERS
PROPERTY CONSULTANTS SDN BHD
(682491-M)

Directors
Sr. Hj. Mohamad Sarip Saleh Diploma in Estate Management (Kingston) UK
V117 E1174
Sr. P.L. Lee B App Sc Property Resource Management (Valuation) Aust FRISM, APEPS
V596 E565

Our Ref : VC19/0290/08/NAD
Date : 8 October 2019

MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.
10 PASIR PANJANG ROAD, #13-01 MAPLETREE BUSINESS CITY
SINGAPORE 117438

Dear Sirs,

CERTIFICATE OF VALUATION OF PROPERTY

We refer to your instructions to assess the Market Value of the following property for acquisition purposes. We have inspected the property and investigated available data related and relevant to the matter. The date of valuation is taken as at **30 September 2019**.

We are pleased to furnish our opinion of value for the property as follows:-

Subject Property	**Market Value**
Lot No. 10003 Section 22, Title No. PN 112703, Town of Shah Alam, District of Petaling, State of Selangor Postal Address : Mapletree Logistic Hub – Shah Alam, Lot 10003, Jalan Jubli Perak 22/1A, Section 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia	**RM838,000,000.00**

This valuation is in accordance with the guidelines of the Malaysian Valuation Standards (MVS), Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2017 and International Valuation Standards (IVS). As such, this letter must be read in conjunction with the full valuation report.

Yours faithfully,
FIRST PACIFIC VALUERS
PROPERTY CONSULTANTS SDN BHD

Sr. Lee Sook Mei
REGISTERED VALUER (V815)

Sr Lee Sook Mei ***MRICS, MRISM, MPEPS, MMIPFM, MMIEA***
Associate Director
B. (Hons) Estate Management ([illegible])
Registered Valuer (V815) & Estate Agent ([illegible])

Registered Valuers • Estate Agents • Auctioneers • Property & Project Managers • International Property Consultants

Level 3A, Wisma Rapid, No. 32-36, Jalan 30/70A, Desa Sri Hartamas, 50480 Kuala Lumpur, Malaysia.
Tel: (603) 6203 1188 (Hunting Line) Fax: (603) 6203 9814
E-mail: enquiries@firstpacific.com.my website: http://www.firstpacific.com.my

SUMMARY OF FACTS AND OPINION

Type of Property	:	Three (3) detached blocks of two (2) storey warehouse buildings together with mezzanine floor offices, ramps and ancillary buildings
Address	:	Mapletree Logistic Hub – Shah Alam, Lot 10003, Jalan Jubli Perak 22/1A, Section 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia
Title No.	:	PN 112703
Lot No.	:	10003 Section 22
Town	:	Shah Alam
District	:	Petaling
State	:	Selangor
Tenure	:	99 years lease expiring on 9 July 2094
Land Area	:	1,858,927 square feet (172,700 square metres)
Annual Rent	:	RM471,644.00
Category of Land Use	:	Perusahaan
Registered Proprietor	:	WINNING PARAMOUNT SDN. BHD.
Express Conditions	:	Perusahaan
Restriction-in-interest	:	Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.
Encumbrances	:	Nil
Other Endorsements	:	Pemberian Ismen registered vide Persn. No. 100460/2011 on 3 October 2011
Gross Floor Area	:	2,559,764.15 square feet (237,809.88 square metres)
Net Lettable Area	:	2,235,255.08 square feet (207,662.00 square metres)

THE SUMMARY STATED ABOVE MUST BE READ IN THE CONTEXT OF THE WHOLE REPORT AND VALUATION

OPINION OF VALUE

METHOD OF VALUATION : Direct Capitalization Method, Discounted Cash Flow (DCF) Method together with Cost Method

PARAMETERS :

Direct Capitalization Method

Yield for Initial Term	6.25%
Yield for Reversion	6.50%

Discounted Cash Flow (DCF) Method

Yield for remaining lease period	6.25%
Yield for Present Value	8.00%

Cost Method

Land Value psf	RM167.50 per square feet
Average GCRCN	RM210 per square feet
Depreciation Rate	4%

MARKET VALUE : **RM838,000,000.00**

DATE OF VALUATION : **30 September 2019**

THE SUMMARY STATED ABOVE MUST BE READ IN THE CONTEXT OF THE WHOLE REPORT AND VALUATION

Our Ref : V19-455.2-LV-CL

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

ATTENTION: SVP, REITs

30 September 2019

Dear Sirs,

VALUATION ADVISORY OF:

MAPLETREE LOGISTICS PARK BAC NINH PHASE 2 (THE "PROPERTY")

This valuation summary has been prepared for the purpose of acquisition referencing of the Property. We agree that this valuation certificate will be included in a circular to be issued by Mapletree Logistics Trust Management Ltd. in connection with the acquisition.

We have been instructed to provide the Market Value of the Property as at 30 September 2019. We confirm that we have inspected the Property and conducted relevant enquiries and investigations as we considered necessary for the purpose of providing you with our opinion of the Market Value of the Property.

Our valuations are made on the basis of Market Value as defined by the RICS Valuation – Global Standards, July 2017, Incorporating the International Valuation Standards, as follows:

'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.'

Our valuation has been made on the assumption that the owner sells the Property in the market subject to the existing leases and occupancy arrangements.

We have relied on the information provided by Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co. Ltd. (hereafter referred to as "Mapletree") on matters such as land area, tenure, gross floor area, tenancy details. All information provided is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from, except the existing lease and occupancy arrangement, any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

In arriving at our opinion of value, we have considered the prevailing market conditions, especially those pertaining to the light industrial sectors of the property market. The valuation methods adopted to arrive at our opinion of values are the Direct Capitalisation Approach and Discounted Cash Flow Approach.

A copy of the valuation advisory certificate is attached.

This valuation summary is for the use of HSBC Institutional Trust Services (Singapore) Limited (as trustee of Mapletree Logistics Trust).

We have prepared this valuation summary and specially disclaim liability to any person in the event of any omission from or false or misleading statement, other than in respect of the information provided within our full valuation report and this summary. We do not make any warranty or representation as to the accuracy of the information other than as expressly made or given in our full valuation report or this summary.

Jones Lang LaSalle has relied upon the property data supplied by Mapletree which we assume to be true and accurate. Jones Lang LaSalle takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with Mapletree, advisers or other party/parties whom Mapletree is contracting with. We confirm that we have no pecuniary interest or other conflict of interest that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting its ability to give an unbiased option. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking this valuation are authorized to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Unless otherwise stated, all monetary figures stated in this report are in United States Dollars (USD). The exchange rates adopted in our valuations were according to the bank published exchange rate as at the date of valuation, is USD1 = VND23,270.

Yours faithfully,

Kia Chong AAPI CPV (OS) MRICS
RICS Registered Valuer
Director, Valuation and Advisory Services
JONES LANG LASALLE VIETNAM CO. LTD.

Encl.

VALUATION CERTIFICATE

Date of Valuation	:	30 September 2019
Property	:	Mapletree Logistics Park Bac Ninh Phase 2 located at No. 9, Street 6, VSIP Bac Ninh Integrated Township and Industrial Park, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam.
Legal Description	:	Land Use Right, Ownership of Residential House and Other Assets Attached to the Land Certificate No. CT08270 dated 05 October 2015 issued by the Department of Environment and Natural Resource of Bac Ninh Province; Business Registration Certificate for One Member Company Limited with Business Code No. 2300367179; Investment Registration with Project Code No. 7625534864; with the first registration on 22 December 2008 and the forth amendment on 30 October 2018 (as a replacement for the content of project stated in Investment Certificate No. 212043.000195 dated on 22 December 2008 granted by the Management Board of Industrial Parks in Bac Ninh Province).
Tenure	:	Leasehold unexpired 38.2 years until 30 November 2057.
Registered Lessee	:	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co. Ltd.
Brief Description of Property	:	Phase 2 comprises a single-storey light industrial development of four blocks of warehouse; each block comprises three to seven units. Total Gross Floor Area is 50,147.00 sq m and total Net Lettable Area is 49,930.00 sq m. It is erected on an irregular shaped plot of land at the access road level. The Property was completed in 2016.
Site Area	:	99,707.00 sq m
Tenancies	:	As at the inspection date, the property obtained 100% occupancy with the terms of 0.8 to 4.5 years.
Methods of Valuation	:	Direct Capitalisation Approach / Discounted Cash Flow Approach
Capitalization Rate for Direct Capitalisation Approach	:	9%
Terminal Yield for Discounted Cash Flow Approach	:	10%
Discount Rate for Discounted Cash Flow Approach	:	12.5%
Market Value	:	USD 16,600,000 – Equivalent to VND 386,282,000,000

Kia Chong AAPI CPV (OS) MRICS
RICS Registered Valuer
Director, Valuation and Advisory Services
JONES LANG LASALLE VIETNAM CO. LTD.

V19-455.2-LV-CL
30 September 2019

Our Ref : V19-455.1-SL-KC

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

ATTENTION: SVP, REITs

30 September 2019

Dear Sirs,

VALUATION ADVISORY OF:

MAPLETREE LOGISTICS PARK BINH DUONG PHASE 1 (THE "PROPERTY")

This valuation summary has been prepared for the purpose of acquisition referencing of the Property. This valuation advisory certificate will be included in a circular to be issued by Mapletree Logistics Trust Management Ltd in connection with the acquisition.

We have been instructed to provide the Market Value of the Property as at 30 September 2019. We confirm that we have inspected the Property and conducted relevant enquiries and investigations as we considered necessary for the purpose of providing you with our opinion of the Market Value of the Property.

Our valuations are made on the basis of Market Value as defined by the RICS Valuation – Global Standards, July 2017, incorporating the International Valuation Standards, as follows;

'*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.*'

Our valuation has been made on the assumption that the owner sells the Property in the market subject to the existing leases and occupancy arrangements.

We have relied on the information provided by Mapletree Logistics Park Bình Duong Phase 1 (Vietnam) Co. Ltd. on matters such as land area, tenure, gross floor area, tenancy details. All information provided is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from, except the existing lease and occupancy arrangement, any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

In arriving at our opinion of value, we have considered the prevailing market conditions, especially those pertaining to the light industrial sectors of the property market. The valuation methods adopted to arrive at our opinion of values are the Direct Capitalisation Approach and Discounted Cash Flow Approach.

A copy of the valuation advisory certificate is attached.

This valuation summary is for the use of HSBC Institutional Trust Services (Singapore) Limited (as trustee of Mapletree Logistics Trust).

We have prepared this valuation summary and specially disclaim liability to any person in the event of any omission from or false or misleading statement, other than in respect of the information provided within our full valuation report and this summary. We do not make any warranty or representation as to the accuracy of the information other than as expressly made or given in our full valuation report or this summary.

Jones Lang LaSalle has relied upon the property data supplied by Mapletree which we assume to be true and accurate. Jones Lang LaSalle takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with Mapletree, advisers or other party/parties whom Mapletree is contracting with. We confirm that we have no pecuniary interest or other conflict of interest that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking this valuation are authorized to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Unless otherwise stated, all monetary figures stated in this report are in United States Dollars (USD). The exchange rates adopted in our valuations were according to the bank published exchange rate as at the date of valuation, is USD1 = VND23,270.

Yours faithfully,

Kia Chong AAPI CPV (OS) MRICS
RICS Registered Valuer
Director, Valuation and Advisory Services
JONES LANG LASALLE VIETNAM CO. LTD.

Encl.

VALUATION ADVISORY CERTIFICATE

Date of Valuation	:	30 September 2019
Property	:	Mapletree Logistic Park Phase 1, located on Pham Van Dong Street, VSIP II Industrial Park, Thu Dau Mot City, Binh Duong Province, Viet Nam.
Legal Description	:	Land Use Right and Ownership of Residential House and Other Asset Attached to The Land Certificates No. CT04297 dated 26 March 2013 issued by the Department of Natural Resource and Environment – Binh Duong Province; Business Registration Certificate No. 3700812725; with Investment Registration Certificate No. 2102001804.
Tenure	:	Leasehold unexpired 36.1 years until 25 September 2055.
Registered Lessee	:	Mapletree Logistics Park Binh Duong Phase 1 (Vietnam) Co. Ltd.
Brief Description of Property	:	The Property comprises 4 blocks of warehouse and 1 block of office floor space, providing a total Gross Floor Area of 73,809.15 sq m. Total leased area is 66,310.68 sq m. The property was completed in 2010.
Site Area	:	117,963.3 sq m
Tenancies	:	As at the inspection date, the warehouse component is leased for leased terms of 2 years to 5 years.
Methods of Valuation	:	Direct Capitalisation Approach / Discounted Cash Flow Approach
Capitalization Rate for Direct Capitalisation Approach	:	9%
Discount Rate for Discounted Cash Flow Approach	:	12.5%
Terminal Yield for Discounted Cash Flow Approach	:	10%
Market Value	:	USD 20,500,000 - Equivalent to VND 477,035,000,000.

Kia Chong AAPI CPV (OS) MRICS
RICS Registered Valuer
Director, Valuation and Advisory Services

V19-455.1-SL-KC
30 September 2019

CBRE VALUATION & ADVISORY SERVICES

VALUATION CERTIFICATE

INDUSTRIAL PROPERTY (LAND AND BUILDINGS)
Mapletree Logistics Park Bac Ninh Phase 2
No.9, Street No.6, VSIP Bac Ninh, Phu Chan Commune,
Tu Son Town, Bac Ninh Province, Vietnam

CBRE (VIETNAM) CO., LTD
FILE NO. 19-VNHN-0038
REFERENCE CONTRACT NO. CBRE/HN-VAL-C136/2019

MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.

CBRE

EXECUTIVE SUMMARY

Property:	**MAPLETREE LOGISTICS PARK BAC NINH PHASE 2** No.09, Street No.6, VSIP Bac Ninh, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam
Instructing Party:	**MAPLETREE LOGISTICS TRUST MANAGEMENT LTD (AS MANAGER OF MAPLETREE LOGISTICS TRUST).** 10 Pasir Panjang Road, #13-01, Mapletree Business City, Singapore 117438
Purpose of Valuation:	Use for potential acquisition purpose to be included in a circular to be issued in connection with the potential acquisition
Basis of Valuation:	Market Value subject to existing Land Use Right Certificates, building and existing improvements, tenancies and occupational arrangements and critical assumptions.
Interest Valued:	Leasehold with annual payment expiring on 30 November 2057. (See Critical Assumptions), approx. 38.2 years remaining.
Registered Beneficial Owner:	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam).
Land Area:	99,707sqm of land.
Gross Floor Area:	50,147sqm.
Net Leasable Area:	49,930sqm.
Zoning:	Approved for industrial use. All necessary approvals have been received.
Site Description:	The site comprises industrial land with improvements located at No.09, VSIP Street No.6, VSIP Bac Ninh. The property is situated about 3km southeast of the National Road No.1 (approximately 30m wide bitumen sealed four-lanes road) which connects Vietnam Singapore Industrial Park to Central Business District (CBD) of Hanoi City. The subject property is approximately 19km southwest of the centre of Bac Ninh City, 21km northeast of the CBD of Hanoi and 36km southeast of Noi Bai International Airport. Surrounding development of the vicinity comprises mainly industrial land allotments and existing factories/warehouses.
Existing Improvements Description:	The subject property consists of four warehouse blocks with total Gross Floor Area (GFA) of approximately 50,147sqm (as provided by the Instructing Party). Every block is improved with warehouse, office, car park area, separated female and male restrooms. The warehouse area is equipped with firefighting system and back-up power generator. The subject property was constructed in 2016.
Valuation Comment:	Our valuation is our best estimate, using our professional judgment, as to the approximate value that might be attributed to the Property with the assumed characteristics as at the valuation date. If any of our assumptions are found to be inaccurate our valuation is void and all reliance is revoked.

Valuation Approaches:	Direct Capitalisation Method: • Capitalisation rate: 9.0%; Discounted Cash Flow Analysis & • Discount rate: 12.5%. • Terminal Yield: 9.5% Sales Comparison Method. • Comparable's unit price range: US$318/sqm NLA – US$369/sqm NLA. • Assumed unit price: US$335/sqm NLA.
Date of Inspection:	07 August 2019
Date of Valuation:	30 September 2019
MARKET VALUE:	**US$16,545,000** **Sixteen Million Five Hundred Forty Five Thousand United States Dollars Only.** This valuation is exclusive of VAT.
Currency Equivalent Value:	**VND 385,000,000,000** **Three Hundred Eighty-Five Billion Viet Nam Dong Only.** *Applied selling exchange rate announced by Vietcombank at valuation date USD 1: VND23,270*
Assumptions, Disclaimers, Limitations & Qualifications:	This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Unless expressly permitted within the Letter of Engagement signed between Instructing Party and CBRE, reference to this report in any document or by any other party or for any other purpose apart from those specifically listed herein is strictly forbidden. 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. This valuation will be prepared by CBRE exclusively for the Instructing Party in accordance with the Purpose specifically stated and the terms and conditions of this LOE. The valuation is confidential and it must not be relied upon by any Party other than the Instructing Party without CBRE's prior written consent. Parties other than the Instructing Party who wish to rely on the valuation has to sign a reliance letter to be issued by CBRE. The Instructing Party bears the responsibility to inform their nominated reliant parties that a reliance letter to be issued by CBRE has to be executed. CBRE provides the valuation on the understanding that it will only be relied upon by the Instructing Party and nominated reliant parties who have signed a reliance letter issued by CBRE. Where CBRE has expressly agreed that a party other than the Instructing Party can rely upon the valuation then CBRE shall

have no greater liability to any party relying on this valuation than it would have had if such party had been named as a joint Instructing Party under the LOE.

Prepared By:

CBRE (Vietnam) Co. Ltd

Tran Thi Thao
Registered Valuer No. XII17.1844
Vietnam Ministry of Finance

Senior Valuer,
Valuation & Advisory Services

CBRE (Vietnam) Co. Ltd

Nguyen Thi Hong Van MRICS
Valuation Certificate No. 4575-TP.HCM
HCMC Construction Department
Registered Valuer No. IX14.1226
Vietnam Ministry of Finance
RICS Registered Valuer No. 6724740
Associate Director,
Valuation & Advisory Services

CBRE (Vietnam) Co. Ltd

Ha Thi Kim Oanh MRICS
Valuation Certificate No.530
HCMC Construction Department
Registered Valuer No. VII11.621
Vietnam Ministry of Finance
RICS Registered Valuer No. 6138871
Director – Head of Vietnam
Valuation & Advisory Services

Job Number: 19-VNHN-0038
Date of Final Report: 08 October 2019

[redacted]

CBRE VALUATION & ADVISORY SERVICES

VALUATION CERTIFICATE

INDUSTRIAL PROPERTY (LAND AND BUILDINGS)

Vietnam – Singapore II Industrial Park

Hoa Phu Ward, Thu Dau Mot City

Binh Duong Province, Vietnam

CBRE (VIETNAM) CO., LTD

FILE NO. 19-VN-HCM-0084

REFERENCE CONTRACT NO. CBRE/HCM-VAL-C431/2019

MAPLETREE LOGISTICS TRUST MANAGEMENT LTD.

Executive Summary

Property:	Industrial Property (Approximately 117,963.3sqm land area and 73,809.15sqm GFA of the existing improvements) Vietnam - Singapore II Industrial Park, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam.
Instructing Party:	Mapletree Logistics Trust Management Ltd **(As Manager of Mapletree Logistics Trust)** 10 Pasir Panjang Road, #13-01, Mapletree Business City, Singapore 117438
Purpose of Valuation:	Use for potential acquisition purpose to be included in a circular to be issued in connection with the potential acquisition
Basis of Valuation:	Market Value subject to existing Land Use Right Certificates, buildings and improvements, and critical assumptions
Interest Valued:	Leasehold (Upfront Payment) – 50 years expiring 25 September 2055 Remaining Land Lease Term – 36 years approx.
Registered Beneficial Owner:	Mapletree Logistics Park Phase 1 (Vietnam) Co., Ltd
Land Area	117,963.3sqm.
Gross Floor Area (GFA)	Approx. 73,809.15sqm GFA.
Net Leasable Area (NFA)	Approx. 66,310.68sqm NFA.
Zoning:	Approved to be industrial use. All necessary approvals have been received.
Site Description:	The Subject Property is 117,963.3sqm industrial site located within VSIP II Industrial Park, Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province, Vietnam. The site has direct exposures to three existing streets, to the west by Thong Nhat Street, to the south by Pham Van Dong Street (Tao Luc 5 Street) and to the east by Nguyen Van Linh Street (Tao Luc 2A Street). The Subject Property is regular shaped and at general level topography. As at the valuation date, all infrastructures were in place with completed road systems, sewerage systems and telecommunication systems. The site is cleared, vacant and ready for development. Surrounding development generally includes vacant development sites located within Binh Duong New City, existing warehouses within VSIP II and residential area in Hoa Loi residential area. The site is approx. 35km to the north of the Central Business District of Ho Chi Minh City and adjacent to Phu Gia industrial park to the north, Hoa Loi residential area to the west, Binh Duong New City to the south and Phu Chanh A residential area to the east.
Existing Improvements Description:	At the date of inspection, there are 1 office building and 4 blocks of warehouse contributing for approx. 73,809.15 sqm of GFA in total. Ancillary improvements to the site include security guard houses, loading area and security fencing, etc. Those buildings are completed and operated in 2010
Valuation Comment:	Our valuation is our best estimate, using our professional judgment, as to the approximate value that might be attributed to a parcel of land with the assumed characteristics as at the valuation date. If any of our assumptions are found to be inaccurate our valuation is void and all reliance is revoked. We reserve the right to review and, if necessary, vary the valuation if there are changes to the assumptions made herein

Valuation Approaches:

Direct Capitalisation Approach

- Capitalisation rate:
  - ✓ Office: 10%;
  - ✓ Warehouse: 9%

Discounted Cash Flow Analysis

- Discount rate:
  - ✓ Office: 13.5%;
  - ✓ Warehouse: 12.5%
- Terminal yield:
  - ✓ Office: 10.5%;
  - ✓ Warehouse: 9.5%

Cost Approach

- Assumed land rate: US$90/sqm of land area;
- Assumed office construction cost: US$249/sqm GFA;
- Assumed warehouse construction cost: US183/sqm GFA

Date of Inspection: 07 August 2019

Date of Valuation: 30 September 2019

Market Value US$20,740,000

Twenty Million Seven Hundred and Forty Thousand United States Dollars Only

The valuation is exclusive of VAT.

Currency Equivalent Value VND482,700,000,000

Four Hundred and Eighty-Two Billion and Seven Hundred Million Vietnam Dong Only

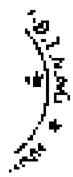
Based on selling exchange rate published by Vietcombank as of the valuation date (30 September 2019), USD 1= VND23,270

Assumptions, Disclaimers, Limitations & Qualifications

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Unless expressly permitted within the Letter of Engagement signed between the Instructing Party and CBRE, reference to this report in any document or by any other party or for any other purpose apart from those specifically listed herein is strictly forbidden. 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.

This valuation will be prepared by CBRE exclusively for the Instructing Party in accordance with the Purpose specifically stated and the terms and conditions of this Letter of Engagement. The valuation is confidential and it must not be relied upon by any Party other than the Instructing Party without CBRE's prior written consent. Parties other than the Instructing Party who wish to rely on the valuation has to sign a reliance letter to be issued by CBRE. The Instructing Party bears the responsibility to inform their nominated reliant parties that a reliance letter to be issued by CBRE has to be executed. CBRE provides the valuation on the understanding that it will only be relied upon by the Instructing Party and nominated reliant parties who have signed a reliance letter issued by CBRE. Where CBRE has expressly agreed that a party other than the Instructing Party can rely upon the valuation then CBRE shall have no greater liability to any party relying on this valuation than it would have had if such party had been named as a joint Instructing Party under the Letter of Engagement.

Prepared By:	CBRE (Vietnam) Co. Ltd Nguyen Thi Phan Anh Valuation Certificate No.XIII18.1904 Ministry of Finance of Vietnam Manager, Valuation & Advisory Services	CBRE (Vietnam) Co. Ltd Vuong Thanh Phong Senior Analyst, Valuation & Advisory Services
Property Inspection:	Yes	No
Job Involvement:	*Principal Valuer*	*Peer Reviewer*
	CBRE (Vietnam) Co. Ltd Ho Thi Kim Oanh MRICS Valuation Certificate No. 530-TP.HCM HCMC Construction Department. Valuation Certificate No.VIII11.621 Ministry of Finance of Vietnam RICS Registered Valuer No. 6138871 Director, Head of Vietnam, Valuation & Advisory Services.	
Property Inspection	No	
Job Involvement:	*Co Signing Director*	
	Job Number: 19-VNHCM-0084 **Date of Final Report: 08 October 2019**	



Valuation Report

4 Logistics properties located at Jinan, Changsha, Chengdu, Shenyang, The People's Republic of China

for
HSBC Institutional Trust Services
(Singapore) Limited
(As Trustee of Mapletree Logistics
Trust)

8 October 2019

cushmanwakefield.com

CUSHMAN & WAKEFIELD
戴德梁行

Our Ref : F/CWSH/2019/0000112

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

Dear Sirs/Madam,

Instructions, Purpose and Date of Valuation

We refer to your instructions for us to prepare a valuation of the market values of 4 logistics properties (the "Properties") situated at Jinan, Changsha, Chengdu and Shenyang in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you (the "Company") with our opinion of the market values of the Properties as at 30 September 2019 (the "Date of Valuation") for acquisition and public circulation purpose. We acknowledge and agree that this valuation certificate will be included in a circular to be issued by Mapletree Logistics Trust Management Ltd. in connection with the acquisition.

Confirmation of Independence

Cushman & Wakefield has been appointed by the Company to conduct a market valuation of the Property. We hereby confirm that Cushman & Wakefield and the appraisers conducting this valuation have no pecuniary or other interests that could conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting his ability to give an unbiased opinion.

Definition of Market Value

Our valuation and report have been prepared in accordance with the RICS Valuation – Global Standards 2017 (the "Red Book") incorporating the IVSC International Valuation Standards, published by the Royal Institution of Chartered Surveyors ("RICS").

The Properties have been valued on the following basis:

"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 Basis and Assumption

Our valuation of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value. Unless otherwise stated, in the course of our valuation of the Properties held and occupied by the Company in the PRC, we have assumed that transferable land use rights in respect of the Properties for respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have assumed that the grantees or the users of the Properties have free and uninterrupted rights to use or assign the Properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

Method of Valuation

In arriving at our opinion of the Market Values of the Properties in existing state, we have valued them by Direct Capitalisation Approach to derive the values of the Properties by capitalizing the rental incomes derived from the existing tenancies with due provision for any reversionary income potential.

We have also adopted the Discounted Cash Flow ("DCF") Method, it involves discounting future net cash flow of the Properties to their present values by using the appropriate discount rate that reflects the rate of return required by a third-party investor for an investment of this type.

In valuing the Properties, we have complied with the requirements set out in RICS Valuation – Professional Standards January 2017 (Red Book) published by The Royal Institution of Chartered Surveyors.

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Company and have accepted advice given to us on such matters as identification of the Properties, completion dates of buildings, particulars of occupancy, site and floor areas and all other relevant matters. However, we have not searched the original documents to ascertain ownership or to verify any amendments. We have been provided with extracts of documents in relation to the title to the Properties in the PRC. We have relied to a very considerable extent on the information given to us by the Company and have accepted advice given to us on such matters as identification of the Properties, completion dates of buildings, particulars of occupancy, site and floor areas and all other relevant matters.

Title Investigation

We have been provided by the Company with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

We have inspected the exterior and, where possible, the interior of the Properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report that the Properties are free of rot, infestation or other structural defects. We have not been able to carry out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency

Unless otherwise stated, all money amounts stated in our valuation are in Renminbi ("RMB"), the official currency of the PRC.

Non-publication & Saving Clauses

Neither the whole nor any part of this letter, the valuation certificate or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which they will appear.

Finally and in accordance with our standard practice, we must state that this letter and valuation certificate are for the use only of the party to whom they are addressed and to the fullest extent permitted by applicable law, no responsibility is accepted to any third party for the whole or any part of their contents.

We enclose herewith our valuation certificate for your attention.

Yours faithfully,
for and on behalf of
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd

Yi Fan
MRICS
Director

Valuation Summary

No.	Property	Market Value in existing state of 100% interest as at 30 September 2019	Market Value of 50% Interest as at 30 September 2019
1.	Mapletree Changsha Industrial Park (Phase 2), situated at No. 20 Jinqiao Road, Yuelu District, Changsha, Hunan Province, the PRC	**RMB397,800,000**	**RMB198,900,000**
2.	Mapletree Jinan International Logistics Park situated at No. 3153 Lingang Rd, Innovation Zone, Jinan, Shandong Province, the PRC	**RMB296,100,000**	**RMB148,050,000**
3.	Mapletree Shenyang Logistics Park, situated at No.4A, Hunhe 18th Street, Shenyang Economic Technology Development Zone, Tiexi District, Shenyang, Liaoning Province, the PRC	**RMB140,000,000**	**RMB70,000,000**
4.	Chengdu DC Logistics Park, situated at South of Hangshu Second Road, Shuangliu District, Chengdu, Sichuan Province, the PRC	**RMB104,600,000**	**RMB52,300,000**
	Total	***RMB938,500,000***	***RMB469,250,000***

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state of 100% interest as at 30 September 2019
1.	Mapletree Changsha Industrial Park (Phase 2), No. 20 Jinqiao Road, Yuelu District, Changsha, Hunan Province, the PRC	The Property comprises five blocks of single storey (partly two-storey) warehouses and two Guardhouses erected on a site with a total site area of 140,207.21sq m. It was completed in 2018. According to the documents provided by the company, the property has a total gross floor area of approximately 99,842.41 sq m. According to 7 Certificates of Real Estate Ownership, the land use rights of the Property has been granted for land use term expiring on 26 December 2064 for warehouse use.	According to the information provided by the Company, as at the date of valuation, the Property was fully occupied. A total leased area of approximately 97,887.99 sq m was subject to various tenants with the latest lease term expiring on 30 April 2024.	**RMB397,800,000** **Market Value of 50% Interest as at 30 September 2019** **RMB198,900,000**

Notes:

(1) In course of our valuation, the key parameters are summarized as below:

Direct Capitalization Approach

	Gross Rental Income	Gross Yield
Term	Passing monthly gross income (Inclusive of management fee and exclusive of VAT)	6.50%
Reversion	Estimated total gross market income (Inclusive of management fee and exclusive of VAT)	7.00%

Discounted Cash Flow Approach

Variables	Valuation Parameters
Rental Growth Rate	+4% p.a. (Year 2 to Year 10) +3% p.a. (after Year 10)
Discount Rate	8.75%
Terminal Capitalization Rate	5.75%

(2) We have relied on the information provided by the Company and prepared our valuation on the following assumptions:

(i) Fengyi Warehouse (Changsha) Co., Ltd (丰宜仓储(长沙)有限公司) is in possession of a proper legal title to the Property and is entitled to transfer the property together with the residual term of its land use rights at no extra land premium or other onerous payments payable to the government;

(ii) All land premium and public utilities costs have been fully settled;

(iii) The design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities;

(iv) The Property may be disposed of or lease out freely to third parties.

(3) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

Certificate of Real Estate Ownership	Yes
Business License	Yes

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state of 100% interest as at 30 September 2019
2.	Mapletree Jinan International Logistics Park, situated at No. 3153 Lingang Rd, Innovation Zone, Jinan, Shandong Province, the PRC	The Property is a logistics park comprising 4 single storey (partly 2-storey) warehouses and 3 facility rooms erected on a site with a total site area of 126,770.00 sq m. It was completed in 2016. According to the documents provided by the company, the property has a total gross floor area of approximately 78,920.87 sq m. According to 7 Certificates of Real Estate Ownership, the land use rights of the Property has been granted for land use term expiring on 15 March 2065 for warehouse use.	According to the information provided by the company, as at the date of valuation, the Property was fully occupied. The total lettable area of 80,931.14 sq m was subject to various tenancies with the latest lease term expiring on 31 August 2027.	**RMB296,100,000** **Market Value of 50% Interest as at 30 September 2019** **RMB148,050,000**

Notes:

(1) In course of our valuation, the key parameters are summarized as below:

Direct Capitalization Approach

	Gross Rental Income	Gross Yield
Term	Passing monthly gross income (Inclusive of management fee and exclusive of VAT)	6.50%
Reversion	Estimated total gross market income (Inclusive of management fee and exclusive of VAT)	7.00%

Discounted Cash Flow Approach

Variables	Valuation Parameters
Rental Growth Rate	+4% p.a. (Year 2 to Year 10) +3% p.a. (after Year 10)
Discount Rate	8.75%
Terminal Capitalization Rate	5.75%

(2) We have relied on the information provided by the Company and prepared our valuation on the following assumptions:

(i) Fengcheng Logistics Development (Jinan) Co., Ltd (丰成仓储开发（济南）有限公司) is in possession of a proper legal title to the Property and is entitled to transfer the property together with the residual term of its land use rights at no extra land premium or other onerous payments payable to the government;

(ii) All land premium and public utilities costs have been fully settled;

(iii) The design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and

(iv) The Property may be disposed of or lease out freely to third parties.

(3) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

Certificate of Real Estate Ownership	Yes
Business License	Yes

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state of 100% interest as at 30 September 2019
3.	Mapletree Shenyang Logistics Park, situated at No.4A, Hunhe 18th Street, Shenyang Economic Technology Development Zone, Tiexi District, Shenyang, Liaoning Province, the People's Republic of China	The Property comprises two single-storey (partly 2-storey) warehouses and facility buildings with a total site area of 71,360.58 sq m. As advised by the Company, the Property was completed in 2018. As advised, the building has a total gross floor area of approximately 43,927.20 sq m. According to State-owned Land Use Certificate No. (2016)0073, the land use right of the Property has been granted for land use term expiring on 28 September 2066 for warehouse use.	According to the information provided by the company, as at the date of valuation, the Property was subject to various tenancies with the total leased area of 38,433.00 sq m with the latest term expiring on 29 February 2024. The remaining portion was vacant.	**RMB140,000,000** **Market Value in existing state of 50% Interest as at 30 September 2019** **RMB70,000,000**

Notes:

(1) In course of our valuation, the key parameters are summarized as below:

Direct Capitalization Approach

	Gross Rental Income	Gross Yield
Term	Passing monthly gross income (Inclusive of management fee and exclusive of VAT)	7.00%
Reversion	Estimated total gross market income (Inclusive of management fee and exclusive of VAT)	7.50%

Discounted Cash Flow Approach

Variables	Valuation Parameters
Rental Growth Rate	+4% p.a. (Year 2 to Year 10) +3% p.a. (after Year 10)
Discount Rate	9.00%
Terminal Capitalization Rate	6.00%

(2) We have relied on the information provided by the Company and prepared our valuation on the following assumptions:

(i) Fengda Warehouse (Shenyang) Co., Ltd (丰达仓储（沈阳）有限公司) is in possession of a proper legal title to the Property and is entitled to transfer the property together with the residual term of its land use rights at no extra land premium or other onerous payments payable to the government;

(ii) All land premium and public utilities costs have been fully settled;

(iii) The design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and

(iv) The Property may be disposed of or lease out freely to third parties.

(3) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

Grant Contract for State-owned Land Use Rights	Yes
Certificate for State-owned Land Use Rights	Yes
Planning Permit for Construction Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Construction Completion Certificate	Yes
Business License	Yes

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state of 100% interest as at 30 September 2019
4.	Chengdu DC Logistics Park, situated at South of Hangshu Second Road, Shuangliu District, Chengdu, Sichuan Province, the People's Republic of China	The Property comprises a single-storey warehouse and facility buildings with a total site area of 32,331.55 sq m. As advised by the Company, the Property was completed in 2018. As advised, the building has a total gross floor area of approximately 20,769.30 sq m. According to State-owned Land Use Certificate No. (2016) 9381 and, the land use rights of the Property has been granted for land use term expiring on 27 October 2065 for warehouse use.	According to the information provided by the company, as at the date of valuation, the Property was fully let and subject to various tenancies with the total leased area of 20,137.69 sq m with the latest term expiring on 31 March 2034.	**RMB104,600,000** **Market Value of 50% Interest as at 30 September 2019** **RMB52,300,000**

Notes:

(1) In course of our valuation, the key parameters are summarized as below:

Direct Capitalization Approach

	Gross Rental Income	Gross Yield
Term	Passing monthly gross income (Inclusive of management fee and exclusive of VAT)	6.25%
Reversion	Estimated total gross market income (Inclusive of management fee and exclusive of VAT)	6.75%

Discounted Cash Flow Approach

Variables	Valuation Parameters
Rental Growth Rate	+4% p.a. (Year 2 to Year 10) +3% p.a. (after Year 10)
Discount Rate	8.50%
Terminal Capitalization Rate	5.50%

(2) We have relied on the information provided by the Company and prepared our valuation on the following assumptions:

(i) Digital China (Chengdu) Science Park Co., Ltd. (神州数码（成都）科技园有限公司) is in possession of a proper legal title to the Property and is entitled to transfer the property together with the residual term of its land use rights at no extra land premium or other onerous payments payable to the government;

(ii) All land premium and public utilities costs have been fully settled;

(iii) The design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and

(iv) The Property may be disposed of or lease out freely to third parties.

(3) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

Grant Contract for State-owned Land Use Rights	Yes
Certificate for State-owned Land Use Rights	Yes
Planning Permit for Construction Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Construction Completion Certificate	Yes
Business License	Yes

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent valuer, in connection with their valuation as at 30 September 2019 of the Property Interests to be acquired by Mapletree Logistics Trust.

Knight Frank Petty Limited
4th Floor, Shui On Centre
6-8 Harbour Road
Wan Chai, Hong Kong

KF ref: GV/TL/CF/ck/06-0738/10687(5)(a)

8 October 2019

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

Mapletree Logistics Trust Management Ltd.
(In its capacity as Manager of Mapletree Logistics Trust)
10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

Dear Sirs

Valuation of Four Logistics Parks in The People's Republic of China (the "Property Interests")

In accordance with the instructions from Mapletree Logistics Trust Management Ltd. (in its capacity as manager of Mapletree Logistics Trust) (the "Manager") to value the Property Interests to be acquired by Mapletree Logistics Trust (the "REIT"), we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property Interests in existing state as at 30 September 2019 (the "Valuation Date") for public disclosure purposes. Our valuation is undertaken by the qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

Basis of Valuation
In arriving at our opinion of a market value, we followed "The RICS Valuation – Global Standards 2017" issued by The Royal Institution of Chartered Surveyors ("RICS"). Under the said standards, market value 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."

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction), and without offset for any associated taxes or potential taxes.

Market value is also the best price reasonably obtainable in the market on the valuation date by the seller and the most advantageous price reasonably obtainable in the market on the valuation date by the buyer. This estimate specially excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in "The RICS Valuation — Global Standards 2017" issued by RICS.

Our valuation is based on 100% of the leasehold interest of the Property Interests.

Valuation Methodology
In forming our opinion of market value of the Property Interests to be acquired by the REIT, we have adopted Discounted Cashflow ("DCF") Approach and have cross-checked the result by Sales Comparison Approach.

Valuation Assumptions and Conditions
Our valuation is subject to the following assumptions and conditions:-

Title Documents and Encumbrances
In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property Interests are not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Disposal Costs and Liabilities
No allowance has been made in our report for any charges, mortgages or amounts owing on the Property Interests nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information
We have relied to a very considerable extent on information given by the Manager. We have accepted advice given to us on such matters as tenure, floor areas and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property Interests, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property Interests or contained on the

register of title. We assume that this information is complete and correct.

Inspection
The inspection of the Property Interests was undertaken on in July 2019 by Shirley Xu under the supervision of a qualified valuer, Cyrus Fong MRICS MHKIS MCIREA RPS(GP) RICS Registered Valuer.

Identity of the Property Interests to be Valued
We have exercised reasonable care and skill to ensure that the Property Interests are the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property interest to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance
We have valued the Property Interests on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Site Boundary
We were not able to delineate the exact boundary of the Property Interests nor were we able to carry out detailed site measurements to verify the correctness of the site area of the Property Interests. Nevertheless, we have based on the site area of the Property Interests as obtained from the Government records in preparing our valuation.

Areas
In our valuations, we have relied upon areas provided to us. We have also assumed that the site areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only.

Structural and Services Condition
We have not undertaken any structural surveys, tested the services or arranged for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Property Interests. Our valuation has therefore been undertaken on the basis that the services, including but not limited to the drain, waterway or watercourse, water main, sewer, cable, wire and pipe and other utility services, etc to the Property Interests were approved and connected and the services functioned satisfactorily.

Ground Condition
We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property Interests are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues
We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for

contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property Interests are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Property Interests were constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property Interests upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

Limitations on Liability

In accordance with our standard practice, we must state that this valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this valuation.

Knight Frank has prepared the valuation based on information and data available to us as at the Valuation Date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property Interests.

Currency

Unless otherwise stated, all monetary figures in this valuation report will be in Renminbi (RMB).

We enclose herewith our valuation report.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Cyrus Fong
MRICS FHKIS MCIREA RPS(GP) RICS Registered Valuer
Director, Valuation & Advisory

Thomas Lam
FRICS FHKIS MCIREA RPS(GP) RICS Registered Valuer
Executive Director, Head of Valuation & Advisory

VALUATION SUMMARY

The Property Interests to be acquired by the REIT

No	Property	Market Value in the Existing State as at the Valuation Date
1	Chengdu DC Logistics Park, South of No.2 Hangshu Road, Shuangliu District, Chengdu, Sichuan Province, PRC	RMB102,000,000
2	Mapletree Shenyang Logistics Park, 4A, 4A1, 4A2, 4A3, Hunhe Shiba Street, Economic Technology Development Zone, Shenyang, Liaoning Province, PRC	RMB140,000,000
3	Mapletree Jinan International Logistics Park, Unit 3153, Lingang Road, Gaoxin District, Jinan, Shandong Province, PRC	RMB299,000,000
4	Mapletree Changsha Industrial Park (Phase 2), No. 20 Jinqiao Road, Yue Lu District, Fengyi Changsha Logistics Park, Changsha, Hunan Province, PRC	RMB396,000,000
	Total:	**RMB937,000,000**

Knight Frank 萊坊

VALUATION

The Property Interests to be acquired by the REIT

No	Property Interest	Description and tenure	Particulars of occupancy	Market Value in the Existing State as at the Valuation Date
1	Chengdu DC Logistics Park, South of No.2 Hangshu Road, Shuangliu District, Chengdu, Sichuan Province, PRC	The property is a logistics park comprising a block of single-storey warehouse and a guardhouse located at South of No.2 Hangshu Road, Shuangliu District, Chengdu, Sichuan Province, PRC. As per the Work Completion Registration Form provided, it was physically completed in about September 2018. As per the State-owned Land Use Rights Certificate, the subject site has a site area of approximately 32,331.55 square metres. As per the information provided, the property has a gross floor area of approximately 20,769.30 square metres. According to the tenancy schedule provided as at September 2019, the property has a total lettable area of approximately 20,137.69 square metres. The land use rights of the property were granted for a term expiring on 27 October 2065 for warehouse uses.	According to the tenancy schedule provided as at September 2019, the property was leased to different tenants subject to an occupancy rate of approximately 100%.	RMB102,000,000 (Renminbi One Hundred and Two Million)

Notes:

(1) In our valuation, we have adopted the following key parameters:

DCF Approach	**Details**
Terminal Yield:	3.40%
Stabilised Growth Rate:	3.50%
Discount Rate:	6.90%
Sales Comparison Approach	**Details**
Unit Prices of Comparables:	RMB4,909 – RMB6,422 per square metre on gross floor area basis
Adopted Unit Value:	RMB5,201 per square metre on gross floor area basis

VALUATION

No	Property Interest	Description and tenure	Particulars of occupancy	Market Value in the Existing State as at the Valuation Date
2	Mapletree Shenyang Logistics Park, 4A, 4A1, 4A2, 4A3, Hunhe Shiba Street, Economic Technology Development Zone, Shenyang, Liaoning Province, PRC	The property is a logistics park comprising two blocks of single-storey warehouses and a guardhouse located at 4A, 4A1, 4A2, 4A3, Hunhe Shiba Street, Economic Technology Development Zone, Shenyang, Liaoning Province, PRC. As per the Work Completion Registration Form provided, it was physically completed in about October 2018. As per the State-owned Land Use Rights Certificate, the subject site has a site area of approximately 71,360.58 square metres. As per the information provided, the property has a gross floor area of approximately 43,927.15 square metres. According to the tenancy schedule provided as at September 2019, the property has a total lettable area of approximately 42,881.00 square metres. The land use rights of the property were granted for a term expiring on 28 September 2066 for industrial (logistics warehouse) uses.	According to the tenancy schedule provided as at September 2019, the property was leased to different tenants subject to an occupancy rate of approximately 90%.	RMB140,000,000 (Renminbi One Hundred and Forty Million)

Notes:

(1) In our valuation, we have adopted the following key parameters:

DCF Approach	**Details**
Terminal Yield:	4.10%
Stabilised Growth Rate:	3.50%
Discount Rate:	7.60%
Sales Comparison Approach	**Details**
Unit Prices of Comparables:	RMB2,978 - RMB4,180 per square metre on gross floor area basis
Adopted Unit Value:	RMB3,182 per square metre on gross floor area basis

VALUATION

No	Property Interest	Description and tenure	Particulars of occupancy	Market Value in the Existing State as at the Valuation Date
3	Mapletree Jinan International Logistics Park, Unit 3153, Lingang Road, Gaoxin District, Jinan, Shandong Province, PRC	The property is a logistics park comprising four blocks of single-storey warehouses and two guardhouses located at Unit 3153, Lingang Road, Gaoxin District, Jinan, Shandong Province, PRC. As per the Work Completion Registration Form provided, it was physically completed in about November 2016. As per the Real Estate Title Certificates, the subject site has a site area of approximately 126,770.00 square metres and the property has a total gross floor area of approximately 78,920.87 square metres. According to the tenancy schedule provided as at September 2019, the property has a total lettable area of approximately 80,931.14 square metres. The land use rights of the property were granted for a term expiring on 15 March 2065 for warehouse uses.	According to the tenancy schedule provided as at September 2019, the property was leased to different tenants subject to an occupancy rate of approximately 100%.	RMB299,000,000 (Renminbi Two Hundred and Ninety Nine Million)

Notes:

(1) In our valuation, we have adopted the following key parameters:

DCF Approach	Details
Terminal Yield:	4.40%
Stabilised Growth Rate:	3.50%
Discount Rate:	7.90%
Sales Comparison Approach	**Details**
Unit Prices of Comparables:	RMB2,978 - RMB4,180 per square metre on gross floor area basis
Adopted Unit Value:	RMB3,734 per square metre on gross floor area basis

9

VALUATION

No	Property Interest	Description and tenure	Particulars of occupancy	Market Value in the Existing State as at the Valuation Date
4	Mapletree Changsha Industrial Park (Phase 2), No. 20 Jinqiao Road, Yue Lu District, Fengyi Changsha Logistics Park, Changsha, Hunan Province, PRC	The property is a logistics park comprising four blocks of single-storey, a block of two-storey warehouse and two guardhouses located at No. 20 Jinqiao Road, Yue Lu District, Fengyi Changsha Logistics Park, Changsha, Hunan Province, PRC. As per the Work Completion Registration Form provided, it was physically completed in about July 2018. As per the Real Estate Title Certificates, the subject site has a site area of approximately 140,207.21 square metres and the property has a total gross floor area of approximately 99,842.41 square metres. According to the tenancy schedule provided as at September 2019, the property has a total lettable area of approximately 97,887.99 square metres. The land use rights of the property were granted for a term expiring on 26 December 2064 for warehouse uses.	According to the tenancy schedule provided as at September 2019, the property was leased to different tenants subject to an occupancy rate of approximately 100%.	RMB396,000,000 (Renminbi Three Hundred and Ninety Six Million)

Notes:

(1) In our valuation, we have adopted the following key parameters:

DCF Approach	**Details**
Terminal Yield:	4.10%
Stabilised Growth Rate:	3.50%
Discount Rate:	7.60%
Sales Comparison Approach	**Details**
Unit Prices of Comparables:	RMB2,978 - RMB4,180 per square metre on gross floor area basis
Adopted Unit Value:	RMB4,013 per square metre on gross floor area basis

Conditions & Caveats
(These Conditions & Caveats form part of our valuation report / letter)

1. **Valuation Standards**
Our valuations are prepared in accordance with the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors which entitle us to make assumptions that may upon further investigation, for instance by your legal representative, prove to be inaccurate or untrue. Any exception is clearly stated below and / or in the report.

2. **Portfolios**
In valuing the portfolio of properties, unless specifically agreed with you otherwise, we have valued the individual properties separately.

3. **Title and Encumbrances**
We have taken reasonable care to investigate the title of the property by obtaining land search records from the Land Registry, and if not available, with reference to the title document or other document of title as provided. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the date of valuation.

In cases where sample land searches or land searches at the Land Registries are not required, we have relied on the title information as provided and assumed that the information is correct as at the date of valuation.

4. **Disposal Costs and Liabilities**
No allowance has been made in our report for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale.

5. **Sources of Information**
We have relied on the quoted source of information to a very considerable extent and have not verified the correctness of any information including their translation supplied to us concerning this property, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the property or contained on the register of title. We assume that this information is complete and correct.

6. **Inspection**
Where applicable and available, we have carried out external and / or internal inspection of the property. Nevertheless, we have assumed in our valuation that the property was in satisfactory exterior and interior decorative order without any unauthorised extensions or structural alterations as at the date of valuation, unless otherwise stated.

7. **Identity of Property to be Valued**
We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

8. **Boundaries**
Plans accompanying this report are for identification purposes only and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with the information given to us and / or our understanding of the boundaries.

9. **Property Insurance**
We have valued the property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

10. **Areas and Age**
As instructed, we have relied upon areas as available from a quoted source. Otherwise, dimensions and areas would be measured on-site or from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source.

We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. The plans in this report are included to assist the reader to visualise the property and we assume no responsibility for their accuracy.

Where the age of the building is estimated, this is for reference only.

11. **Structural and Services Condition**
We were not instructed to undertake any structural surveys, test the services or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the property. Our valuation has therefore been undertaken on the basis that the property was in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

12. **Ground Condition**
We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

13. **Environmental Issues**
We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the property is unaffected. Where contamination is

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suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

14. Leases
Reliance must not be placed on our interpretation of leases without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

15. Loan Security
Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

16. Build Cost Information
We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at reliance upon the build cost and other relevant information prepared by a suitably qualified construction cost professional supplied to us by you. In their absence, we would have to rely on the published build cost information that might present severe limitations on the accuracy. Henceforth, the reliance that can be placed upon our advice is severely restricted.

17. Comparable Evidence
Where comparable evidence information is included in our report, they are only referred to where we had reason to believe its general accuracy or where it was in accordance with expectation. In addition, we have not inspected the comparable properties.

18. Valuation Bases
Unless otherwise specifically agreed, the value advised by us shall be the market value as at the date of valuation.

We have assumed that the property valued has been constructed or to be constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirements and notices, except only where otherwise stated. We have further assumed that, for any use of the property upon which the report is based, any and all required licences, permits, certificates, consents, approvals and authorisations have been obtained, except only where stated otherwise.

18.1 Market Value 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.

The market value is the best price reasonably obtainable in the market by a seller and the most advantageous price reasonably obtainable in the market by a buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of an asset or liability is also estimated without regard to costs of sale and purchase (or transaction), and without offset for any associated taxes or potential taxes.

Valuations are, however, undertaken for a variety of purposes, including sale, purchase, letting, mortgage, rating, compulsory purchase, insurance, probate and other tax purposes. Sometimes, a basis of valuation other than "market value" will be required as, for example, when assessing for insurance purposes. However, unless agreed otherwise, our valuation figure will represent our opinion of the asset or liability's market value as defined above.

18.2 Market Rent is defined as:
The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

18.3 Value for Sale under Repossession
The action of regaining possession especially the seizure of collateral securing a loan that is in default refers to the price that might reasonably be expected to realize within a defined period of time (the period shall be agreed upon between Lender and Valuer) from the sale of a real property in the market under repossession by the lender or receiver, on an "as is" basis, taking into account the unique quality of the real property and the existence of any specific demand as well as factors which might adversely affect the marketability of the real property due to market perception of increased risk or stigma, justified or otherwise. The increased risk or stigma would include but not limiting to the need for substantial renovation or repair, the need for abortive expenses and the need for completion in a short period of time.

18.4 Building Insurance Replacement Cost
The building insurance replacement cost is defined as the estimated cost of erecting the same real property or a modern substitute real property having the same areas as the existing one at the relevant date, which includes fees, finance costs and other associated expenses directly related to the construction of the real property. Coverage for loss of rent and other disturbances are not included.

The building insurance replacement cost is to be covered by the insurance policy against losses due to structural damage caused directly by the out-break of fire and do not include any consequential loss or liabilities to third parties as a result of fire.

In estimating the building insurance cost of the Property, we have made reference to the building cost index published by a reputable quantity surveyor firm. It is recommended that a professional quantity surveyor or a firm of professional quantity surveyors in Hong Kong should be consulted in order to assess an accurate building insurance replacement cost.

January 2019

19. Limitations on Liability and Disclosure

19.1 This report / letter is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressed shall not disclose the report to any other person. Neither the whole, or any part of this report/ letter and valuation, nor any reference thereto may be included in any documents, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web site) without our written approval of the form and context in which it will appear.

19.2 In accordance with our standard practice, we must state that this report / letter and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report / letter.

19.3 No claim arising out of or in connection with this agreement may be brought against any member, employee, shareholder or consultant of Knight Frank. Those individuals will not have a personal duty of care to the client or any other party and any such claim for losses must be brought against Knight Frank.

19.4 Knight Frank will not be liable in respect of any of the following:

(a) for any services outside the scope of the services agreed to be performed by Knight Frank;
(b) to any third party; or
(c) any indirect or consequential losses (such as loss of profits).

19.5 Where any loss is suffered by you for which Knight Frank and any other person are jointly and severally liable to you, the loss recoverable by you from Knight Frank shall be limited so as to be in proportion to Knight Frank's relative contribution to the overall fault.

19.6 Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to HKD50 million, unless otherwise stated in the valuation report. This limit applies to each and every transaction and retainer and any subsequent work that Knight Frank undertakes for you.

Conversion factors used in this report are:
1 square meter = 10.764 square feet and
1 meter = 3.2808 feet

January 2019

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INDEPENDENT MARKET RESEARCH REPORT

Date: 30th September 2019

Ref: R&C/19/MMM/016/omc

Market Research

- Logistics / Distribution Centres

For Mapletree Logistics Hub – Shah Alam (MLHSA) Located at Jalan Jubli Perak 22/1A, Seksyen 22, 40300 Shah Alam, Selangor, Malaysia

Prepared for:
HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Mapletree Logistics Trust);
Mapletree Logistics Trust Management Limited
(in its capacity as manager of Mapletree Logistics Trust); and
Mapletree Malaysia Management Sdn Bhd

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1.0 Introduction

1.1 Objective of Study

We have been instructed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Mapletree Logistics Trust), Mapletree Logistics Trust Management Limited (in its capacity as manager of Mapletree Logistics Trust) and Mapletree Malaysia Management Sdn Bhd (hereinafter collectively referred to as the **'Client'**) to prepare a Market Research Report on Logistics / Distribution Centres in Shah Alam / Klang Valley.

The report will also provide an overview of Mapletree Logistics Hub – Shah Alam (MLHSA), held under the asset company of Winning Paramount Sdn Bhd. MLHSA, which occupies a site measuring circa 43 acres, consist of three blocks of two-storey ramp-up logistics and warehousing facilities with mezzanine office space. The premises have a combined gross floor area (GFA) and a net lettable area (NLA) of circa 2.29 million sq ft and 2.23 million sq ft respectively. MLHSA bears postal address Jalan 22/1, off Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan (hereinafter referred to as the **'Subject Property'**).

The Market Research Report is required for **Internal Management** purpose and inclusion in the **Prospectus / Circular to the Unitholders of Mapletree Logistics Trust**.

1.2 Scope of Work

The **Market Study Report** is prepared under the following headings:

1) Introduction

- Terms of Reference
- Scope of Work

2) Overview of Economy

This section reviews key economic indicators, namely gross domestic product (GDP) and inflation. It also provides an overview of private domestic investment, foreign investment trends, international trade in Malaysia and some key performance metrics of neighbouring countries.

3) Population and Demographic Indicators

This section reviews the population / average annual growth rate, working age population and household income in Malaysia and Klang Valley. This section also reviews briefly on the global population by income group.

4) Government Incentives for Industrial Development

This section will highlight key incentives related to the manufacturing and logistics industry.

5) **Overview of Industrial Property Market**

This section reviews the market performance of the industrial property sub-sector (2012 to 2018).

Items under review include:

- Supply analysis: existing, incoming and planned supply by property type on State / District(s) level.
- Demand analysis: volume and value of transactions

6) **Overview of Logistics Trends in Malaysia**

This section provides an overview of logistics trends in Malaysia. We will review data on the Transportation and Storage Services (TSS) as well as data on cargo and container freights handled by rails, ports and airports. This section will also provide a brief review on the logistics capacity of neighbouring countries. A commentary on the e-commerce trends and role of logistics industry will also be included.

7) **Property Market Analysis: Logistics and Distribution Centres**

This section reviews the performance of logistics space in Malaysia / Klang Valley.

Items under review include:

- Review on owners of industrial premises in Klang Valley;
- Supply of Grade A logistics properties;
- Estimated occupancy rates of selected properties;
- Review of rental rates; and
- Review of capital values and capitalization rates.

8) **Review of Site & Location of Subject Property (Mapletree Logistics Hub – Shah Alam)**

To review the location, accessibility and surrounding developments of the Subject Property.

9) **Summary & Market Outlook**

This section summarises the market findings on supply and demand. It provides an insight on the outlook of the industrial / logistics segment. With the findings, we will provide an estimated rental range for the Subject Property.

1.3 Limiting Conditions

This report has been prepared based on current market conditions. Should there be any unforeseen events that materially affect economic conditions and market conditions, our findings / recommendations set forth would have to be reviewed in light of new market conditions. Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so.

This report has been prepared on the basis that full disclosure of all information and facts have been made known to us. All information that have been obtained from third parties has been verified to the best of our abilities and is believed to be correct. We, however, do not vouch for the accuracy of the information and shall not be held liable for any inaccuracy thereof.

This report is confidential to **HSBC Institutional Trust Services (Singapore) Limited** (in its capacity as trustee of Mapletree Logistics Trust); **Mapletree Logistics Trust Management Limited** (in its capacity as manager of Mapletree Logistics Trust); and **Mapletree Malaysia Management Sdn Bhd** for the specific purpose to which it refers. No responsibility is accepted to any other party and neither the whole, nor any, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without the prior written approval of the firm and context in which it will appear.

1.4 Sources of Information

References have been made to relevant government / government link organisations, private organisations and various property managements, operators and agents in order to establish matters in relation to the selected comparable projects and other relevant information. References have been made to relevant publications, periodicals and news articles. Additional references have been made to our in-house data that has been gathered from numerous sources.

1.5 The Study Area

The Study Area will include selected industrial areas within Klang Valley. The delineation of the localities is determined by the municipal boundaries and/ or market influence of demand and supply of similar developments. It will encompass areas where there are competing projects (existing / upcoming / proposed) deemed to have a bearing or influence on The Study Area / Subject Property.

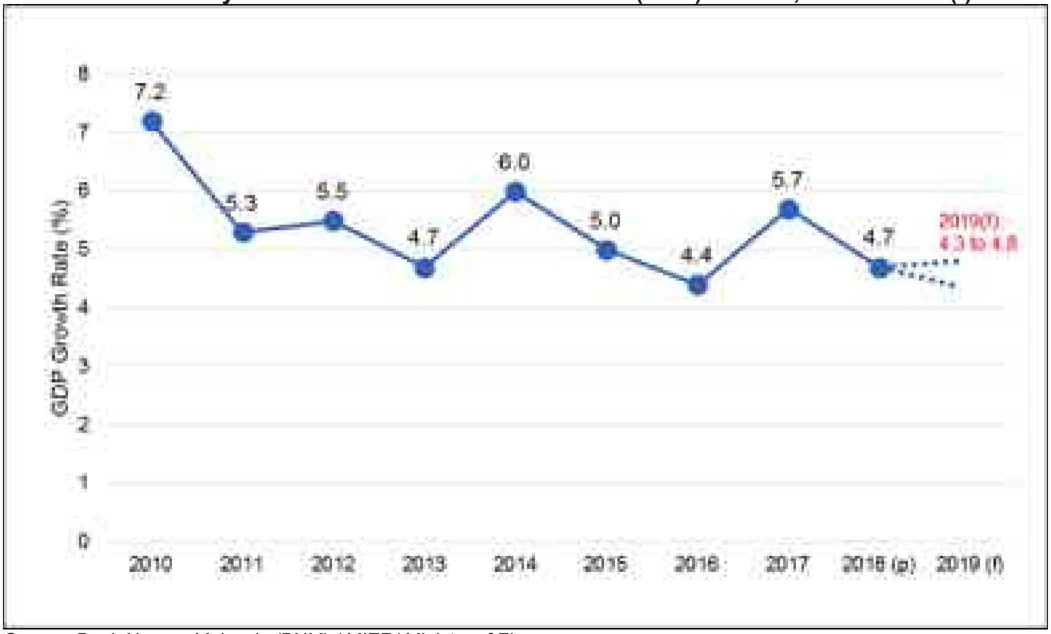
2.0 Overview of Economy

2.1 Gross Domestic Product (GDP)

The Malaysian economy continued with its moderate expansion in 2018 with the national real gross domestic product (GDP) growing 4.7% (2017: 5.7%) at 2015 constant prices, underpinned by private expenditure and private consumption. On the supply side, most economic sectors grew with the exception of the commodity sector. The services and manufacturing sectors continue to be the main drivers of growth.

In 2018, there were expectations for a stronger performance in the global economy from the year before. However, multiple headwinds arising from global trade tensions which resulted in higher tariffs and policy uncertainties, challenges on the domestic front and the change of government in Malaysia became sources of uncertainties for the Malaysian economy.

Chart 1: Malaysia - Real Gross Domestic Product (GDP) Growth, 2010 to 2019(f)



Source: Bank Negara Malaysia (BNM) / MIER/ Ministry of Finance
Notes: (p) = preliminary; (f) = forecast
Malaysia's 2016 to 2018 GDP figures are based on 2015 constant prices

Moving into 2019, the country's economy is expected to sustain its growth with GDP growth projected to expand from 4.3% to 4.8%.

In 2Q2019, the economy recorded stronger GDP growth of 4.9% (1Q2019: 4.5%), driven by continued expansion of domestic demand and higher private sector expenditure. On the supply side, services and manufacturing sectors remained the key drivers of growth.

2.1.1 Gross Domestic Product by Sector

Table 1 below illustrates the performance of specific economic sectors from 2016 to 2019(f).

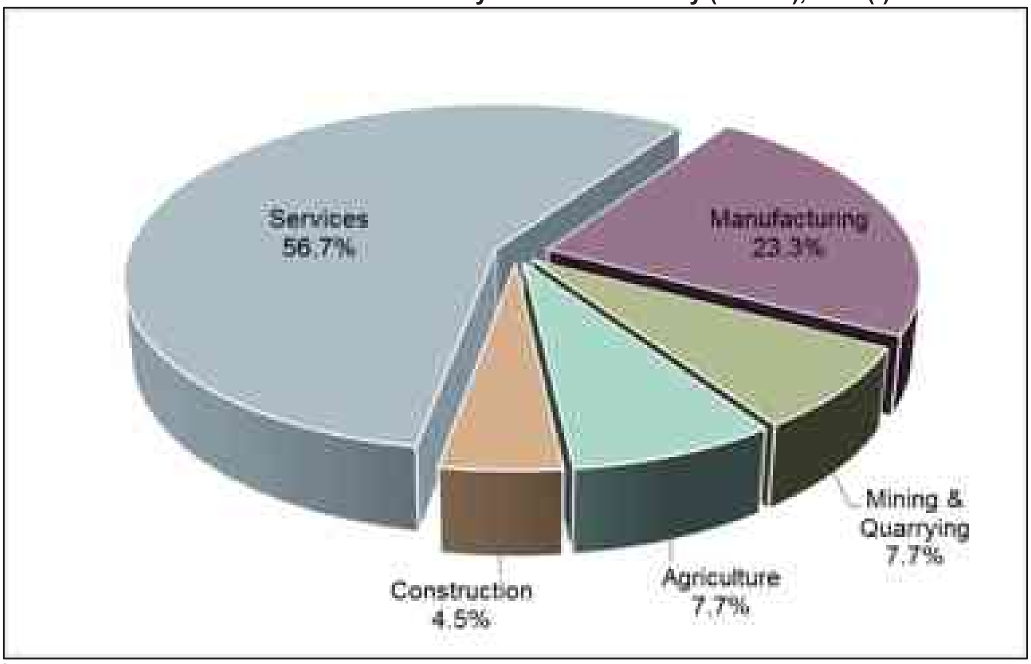
Table 1: Real GDP Growth by Sector (at constant 2015 prices), 2016 to 2019(f)

Sector	2016	2017	2018(p)	2019(f)
	Annual Change (%)			
Agriculture	-3.7	5.7	0.1	2.8
Mining and Quarrying	2.2	0.4	-2.6	0.8
Manufacturing	4.4	6.0	5.0	4.8
Construction	7.4	6.7	4.2	3.0
Services	5.7	6.2	6.8	5.7
Plus: Import Duties(1)	8.8	13.0	-11.5	4.1
GDP (at purchaser's prices)	**4.4**	**5.7**	**4.7**	**4.3 ~ 4.8**

Source: Department of Statistics, Malaysia (DOSM)
Notes: (p) = preliminary; (f) = forecast
(1) Import duties refer to customs duties, or other import charges, which are payable on goods of a particular type from the sectors mentioned above.

The chart below illustrates the sectorial breakdown in contribution to GDP, with forecast for 2019 expected to show similar trend to previous years.

Chart 2: Real GDP Forecast by Economic Activity (Sector), 2019(f)



Source: Bank Negara Malaysia (BNM)
Note: (f) = forecast

Moving into 2019, the services sector is expected to remain the most dominant economic sub-sector, with 56.7% contribution to the national GDP although its pace of growth is projected to be slower at 5.7% (2018: 6.8%).

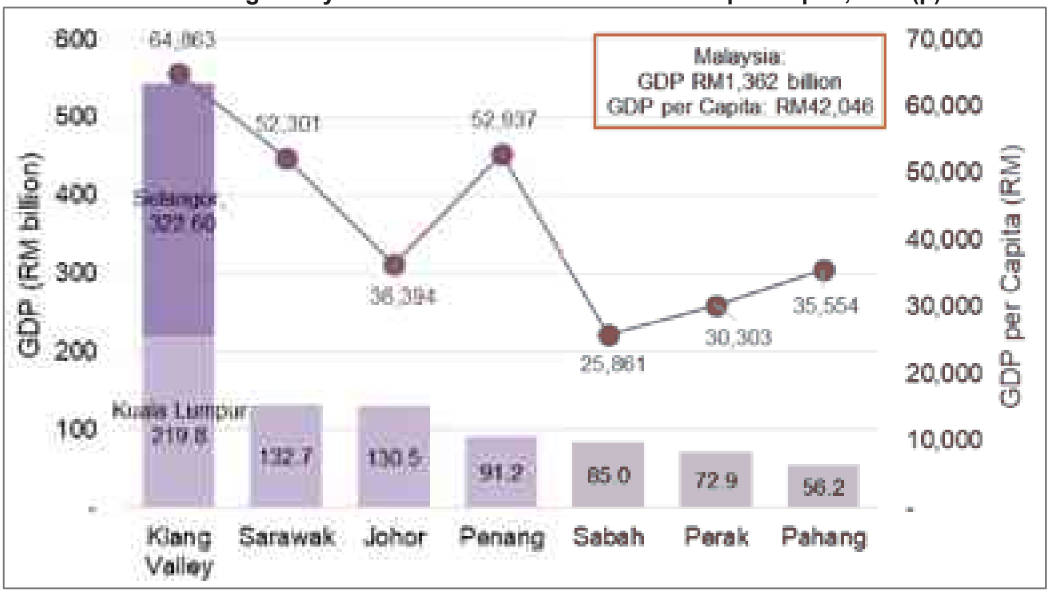
On the positive note, the services sector has exceeded its growth targets for the first and second quarter of 2019, expanding 6.4% and 6.1% respectively. Economic activities that have noticeably supported the growth in the services sectors include food & beverage and accommodation, business services and transportation & storage.

2.1.2 GDP and GDP per Capita by State

The following chart shows the real GDP and GDP per capita for Klang Valley and selected states for Year 2018.

Klang Valley encompasses the Federal Territory of Kuala Lumpur (FTKL) or Wilayah Persekutuan Kuala Lumpur (WPKL) and state of Selangor. It is the most affluent market in Malaysia in terms of economy activity *(refer to **Appendix C** for Delineation of Localities in Klang Valley).*

Chart 3: Klang Valley / Selected States – GDP and GDP per Capita, 2018(p)



Source: Department of Statistics, Malaysia (DOSM)
Notes: (p) = preliminary
(1) Figure based on 2015 constant prices

In 2018, the collective GDP for Klang Valley was at RM542.4 billion or about 40% of the country's GDP. Other states with significant GDP contributions were Sarawak (RM132.7 billion), Johor (RM130.5 billion), Penang (RM91.2 billion), Sabah (RM85.0 billion), Perak (RM72.9 billion) and Pahang (RM56.2 billion).

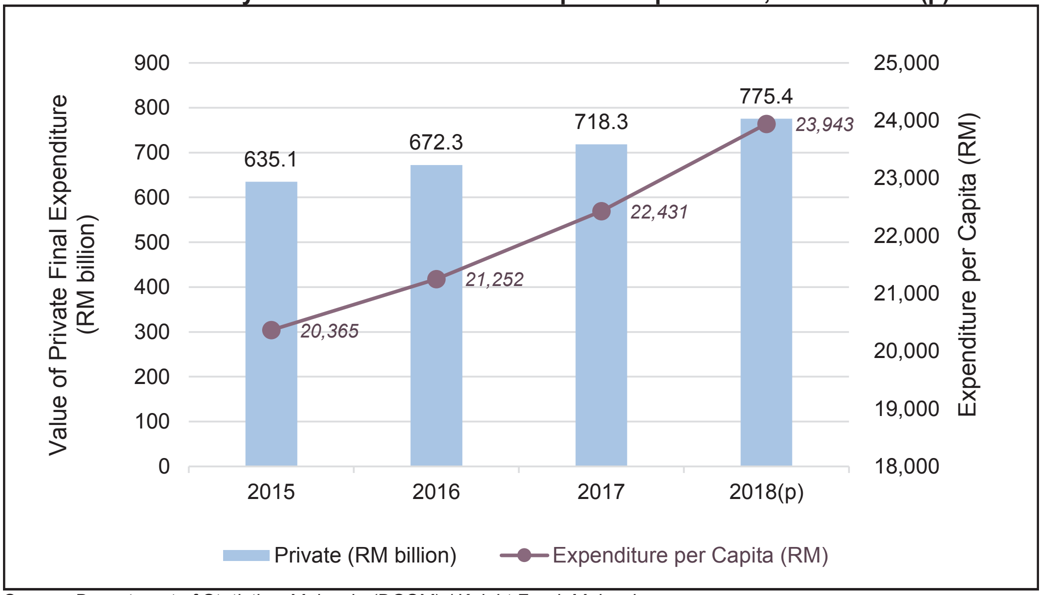
The GDP per capita for Klang Valley, Sarawak and Penang are above the national level of RM42,046 per capita. Klang Valley has the highest GDP per capita at RM64,863 or circa 54.3% higher than the national level.

2.1.3 Private Final Consumption Expenditure

The national economy growth is supported by domestic demand. In 2018, the private final consumption expenditure grew by a record 8.0% to RM775.4 billion (2017: RM718.3 billion). Since 2015, the expenditure has grown at a compound annual growth rate ("CAGR") of 6.9%.

Meanwhile, the expenditure per capita grew at a CAGR of 5.5%, from RM20,365 per capita in 2015 to RM23,943 per capita in 2018.

Chart 4: Malaysia – Private Final Consumption Expenditure, 2015 to 2018(p)



Source: Department of Statistics, Malaysia (DOSM) / Knight Frank Malaysia
Notes: (p) = preliminary
(1) Value from 2016 to 2018 are based on 2015 constant prices
(2) Expenditure per capital is estimated by dividing the private final expenditure over the population

2.1.4 Transport and Communication Expenditure

The transportation and communication expenditure was recorded at RM166,119 million representing a CAGR of 7.3% when compared to 2015 at RM134,634 million.

Expenditure for transportation and communication made up the second largest share of private consumption after food and non-alcoholic beverages. In 2018, the transportation and communication expenditure made up circa 21.4% of the total private final consumption expenditure while the food and non-alcoholic beverages made up 22%.

Meanwhile, the expenditure for transportation and communication per capita grew at a CAGR of 5.9%, from RM4,317 per capita in 2015 to RM5,130 per capita in 2018.

Chart 5: Malaysia – Private Final Consumption Expenditure by Type, 2015 to 2018(p)

	2015	2016	2017	2018(p)
Restaurants and hotels	66,155	70,748	78,088	82,898
Miscellaneous goods and services	81,550	85,258	90,014	96,819
Housing, water, electricity, gas and other fuels	99,383	105,779	110,609	116,399
Others	114,810	117,831	127,752	143,500
Transport & communication	134,634	146,139	154,839	166,119
Food and non-alcoholic beverages	138,568	147,711	158,716	170,697
Total Private Final Consumption Expenditure	635,100	672,290	718,319	776,431

Source: Department of Statistics, Malaysia (DOSM) / Knight Frank Malaysia

Notes: (p) = preliminary

(1) Value from 2016 to 2018 are based on 2015 constant prices

(2) Expenditure per capital is estimated by dividing the private final expenditure over the population

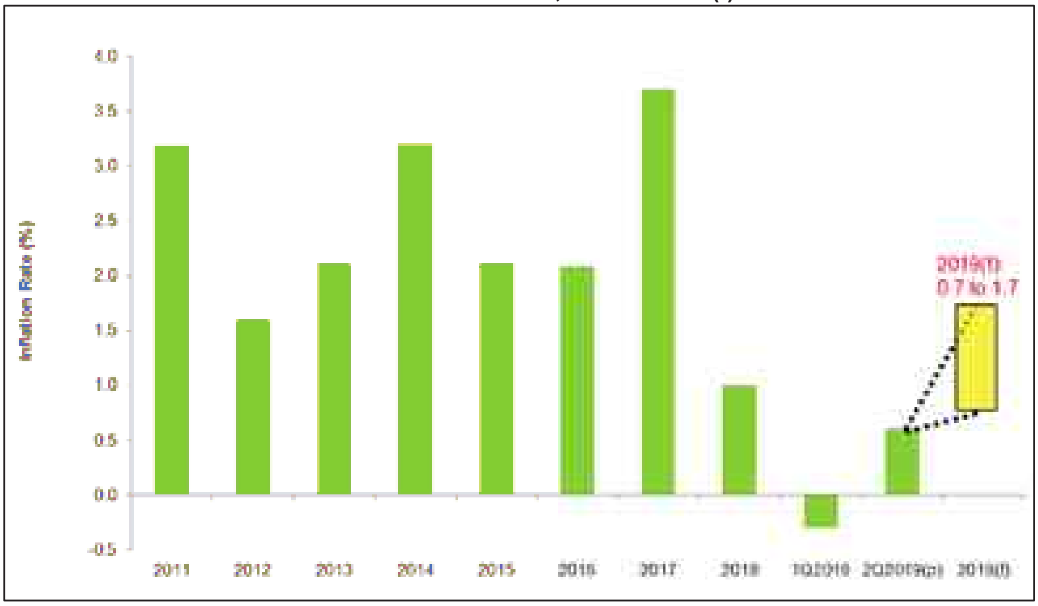
2.2 Inflation

In 2018, headline inflation declined to 1.0% (2017: 3.7%), mainly due to the impact of retail fuel prices and the zerorisation of the GST. Headline inflation turned negative in 1Q2019 to register at -0.3%, primarily due to lower domestic fuel prices arising from the resumption of the managed float fuel pricing mechanism.

During 2Q2019, headline inflation was higher at 0.6%, reflecting the lapse in the impact of the GST zerorisation in June 2018.

The country's headline inflation is expected to be broadly stable moving forward, with overall projected annual average of 0.7% to 1.7% in 2019, on expectations of some cost pass-through from domestic cost factors. The impact of the higher cost factors will, however, be offset by the expected lower global oil prices along with the implementation of price ceilings on domestic retail fuel prices.

Chart 6: Inflation Rate, 2011 to 2019(f)

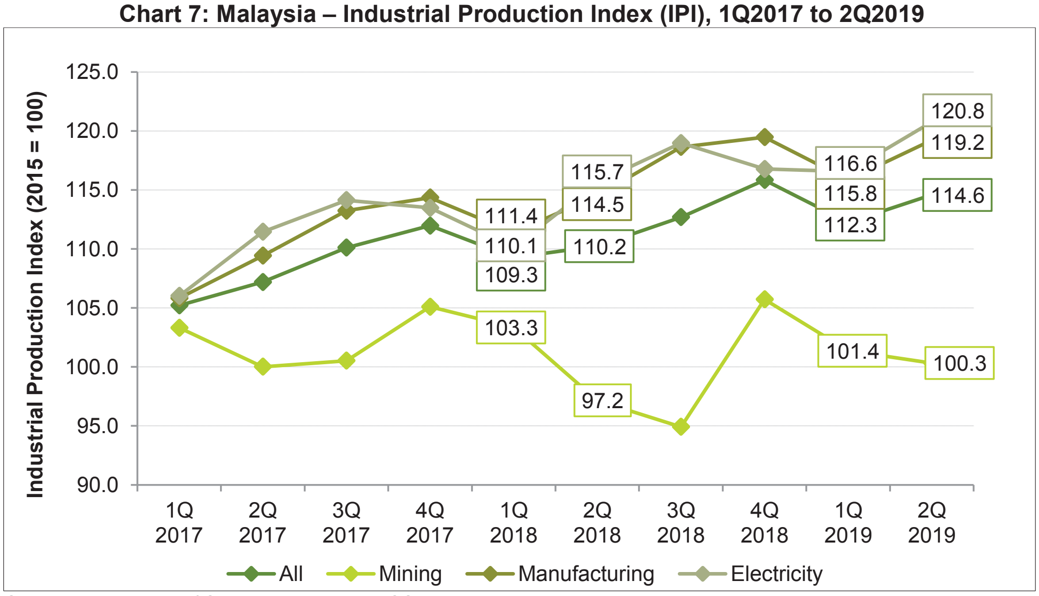


Source: Department of Statistics Malaysia (DOSM) / Bank Negara Malaysia (BNM)
Note: (p) = preliminary; (f) = forecast

2.3 Industrial Production Index (IPI)

The Industrial Production Index (IPI) expanded 3.1% in 2018, supported by growth in the manufacturing sector (4.8%) and electricity sector (3.7%) although there was a 1.9% contraction in the mining sector.

Chart 7: Malaysia – Industrial Production Index (IPI), 1Q2017 to 2Q2019



Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research

In the second quarter of 2019, the overall IPI grew 3.9% (1Q2019: 2.7%) due to improvements in the mining and manufacturing sectors which expanded 3.3% and 4.1% respectively. Meanwhile, the 4.4% growth in the electricity sector was lower when compared to previous quarter (1Q2019: 5.8%).

2.4 Private Investment

The following table tabulates private investments in various economic sectors, namely the primary, manufacturing and services sectors.

Table 2: Malaysia – Private Investments in Various Economic Sectors, 2014 to 2018

Sector	Private Investment (RM million)					
	2014	2015	2016	2017	2018	
Primary	14,425.50	3,786.60	8,228.80	12,417.80	10,908.70	↓
Manufacturing	71,852.70	74,693.00	58,492.70	63,684.80	87,375.6	↑
Services	153,438.80	114,548.40	146,188.80	121,062.90	106,070.7	↓
TOTAL	**239,717.00**	**193,028.00**	**212,910.30**	**197,165.50**	**204,355.1**	↑

Source: Malaysian Investment Development Authority (MIDA)

In year 2018, Malaysia attracted investments worth of RM204.4 billion in the manufacturing, services and primary sectors, circa 3.6% higher than the investments of RM197.2 billion approved in the preceding year.

While there was higher approved investments in the manufacturing sector (37.2%), investments in the primary and services sectors were lower by 12.2% and 12.4% respectively.

The services sector continued to be the largest contributor to the country's economic growth with total approved investment of RM106.1 billion in 2018 (2017: RM121.1 billion). In the primary sector, due to lower investments in oil and gas exploration activities under the mining sub-sector, approved investments in this sector totalled RM10.9 billion in 2018 (2017: RM12.4 billion).

As of first half of 2019, Malaysia has attracted circa RM92.0 billion of private investment. The services sector continues to garner the most interest with RM54.96 billion worth of investment while the manufacturing and primary sectors received RM33.15 billion and RM3.89 billion of investment respectively.

In the primary sector, the mining, plantation & commodities and agriculture sub-sectors each received RM3.58 billion, RM257.3 million and RM48.6 million respectively.

2.4.1 Primary Sector

The key activities in the primary sector are agriculture, mining and plantation & commodities.

Table 3: Malaysia – Private Investments in Primary Sector, 2017 and 2018

Primary Sector	Number of Approved Project		Domestic Investment (RM million)		Foreign Investment (RM million)		Total Investment (RM million)	
	2017	2018	2017	2018	2017	2018	2017	2018
Agriculture	12	14	44.9	68.8	0	0	44.9	68.8
Mining	32	26	7,332.5	4,204.0	4,368.4	6,034.2	11,700.9	10,238.1
Plantation & Commodities	4	23	672	601.8	0	0	672	601.8
Total	**48**	**63**	**8,049.40**	**4,874.6**	**4,368.40**	**6,034.2**	**12,417.80**	**10,908.7**

Source: Malaysian Investment Development Authority (MIDA)

2.4.2 Services Sector

The services sector is the main driver of the country's economic growth. A total of 4,234 projects amounting to RM106.1 billion were approved in the services sector in 2018 (2017: 4,731 approved projects with investment of RM121.1 billion).

The real estate sub-sector continues to lead in 2018 with a total investment of RM47.89 billion (45.1%), followed by utilities at RM9.84 billion (9.3%) and financial services at RM9.70 billion (9.1%).

As of first half of 2019, the services sector received RM54.96 billion of investment. Real estate sector continues to top the list garnering 33.7% of investment worth RM18.51 billion.

Table 4: Malaysia – Private Investments in Services Sector, 2017 and 2018

Services Sector	Number of Approved Projects		Domestic Investment (RM million)		Foreign Investment (RM million)		Total Investment (RM million)	
	2017	2018	2017	2018	2017	2018	2017	2018
Real Estate	973	968	43,214.70	45,147.50	2,452.80	2,742.40	45,667.50	47,889.90
Utilities	NA	NA	8,456.60	9,836.10	-	-	8,456.60	9,836.10
Financial Services	44	47	10,364.60	8,950.90	1,423.40	744.4	11,788.00	9,695.30
Telecommunications	421	508	5,912.10	8,613.50	-	-	5,912.10	8,613.50
Global Establishments	225	204	760	3,080.10	13,250.20	4,378.30	14,010.20	7,458.40
Distributive Trade	1,750	1,263	3,448.80	2,409.70	5,967.70	4,847.40	9,416.50	7,257.10
Support Services	194	346	3,201.50	4,381.90	1,579.80	652.1	4,781.30	5,034.00
Hotel &Tourism	70	63	8,933.70	3,925.40	355	716.7	9,288.70	4,642.10
Health Services	3	11	374.8	1,647.20	70.3	986.2	445.1	2,633.40
Education Services	711	704	442.3	682.7	50.8	447.3	493.1	1,130.00
MSC Status	315	107	2,716.00	729.6	3,436.40	341.9	6,152.40	1,071.50
Transport	16	12	4,277.30	578.3	237.6	220.5	4,514.90	798.8
Other Services	9	1	135.9	10.7	0.6	-	136.5	10.7
Total	**4,731**	**4,234**	**92,238.3**	**89,993.5**	**28,824.6**	**16,077.2**	**121,062.9**	**106,070.7**

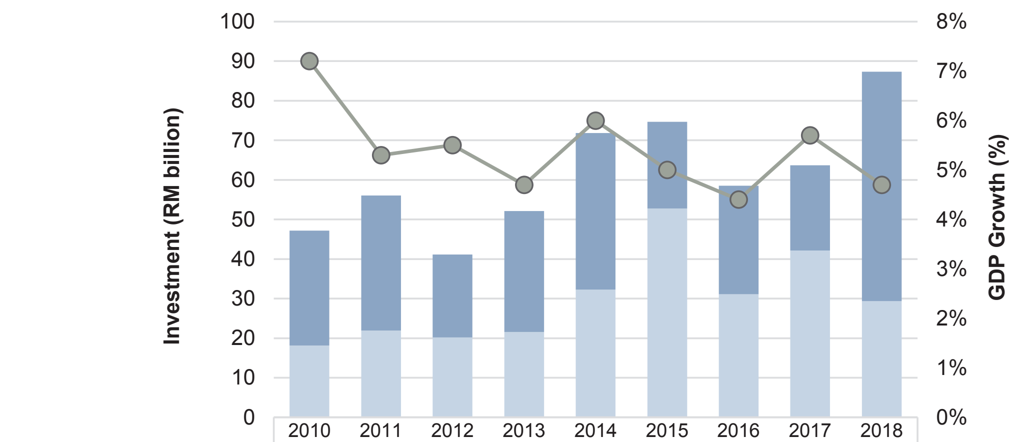
Source: Malaysian Investment Development Authority (MIDA)

Notes:
(1) Refer to Appendix A for explanatory notes on the services sector
(2) Figures presented in this table may not add up to the totals provided due to rounding

2.4.3 Manufacturing Sector

The manufacturing sector continues to maintain its position as the second key engine (after the services sector) to the country's growth. The sector's contribution to the country's total GDP has been fairly consistent on an annual basis, in the region of 23.0%.

Chart 8: Malaysia Manufacturing Sector - Investment Overview, 2010 to 1H2018



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Foreign Investment	29.06	34.1	20.9	30.5	39.6	21.9	27.4	21.5	58.0
Domestic Investment	18.12	21.9	20.2	21.6	32.3	52.8	31.1	42.1	29.4
GDP Growth (%)	7.2%	5.3%	5.5%	4.7%	6.0%	5.0%	4.4%	5.7%	4.7%

Source: Bank Negara Malaysia (BNM) / MIER/ Ministry of Finance / Malaysian Investment Development Authority (MIDA)

Most projects that came in the form of FDI involve the production of high-technology, high-value-added goods. Examples of foreign firms that have / are looking to further expand their existing operations in the country include Osram Opto Semiconductor, Robert Bosch Malaysia and B. Braun Medical Industries.

In 2018, 721 projects with total investment of RM87.4 billion were approved which is 37.2% higher as compared to RM63.7 billion in 2017. These projects are expected to generate 59,294 employment opportunities. Foreign investments formed the bulk of total investment with about 66.4% share (or RM58.0 billion), whilst domestic investments made up the remaining 33.6% share (or RM29.4 billion). The main sources of FDI in the manufacturing sector come from China, Indonesia, Netherlands, Japan and the United States of America (USA), contributing more than half of the total foreign investments approved.

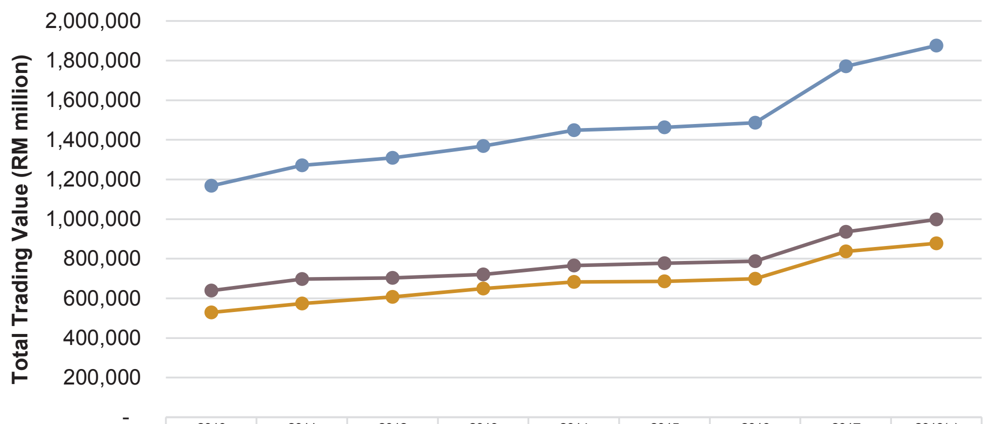
During the first half of 2019, 366 projects with a total investment of RM33.1 billion were approved, of which 75.7% or RM25.1 billion were foreign investment. The USA topped the investment in Malaysia with RM11.7 billion during the review period and followed by China at RM4.8 billion and Singapore at RM3.2 billion.

2.5 Malaysia International Trades

2.5.1 Total Trades

Based on the Malaysia External Trade Statistics (METS) by Department of Statistics Malaysia (DOSM), total imports into Malaysia increased by 4.9% from RM836,422 million in 2017 to RM877,744 million in 2018, while exports rose 6.7% from RM934,927 million to RM998,014 million over the same period.

Chart 9: Total Trading Value of Malaysia, 2010 to 2018(p)



	2010	2011	2012	2013	2014	2015	2016	2017	2018(p)
Imports	528,828	573,626	606,677	648,695	682,937	685,778	698,819	836,422	877,744
Exports	638,822	697,862	702,641	719,992	765,417	777,355	786,964	934,927	998,014
Total Trade	1,167,651	1,271,488	1,309,318	1,368,687	1,448,354	1,463,134	1,485,783	1,771,349	1,875,758

Source: Malaysia External Trade Statistics, Department of Statistics, Malaysia
Note: (p) = preliminary

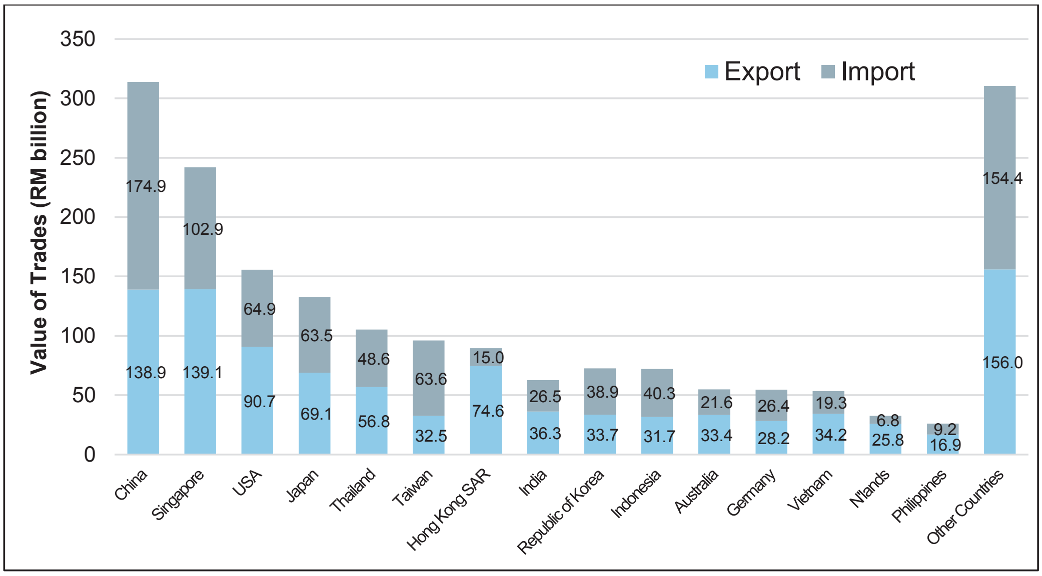
Malaysia's total trading value improved to RM1,875,758 million in 2018 from RM1,167,651 million in 2010, indicating a 60.6% increase over the said period. Between 2010 and 2018, the trading value grew at a compound annual growth rate (CAGR) of 6.1%.

2.5.2 Top Trading Partners

In 2018, Malaysia's trade performance remained resilient, expanding by 5.9% with total trading value recorded at RM1,875.8 billion (2017: RM1,771.34 billion), supported mainly by stronger export growth of 6.7%. Malaysia also recorded the largest trade surplus of 22.1% to RM120.3 billion, the fastest growth rate in 10 years and the highest trade surplus since 2012. The remarkable performance was possible due to by higher trade with Hong Kong, which expanded 45.2%, China (18.1%) and ASEAN countries (22.9%).

China is the leader of trading activities in Malaysia, with total trade of RM313.8 billion followed by Singapore (RM242 billion), the United States (RM155.7 billion) and Japan (RM132.6 billion).

Chart 10: Trading Partners of Malaysia - Breakdown of Exports & Imports, 2018(p)



Source: Malaysia External Trade Statistics, Department of Statistics, Malaysia
Note: (p) = preliminary

For 2019, Malaysia's gross exports is expected to grow at a slower rate of 3.4% amidst slower global economic growth and trade activities. Malaysia is expected to benefit from the trade diversion resulting from the on-going US-China trade war.

2.6 Key Performance Metrics of Neighbouring Countries

This section analyses Malaysia's competitiveness among the selected neighbouring countries in terms of macro economy and selected indices.

Table 5: Key Performance Metrics

	Indicators	Malaysia(7)	Singapore	Thailand	Vietnam	Philippines	Indonesia
1	Surface Area (Sq.km)(1)	330,345	719	513,120	331,230	300,000	1,913,580
2	Estimated Population (person) 2018(1)	32,382,300	5,638,680	69,428,520	95,540,400	106,651,920	267,663,430
3	GDP Growth (%) 2018(1)	4.7	3.1	4.1	7.1	6.2	5.2
4	GDP per Capita (constant 2010 US$) 2018(1)	12,109	58,248	6,362	1,964	3,022	4,285
5	Inflation, consumer prices (annual %) 2018(1)	1.0	0.4	1.1	3.5	5.2	3.2
6	Unemployment Rate (%)(2)	2018: 3.3	2018: 2.1	2017: 1.0	2017: 1.9	2017: 2.6	2017: 4.2
	Index Ranking						
7	Global Competitiveness Index 4.0 2018(3)	25	2	38	77	56	45
8	Ease of Doing Business(4)	15	2	27	69	124	73
9	Logistics Performance Index(5)	41	7	32	39	60	46
10	The Belt and Road Index(6)	9	1	26	13	44	29

Sources: Various sources
(1) The World Bank / Macrobond – 2018
(2) The World Bank – Unemployment rate – 2017 / 2018
(3) World Economic Forum – The Global Competitiveness Report 2018
(4) The World Bank – Doing Business 2019 (Data on 2018)
(5) The World Bank – Logistics Performance Index Ranking 2018
(6) Knight Frank Research - New Frontiers Report 2019
(7) Figures for Malaysia have been cross-checked with the official source, Department of Statistics Malaysia, DOSM. Whenever the figures differ, DOSM's figures have been adopted.

Population

In terms of population ranking, Malaysia has the second smallest population, with about 32.38 million people. It also has a low population density with circa 98 people per sq km. However, the country offers strong human capital as its multi-cultural and multi-religion population provides access to a workforce that is multi-lingual with similar cultures to major economies in Asia.

Gross Domestic Product (GDP) and GDP per Capita

Malaysia, en-route to achieving high-income status, is one of the most developed economies in the region. In 2018, Malaysia's GDP growth rate of 4.7% was ranked fourth out of the six South-East Asian countries reviewed – ahead of Singapore and Thailand. In terms of GDP per Capita (constant 2010 US$), Malaysia is ranked second after Singapore with US$12,109 per capita.

Malaysia's economy is expected to continue to expand at between 4.3% and 4.8% in 2019.

Unemployment Rate

The unemployment rate improved to 3.3% in 2018 from 3.4% for both 2017 and 2016. Malaysia's labour market is deemed to be operating in a full employment scenario as the Organisation for Economic Co-operation and Development (OECD) defines full employment as unemployment rate below 4.0%.

Malaysia's labour force grew from 14.5 million in 2015 to 15.3 million in 2018. This signifies that Malaysia has a well performing labour market that is consistently growing and operating at full employment rate.

Global Competitiveness Index 4.0

The Global Competitiveness Report 2018 released by the World Economic Forum, placed Malaysia at 25th position out of 140 countries ahead of other neighbouring economies such as Thailand (38th), Indonesia (45rd), Philippines (56th) and Vietnam (77th).

Malaysia remains in the top 25 most competitive countries despite considerable external and domestic headwinds.

Ease of Doing Business Index

The World Bank's Doing Business Report 2019 (data as of May 2018) ranked Malaysia at 15th position in 'Ease of Doing Business Index'. Within ASEAN, Malaysia is ranked second after Singapore and ahead of other neighbouring economies such as Thailand (27th), Vietnam (69th), Indonesia (73rd), and Philippines (124th).

Belt and Road Index

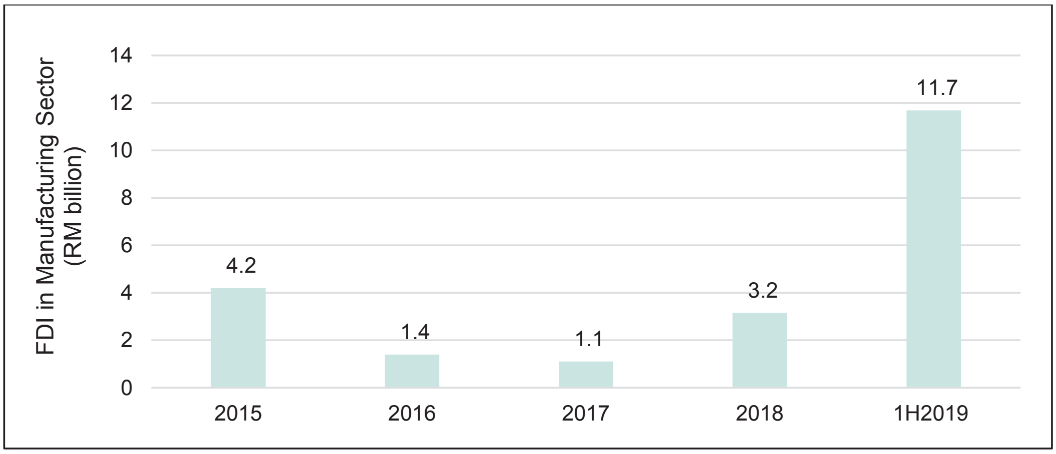
Knight Frank's Belt and Road Index (BARI) measures six categories, namely the economic potential, demographic advantage, infrastructure development, institutional effectiveness, market accessibility and resilience to natural disasters. Malaysia which scored fairly across the six categories is seen to be attractive to Chinese investors due to its strategic location along the Belt and Road economic corridors. In addition, there is good diplomatic relations between Malaysia and China.

Malaysia is ranked at the ninth place or second in ASEAN after Singapore, ahead of other neighbouring countries such as Vietnam (13th), Thailand (26th), Indonesia (29th), and Philippines (44th).

2.7 Malaysia is Potential Beneficiary of US-China Trade Conflict

The ongoing U.S.-China trade war is widely expected to impede global growth and weigh down on export-oriented countries such as Malaysia. Nonetheless, the trade dispute also creates opportunities for trade and investment diversions to Malaysia, as U.S. and Chinese companies look to move some of their manufacturing out of China to escape tit-for-tat tariffs imposed on each other's products. Southeast Asian manufacturing countries including Vietnam and Malaysia stand ready to benefit from this supply chain re-configuration.

Chart 11: Malaysia - Foreign Direct Investment from United States in Manufacturing Sector, 2015 to 1H2019



Source: Malaysia Investment Development Authority (MIDA)

In the first half of 2019, Malaysia saw a more than tripling inflow in manufacturing investments from the U.S., a trend that could see the U.S. overtaking China as Malaysia's largest FDI contributor. U.S. manufacturing investments totalled RM11.7 billion in 1H2019, compared with just RM3.2 billion for the entire of last year, with the inflow largely from the electrical and electronics space. U.S. firms are attracted to Malaysia as a manufacturing base as it meets their requirements regarding cost, supportive infrastructure and market regulations.

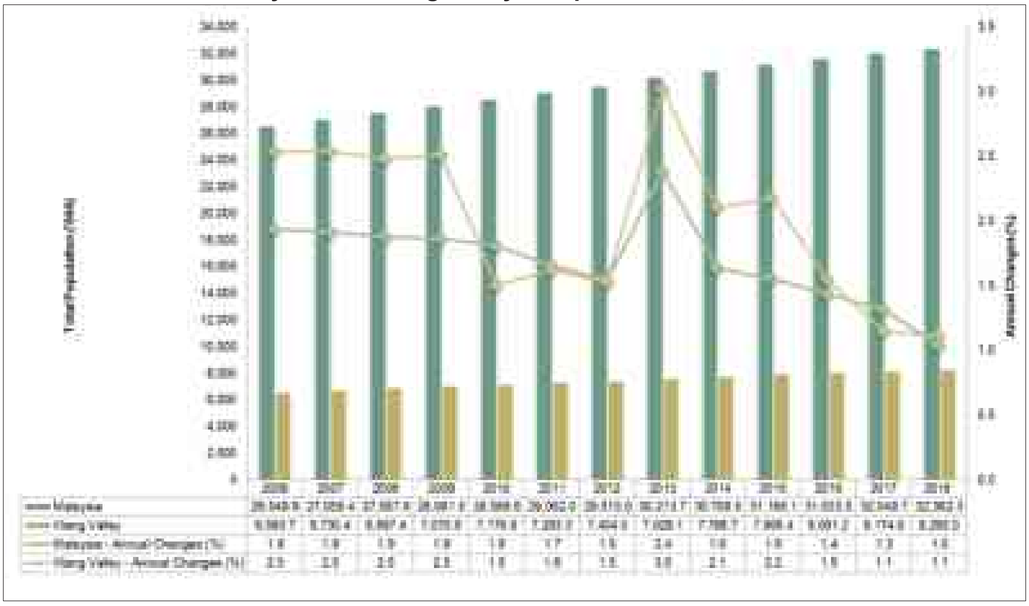
3.0 Klang Valley: Overview of Population and Demography

3.1 Growth of Population

The total population for Malaysia as of 2018 is estimated at 32.38 million persons. By 2020, the population is expected to increase to 33.78 million persons. Meanwhile, the population for Klang Valley, estimated at 8.27 million, makes up circa 26% of the national population.

The statistical graph below illustrates the population growth in Malaysia and Klang Valley from years 2006 to 2018.

Chart 12: Malaysia and Klang Valley – Population Trend, 2006 to 2018



Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research

Table 6: Malaysia and Klang Valley – Population Projection, 2020 to 2040

Projection Population	2020	2025	2030	2035	2040
Malaysia	**33,782,400**	**36,022,700**	**38,062,200**	**39,879,300**	**41,503,100**
Klang Valley	**8,626,300**	**9,171,600**	**9,655,100**	**10,105,700**	**10,528,900**
Selangor	6,715,600	7,193,100	7,620,400	8,022,600	8,406,800
W.P. Kuala Lumpur	1,910,700	1,978,500	2,034,700	2,083,100	2,122,100

Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research

Since 2006, the country's population growth has moderated between 1.5% and 1.9% annually before the country experienced a spike in growth of 2.4% in 2013. In 2013, the non-citizen population grew 13.3% to 2.89 million persons from 2.55 million persons a year earlier. The rise suggests that Malaysia was experiencing a spike in migration of non-citizen to Malaysia. Subsequently, the growth rates slowed down between 1.0% and 1.6% annually. Primary factors contributing to a declining growth rate include a lower fertility rate, an increase in the number of Malaysians pursuing careers leading to delayed marriages as well as the formation of smaller families. Between 2006 and 2018, the compound annual growth rate (CAGR) for the country's population was at 1.7%.

Similar to the national trend, Klang Valley, made up of Selangor and Kuala Lumpur experienced higher population growth at circa 3.0% in 2013. The region, wherein the capital city lies, is the pulse of the country with its diverse economic and business activities offering ample job opportunities, thus attracting inter-state migration. Between 2006 and 2018, the CAGR was steady at 1.9% annually.

3.2 Working Age Population

Malaysia has a young population with median age of 28.6 years as of 2018 (*source: Census 2010*).

In Malaysia, the labour force is defined as working age population in the category of 15 years to 64 years old *(Source: Department of Statistics Malaysia)*. Therefore, it is noted that, at higher proportion of the population falls under the working age category to be recorded (circa 70%).

In Klang Valley, the labour force as a proportion of the population is higher than national average as there is a greater availability of diverse job opportunities in this region.

Chart 13: Klang Valley – Population Distribution by Age Group, 2018

Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research

3.3 Average Household Income

The national mean monthly household income increased from RM3,686 in 2007 to RM6,958 in 2016. Meanwhile, in Klang Valley, the average household incomes for W.P Kuala Lumpur and Selangor were RM11,962 and RM9463 respectively, surpassing the national level.

Table 7: Malaysia – Mean Monthly Household Income by State, 2007 and 2016

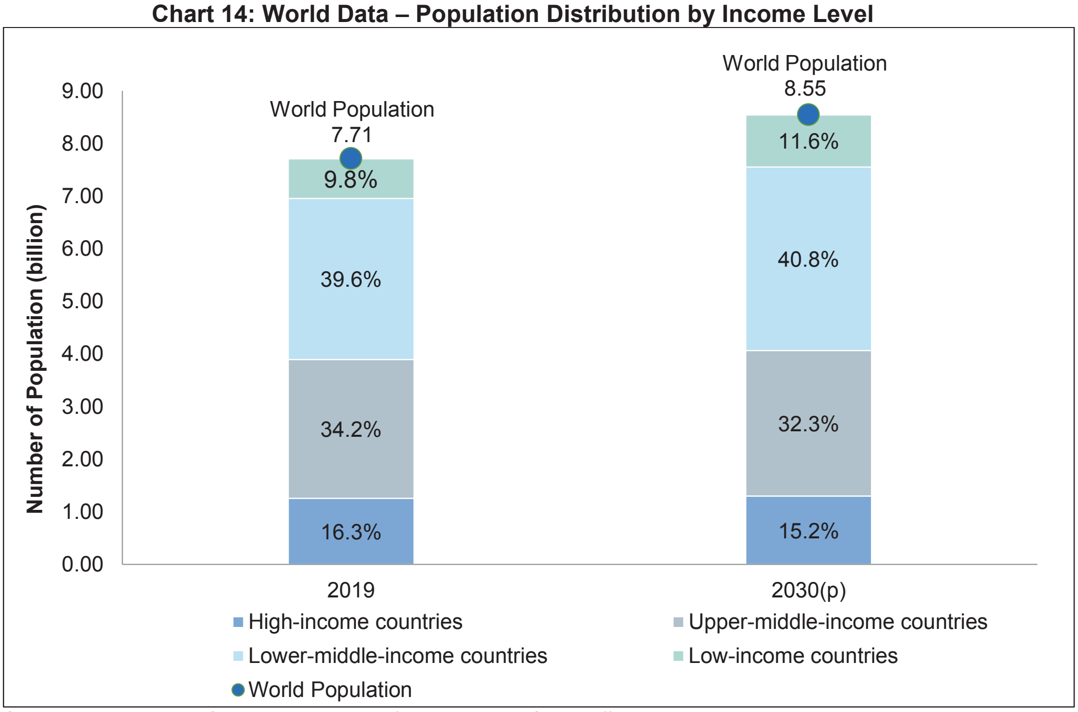
State	Mean Monthly Household Income					CAGR 2007 - 2016 (%)
	2007	2009	2012	2014	2016	
Malaysia	**3,686**	**4,025**	**5,000**	**6,141**	**6,958**	**7.3**
Klang Valley						
W.P. Kuala Lumpur	5,322	5,488	8,586	10,629	11,692	9.1
Selangor	5,580	5,962	7,023	8,252	9,463	6.0

Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research
Note: CAGR = Compound Annual Growth Rate

3.4 Overview of World Population by Income Group

The world population totalled 7.71 billion persons as at mid-year of 2019. By year 2020, the population is projected to increase circa 10.8% to 8.55 billion persons.

Chart 14: World Data – Population Distribution by Income Level



Source: United Nations Survey, Department of Economic and Social Affairs / Knight Frank Research
Note: (p) = projection

The following table summarises the population data across selected countries from year 2017 to 2030.

Table 8: Selected Country – Population Trend by Income Level, 2017 to 2030(p)

Level of Income	Country	No. of Population				CAGR 2017 – 2030(p)
		2017	2018	2019[2]	2030(p)	
High	Australia	24,601,860	24,992,369	25,203,000	28,177,000	1.05%
	Germany	82,657,002	82,927,922	83,517,000	83,136,000	0.04%
	Korea	51,466,201	51,635,256	51,225,000	51,152,000	-0.05%
	Singapore	5,612,253	5,638,676	5,804,000	6,262,000	0.85%
	United Kingdom	66,058,859	66,488,991	67,530,000	70,485,000	0.50%
	United States	325,147,121	327,167,434	329,065,000	349,642,000	0.56%
Upper-Middle	China	1,386,395,000	1,392,730,000	1,433,784,000	1,464,340,000	0.42%
	Malaysia[1]	32,022,600	32,382,300	32,581,400	38,062,200	1.34%
Lower-Middle	Vietnam	94,596,642	95,540,395	96,462,000	104,164,000	0.74%

Source: World Development Indicators / Department of Economic and Social Affairs / Department of Statistics Malaysia (DOSM) / Knight Frank Research

Notes: (p) = projection
CAGR = Compound Annual Growth Rate
(1) Malaysian population data has been adopted from the county's official statistics department.
(2) Population data for 2019 is based on the mid-year period.

4.0 Government Incentives: Industrial Developments

The Logistics and Trade Facilitation Masterplan (2015 – 2020) plays a pivotal role in the development of the logistics sector.

Key highlights of other government development plans, namely Malaysia Plans, Economic Transformation Programme (ETP), National Key Economic Area (NKEAs), Strategic Reform Initiative (SRIs) and the Third Industrial Master Plan (IMPS) are attached as **Appendix B**.

4.1 The Logistics and Trade Facilitation Masterplan (2015 – 2020)

The Economic Planning Unit (EPU) has formulated the Logistics and Trade Facilitation Masterplan (2015 - 2020) which provides guidelines, strategic framework to further improve the productivity and competitiveness of the logistic industry.

The masterplan envisions to transform Malaysia to the "Preferred Logistics Gateway to Asia" by 2020 and beyond.

To achieve the vision, five strategic shifts and 21 action items will be implemented to improve overall productivity and to better connect industries with their markets, both locally and internationally.

The strategic shifts and actions plans are as follows:

Exhibit 1: Logistics and Trade Facilitation Masterplan Framework

	The Preferred Logistics Gateway				
Strategic Shifts	Strengthening the institutional and regulatory framework	Enhancing trade facilitation mechanism	Developing infrastructure and freight demand	Strengthening technology & human capital	Internationalising logistics services
	Phase 1 (2015 & 2016): Debottleneck		Phase 2 (2016 & 2019): Enhance Domestic Growth		Phase 3 (2020 & beyond): Create Regional Footprint
Action Items	1. MOT as champion 2. Create National Logistics Taskforce 3. Improve last mile connectivity to Port Klang 4. Address bottlenecks in Padang Besar 5. Enhance efficiency of import/export process including security 6. Regulate and monitor warehouse and off-dock depots development 7. Enhance road freight transport productivity 8. Streamline processes and procedures related to licensing and air freight 9. Establish national freight data program 10. Increase quality of goods vehicles drivers 11. Review Malaysian Ship Registry structure		1. Create an integrated hub and spoke model - Develop KLIA as air cargo hub - Develop Port Klang as maritime centre - Cargo village development 2. Enhance capabilities of logistics service providers 3. Increase compliance levels with trade partner market regulations 4. Develop freight hubs 5. Establish Public Private Partnership for rail operations and infrastructure		1. Leverage on the potential of e-commerce 2. Provide green initiatives support 3. Promote efficient urban logistics 4. Undertake R&D on supply chain innovation 5. Enhance convergence of global supply chain

Source: Logistics and Trade Facilitation Masterplan (2015-2020)

The following summarises the five strategic shifts:

Strategic shift		Target
1	Strengthening the institutional and regulatory framework	Strengthen the institutional structure and simplify or streamline the regulations to reduce inefficiencies and duplications.
2	Enhancing trade facilitation mechanisms	Increase the efficiency of trade facilitation mechanisms particularly through improvements in cargo clearance system, paperless trading and security of trade documents expected will boost trading activities and reduce the cost of doing business.
3	Developing infrastructure and freight demand	Consolidate cargo volume through a well-defined 'hub and spoke' system, provide better connectivity to entry points, optimise usage of existing infrastructure and promote modal shift from road to rail.
4	Strengthening technology & human capital	Enhance the adoption of technology to reduce exchange of manual documentation and optimise transport movements. This strategic shift also emphasizes on enhancement of human resource capabilities by attracting, nurturing, and retaining skilled talent within the logistics industry
5	Internationalising logistics services	Enhance capabilities of logistics service providers by strengthening internal capabilities and external readiness to enable them to compete at global level.

Source: Logistics and Trade Facilitation Masterplan (2015-2020)

4.2 Related Capital Allowance, Tax Exemption and Incentive

The Government of Malaysia has been providing a selection of incentives for new investors as well as existing investors through its ministries and agencies.

The Malaysian Investment Development Authority (MIDA) is one of the prominent bodies established to promote investments coming into the country. Under the purview of the Ministry of International Trade and Industry (MITI), MIDA is given the mandate to provide incentives for investments in the country.

Among the incentives available are for the manufacturing sector and the shipping and transportation / logistics industry.

4.2.1 Incentives for Manufacturing Sector

The two major capital allowances and tax exemptions under the purview of MIDA are Pioneer Status and Investment Tax Allowance.

For the Pioneer Status, companies will enjoy a five-year partial exemption of income tax, where they will pay tax on 30% of its statutory income. Accumulated losses and unabsorbed capital allowances can be carried forward and deducted from the post pioneer income.

Secondly, the **Investment Tax Allowance (ITA)** where the company is entitled for allowance of 60% on its qualifying capital expenditure used within five years from the date the first qualifying capital expenditure was incurred. Capital expenditure includes buying factories, plants and machinery. Any unutilised allowance can be carried forward to subsequent years until it is fully utilised.

Companies that wish to apply for this incentive will be reviewed based on the level of value-add, technology used and industrial linkages. Eligible activities include agriculture based, rubber products, chemicals and petrochemicals, pharmaceutical related, iron and steel, hotel business and tourism industry, textile products, to name a few.

Other incentives that are available under the new investments (manufacturing) are:

Table 9: MIDA's Incentives for New Investments (Manufacturing)

No.	Incentives	Criteria	Details
1.	Incentives for Strategic Projects	▪ Heavy capital investment with long gestation periods ▪ High levels of technology ▪ Generate extensive linkages ▪ Significant impact on economy	▪ Pioneer status with income tax exemption of 100% of the statutory income for 10 years ▪ Investment tax allowance of 100% on qualifying capital expenditure incurred within five years
2.	Incentives for Small and Medium Enterprises (SMEs)	▪ Company resident with a paid up capital of ordinary shares of RM2.5 million or less	▪ Eligible for a reduced corporate tax of 20% on chargeable incomes of up to RM500,000 ▪ The tax rate on the remaining chargeable income is maintained at 25%
3.	Incentives for Investments in Selected Industries (Machinery and equipment)	▪ Value added must be at least 40% ▪ Percentage of Managerial, Technical and Supervisory staff (MTS Index) to total workforce must be at least 25%	▪ Pioneer status with income tax exemption of 100% of the statutory income for a period of 10 years ▪ Investment tax Allowance of 100% on the qualifying capital expenditure incurred within five years
4.	Incentives for the Automotive Industry	▪ Companies manufacturing transmission systems, brake systems, airbag systems and steering systems are eligible for better fiscal incentives	▪ Investment in assembly or manufacture hybrid vehicle will be granted 100% Pioneer Status or Investment Tax Allowance for a period of 10 years ▪ Customised training and R&D grants ▪ 50% exemption on excise duty for locally assembled ▪ Provision of grant under Industrial Adjustment Fund (IAF) ▪ Additional attractive, customised incentives will be considered

Source: Malaysian Investment Development Authority (MIDA)

4.2.2 Incentives for Shipping and Transportation / Logistics Industry

Shipping and transportation refers to a physical process of transporting goods by land, sea or air. The shipping and transportation incentives include tax exemption for shipping operations and sales tax exemption on prime movers and trailers.

Logistics refers to a supply chain management process that plans, implements and controls the efficient and effective flow and storage of goods, services and related information between the point of origin and the point of consumption.

The main services in this industry are:

- Warehousing, storage and inventory management services
- Transportation services
- Freight forwarding/customs clearance and shipping services
- Integrated Logistics Services (ILS)
- International Integrated Logistics Services (IILS)
- Cold Chain Facilities

The incentives for shipping and transportation / logistics fall under the Investment in the Manufacturing / Services Sector under the purview of MIDA.

The available incentives are as follow:

Table 10: MIDA's Incentives for Shipping and Transportation / Logistics Industry

No.	Incentives	Criteria	Details
SHIPPING AND TRANSPORTATION			
1.	Tax Exemption for Shipping Operation	▪ Income of a shipping company derived from the operation of Malaysian Ship ▪ Income of any person derived from exercising an employment on board a "Malaysian Ship" ▪ Income received by non-residents from the rental of ISO containers to Malaysian shipping companies	▪ Eligible for tax / income tax exemption
2.	Sales Tax Exemption on Prime Movers and Trailers	▪ Container hauliers with new prime movers and trailers that are produced locally	▪ Eligible for sales tax exemption
LOGISTICS			
3	Special Industrial Building Allowance for Warehouses	▪ Buildings that are used as warehouses for storing goods for export and re-export	▪ An initial allowance of 10% ▪ Annual allowance of 3% of qualifying capital expenditure

4.	Tax Incentives for Integrated Logistics Services (ILS)	▪ Principal activities including warehousing, transportation and freight forwarding ▪ Company that undertake ILS activities are required to obtain the respective operating licenses from the various licensing agencies ▪ Incorporated under the Companies Act, 2016 ▪ At least 60% of its equity held by Malaysians ▪ Minimum requirement for infrastructure of 20 units of commercial vehicles or 5,000m^2 warehousing facilities.	▪ Eligible for Pioneer Status (PS) with a tax exemption of 70% of the statutory income for a period of five (5) years ▪ Investment Tax Allowance (ITA) of 60% on the qualifying capital expenditure incurred within a period of five (5) years. The allowance can be offset against 70% of the statutory income for each year of assessment. Unutilised allowances can be carried forward to subsequent year until fully utilised.
5.	Tax Incentives for Cold Chain Facilities	▪ New company which provides cold chain facilities and services for perishable produce ▪ Incorporate a company under Companies Act, 2016 ▪ The applicant must be an independent service provider	▪ PS with tax exemption of 70% statutory income for five (5) years ▪ ITA of 60% of qualifying capital expenditure incurred within five (5) years. The allowance can be offset against 70% of the statutory income for each year of assessment. Unutilised allowances can be carried forward until fully absorbed
		▪ Existing company which provides cold chain facilities and services for perishable produce ▪ Incorporate a company under Companies Act, 2016 ▪ The applicant must be an independent service provider	▪ PS with tax exemption of 70% on the increased statutory income arising from reinvestment for a period of five (5) years ▪ ITA of 60% of the additional qualifying capital expenditure incurred within a period of five (5) years. The allowance can be offset against 70% of the statutory income in each year of assessment. Unutilised allowances can be carried forward until fully absorbed

5.0 Overview: Industrial Property Market

5.1 Klang Valley: General Property Market Overview

The Klang Valley region, which encompasses the state of Selangor and the federal territory of Kuala Lumpur, recorded a total of 76,754 property transactions in 2018, circa 1.0% higher when compared to the previous year. Despite the higher transaction volume, the total value of transactions was 3.3% lower at RM65 billion in 2018 (2017: 76,006 transactions worth RM67.20 billion).

The residential segment remained as the most active property sub-sector, accounting for 76.5% (58,698 transactions) and 49.6% (RM32.24 billion) share of the total volume and value of transactions respectively. The commercial sub-sector contributed 12.4% share of the volume of transactions, followed by agriculture with 4.7% share, development land with 3.6% share and industrial with 2.9% share.

Table 11: Klang Valley – Volume and Value of Transactions by Property Sub-Sector, 2012 to 2018(p)

Property Sub-Sector	Volume of Transactions (No. of Units)						
	2012	2013	2014	2015	2016	2017	2018(p)
Residential	98,968	80,020	76,054	71,726	60,131	58,407	58,698
Commercial	15,629	11,296	13,185	11,533	8,787	8,392	9,510
Industrial	3,374	2,887	2,798	2,268	1,805	2,072	2,203
Agriculture	5,741	5,312	4,975	4,524	4,112	4,160	3,587
Development Land	3,543	2,989	3,129	3,426	3,072	2,975	2,756
Others	24	4	14	2	2	-	-
TOTAL	**127,279**	**102,508**	**100,155**	**93,479**	**77,909**	**76,006**	**76,754**
Property Sub-Sector	**Value of Transactions (RM million)**						
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018(p)**
Residential	37,116.03	36,690.79	38,631.21	35,218.12	30,901.99	32,277.72	32,242.09
Commercial	15,323.44	14,658.89	15,508.08	13,490.97	25,971.83	15,079.73	18,749.89
Industrial	6,158.01	6,301.91	8,048.78	5,989.55	6,289.28	6,447.82	8,624.86
Agriculture	1,960.24	2,097.30	1,839.81	2,245.67	3,229.95	1,152.54	1,192.54
Development Land	11,027.64	6,715.97	7,112.41	13,595.66	8,502.54	12,243.30	4,185.12
Others	5.27	5.27	99.38	1.02	30.09	-	-
TOTAL	**71,590.63**	**66,470.13**	**71,239.67**	**70,540.99**	**74,925.68**	**67,201.11**	**64,994.50**

Source: NAPIC and Knight Frank Research

Notes: (p) = preliminary

(1) The above figures have been arithmetically re-calculated and thus may differ from those as stated in NAPIC publications due to rounding.

5.2 Klang Valley: Industrial Property Market Overview

5.2.1 Supply

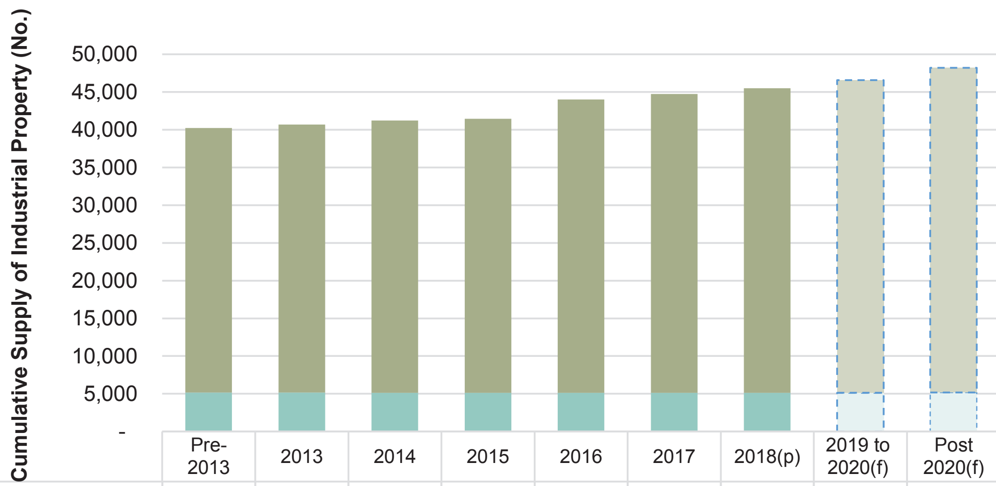
This section analyses the existing and future supply of industrial properties in Klang Valley (Kuala Lumpur and Selangor) as of 2018.

*(Refer to **Appendix C** for Delineation of Localities in Klang Valley and **Appendix D** for definition of Type of Supply (Existing and Future) and Type of Industrial Property (Common Industrial Property Type and Limited Industrial Property Type).*

In 2018, the cumulative supply of industrial property in Klang Valley stood at 45,518 units. When compared to 2012, the supply has increased by 5,307 units or 13.2%, representing a compound annual growth rate (CAGR) of 2.1%.

The supply is expected to increase by 1,053 units in the short to mid-term (by 2020). In the longer term (post 2020), the supply is projected to increase by another 1,635 units.

Chart 15: Klang Valley – Cumulative Supply of Industrial Property, 2012 to Post-2020(f)



	Pre-2013	2013	2014	2015	2016	2017	2018(p)	2019 to 2020(f)	Post 2020(f)
Selangor	35,051	35,522	36,093	36,294	38,857	39,593	40,380	41,433	43,031
Kuala Lumpur	5,160	5,168	5,132	5,138	5,138	5,138	5,138	5,138	5,175
KLANG VALLEY	40,211	40,690	41,225	41,432	43,995	44,731	45,518	46,571	48,206

Source: NAPIC / Knight Frank Research
Note: (p) = preliminary, (f) = forecast

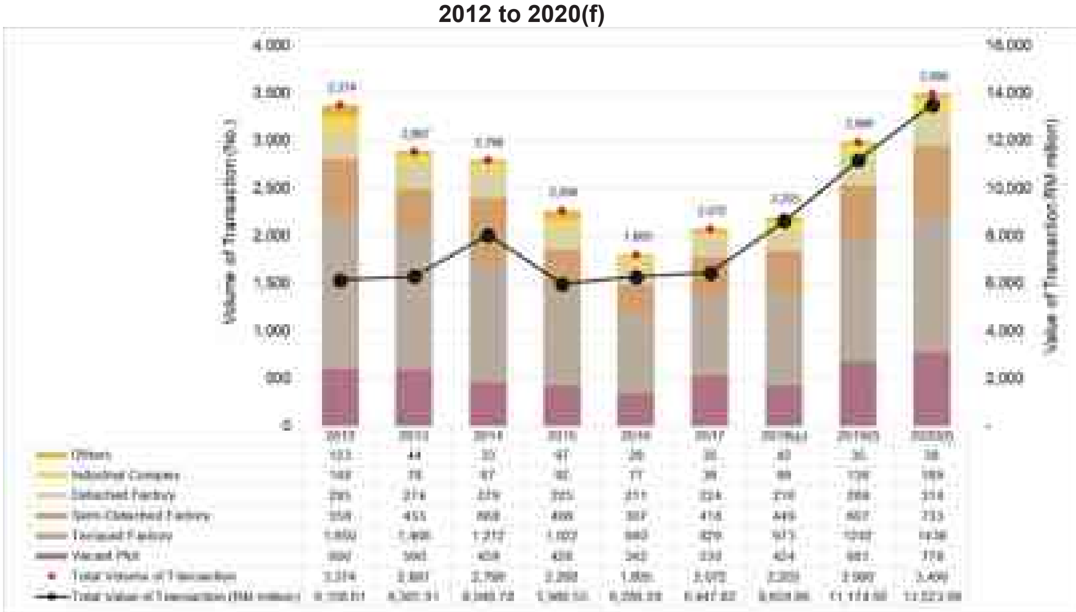
5.2.2 Demand

For the purpose of demand analysis, we have reviewed the volume and value of industrial property transactions between 2012 and 2018.

In 2018, there were a total of 2,203 property transactions in Klang Valley with corresponding value of RM8.62 billion; a year-on-year increase of 2.9% in volume and 13.3% in value respectively (2017: 2,072 transactions valued at RM6.45 billion).

In 2018, the manufacturing sector recorded a total of RM87.4 billion in approved private investment, 37.2% higher when compared to 2017 with RM63.7 billion. Moving forward into 2019 and 2020, demand for industrial property is expected to increase in line with higher investment in the manufacturing sector. The volume and the value of transactions is projected to surge by circa double digits.

Chart 16: Klang Valley – Volume and Value of Transactions of Industrial Property, 2012 to 2020(f)



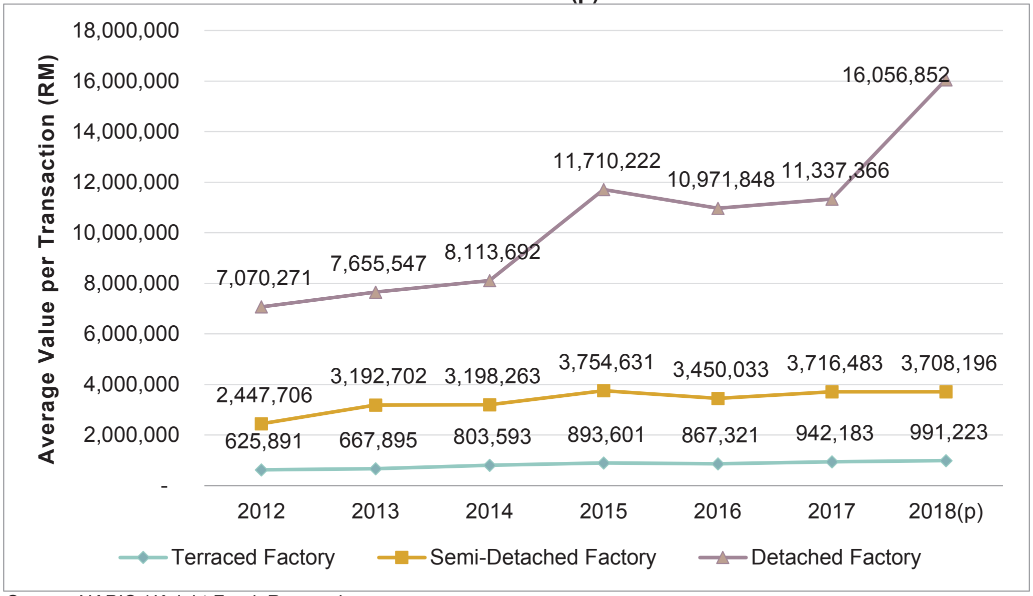
Source: NAPIC / Knight Frank Research

Notes: (p) = preliminary / (f) =forecast

(1) The above figures have been arithmetically re-calculated and thus may differ from those as stated in the NAPIC publications due to rounding.

The terraced factory category has consistently recorded the highest volume of transactions. In 2018, transactions in this category accounted for 44.2% share (circa 973 units) of all industrial property transactions in Klang Valley. The detached factory category has the highest average value per transaction, followed by the semi-detached and terraced categories.

Chart 17: Klang Valley – Average Value per Industrial Transaction by Property Type, 2012 to 2018(p)



Source: NAPIC / Knight Frank Research
Note: (p) = preliminary

The average value per detached factory transaction has been increasing since 2012. The average value exceeded RM10 million in 2015 and reached RM16.06 million in 2018.

As for the semi-detached factory category, it is observed that the average value per transaction which increased from RM2.4 million in 2012 to circa RM3.2 million in 2013, has been hovering above the RM3.0 million mark since, and was analysed at RM3.8 million in 2018.

Meanwhile, the average value per transaction for the terraced factory category depicts a more gradual incline when compared to other types of industrial properties.

In terms of capital appreciation, the average value per transaction in the detached factory category has the highest CAGR of 14.7% between 2012 and 2018, followed by the terraced factory category (8.0%) and semi-detached factory category (6.6%).

5.2.2.1 Demand by Localities

Petaling and Klang districts have the most active industrial markets among the localities in Klang Valley, consistently recording the highest volume of transactions. The industrial markets in Hulu Langat and Gombak districts have also been noted to be fairly active.

Table 12: Klang Valley – Volume and Value of Industrial Property Transactions by Locality / District, 2012 to 2018(p)

Locality / District	Volume of Transactions (No. of Units)						
	2012	2013	2014	2015	2016	2017	2018(p)
Kuala Lumpur	294	206	253	231	167	115	174
Petaling	878	722	739	630	456	458	605
Klang	743	738	693	585	464	614	487
Hulu Langat	559	519	473	335	220	298	365
Gombak	325	293	216	187	194	185	205
Hulu Selangor	290	254	243	173	158	269	172
Sepang	121	74	78	58	78	62	95
Kuala Langat	78	37	70	34	30	50	49
Kuala Selangor	77	36	28	19	32	16	26
Sabak Bernam	9	8	5	16	6	5	25
Total	**3,374**	**2,887**	**2,798**	**2,268**	**1,805**	**2,072**	**2,203**
Locality / District	**Value of Transactions (RM million)**						
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018(p)**
Kuala Lumpur	315.84	350.58	410.92	400.01	397.91	278.95	335.35
Petaling	1,994.55	1,830.38	2,436.80	2,345.07	2,062.59	2,078.66	3,846.93
Klang	1,282.65	1,520.38	2,302.30	1,309.27	1,889.51	2,005.45	1,857.35
Hulu Langat	995.95	1,305.12	1,132.38	825.87	629.34	829.35	1,084.98
Gombak	719.37	505.91	553.18	686.22	557.27	475.36	579.15
Hulu Selangor	209.36	196.19	625.37	142.47	144.85	198.57	233.70
Sepang	306.66	346.02	173.45	120.13	183.90	193.05	230.35
Kuala Langat	227.25	145.42	244.04	85.17	291.14	312.89	335.89
Kuala Selangor	96.22	100.04	169.18	72.08	131.68	70.84	112.74
Sabak Bernam	10.21	1.96	1.20	3.41	1.17	4.74	8.54
Total	**6,158.06**	**6,302.00**	**8,048.82**	**5,989.70**	**6,289.36**	**6,447.86**	**8,624.98**

Source: NAPIC and Knight Frank Research

Notes: (p) = preliminary

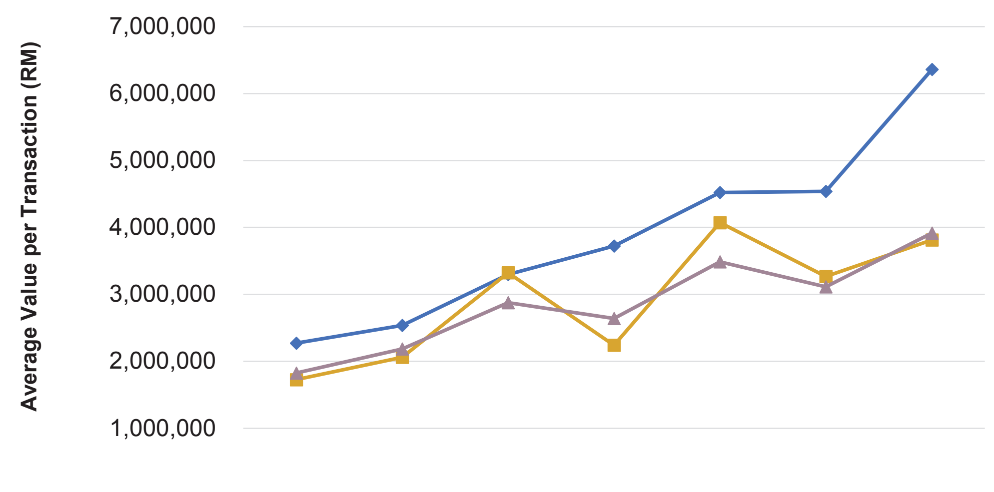
(1) The above figures have been arithmetically re-calculated and thus may differ from those as stated in the NAPIC publications due to rounding.

Between 2012 and 2018, the overall volume of industrial property transactions in Klang Valley declined by circa 34.7%. Despite registering lower transacted volume, the overall value of industrial property transactions, was significantly higher by 40.1%. As for the analysed average value per transaction, it depicts a CAGR of 13.6%.

The CAGR in terms of average transacted price for Petaling and Klang districts, analysed at 18.7% and 14.1% respectively are in line with trend for Klang Valley. As for Kuala Lumpur, where the average value per transaction is circa RM2.0 million in 2018, it depicts a lower CAGR of only 10.2%.

From the below chart, it is observed that the average value per industrial transaction for District of Petaling has trended up gradually over the review period to arrive at circa RM6.36 million in 2018.

Chart 18: Klang Valley and Selected Localities – Average Value per Transaction by District, 2012 to 2018(p)



	2012	2013	2014	2015	2016	2017	2018(p)
Petaling	2,271,697	2,535,152	3,297,429	3,722,333	4,523,224	4,538,559	6,358,562
Klang	1,726,312	2,060,136	3,322,222	2,238,068	4,072,220	3,266,205	3,813,860
KLANG VALLEY	1,825,151	2,182,889	2,876,633	2,640,961	3,484,410	3,111,902	3,915,107

Source: NAPIC / Knight Frank Research

The average value of industrial property was less favourable in District of Klang at circa RM2.24 million in 2015. This may be attributed to the higher incoming supply of industrial properties in said district (2013: 1,519 units; 2014: 1,758 units; and 2015: 2,134 units). In 2018, the average value of industrial property in District of Klang was analysed to RM3.81 million.

District of Petaling has seen a noticeable increase in the average value of transaction (40.1%) in 2018 (2017: RM4,538,537 million). This is likely attributed to the higher volume and value of transactions when compared to the preceding year.

6.0 Overview: Logistics Trends in Malaysia

6.1 Introduction

Logistics facilitates the flow of goods within and beyond national borders and is deemed a significant component of the modern economy. Besides facilitating trade with other economies, it is a key enabler for economic sectors such as manufacturing, agriculture and retail, delivering positive multiplier effects such as improved market accessibility and employment.

Presently, the logistics industry in Malaysia is fragmented with a large number of players across the value chain. Moving forward, the industry is expected to grow in tandem with increasing trade, capitalising on the e-commerce wave. Various policies to resolve bottlenecks in the logistics sector, strengthen regulation and deploy technologies and human capital have been introduced under the Logistics and Trade Facilitation Masterplan (2015 – 2020) to elevate Malaysia to become a regional player.

This section reviews the potential of the logistics industry by assessing performances of the transportation and storage services (TSS) and cargo / container segments.

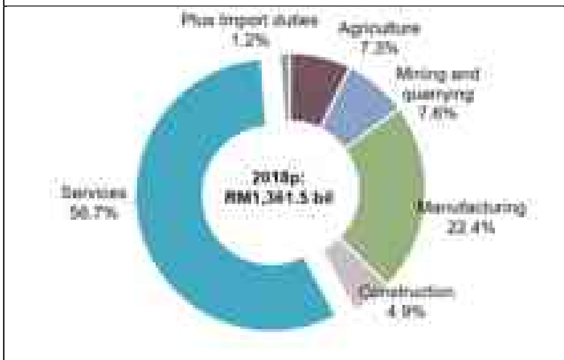
6.2 Transportation and Storage Services (TSS)

In 2018, the national economy expanded 4.7% with the value of gross domestic product recorded at RM1,361.5 billion. The services sector, which served as the major contributor to the country's economy, accounted for circa 56.7% share of GDP with RM771.9 billion.

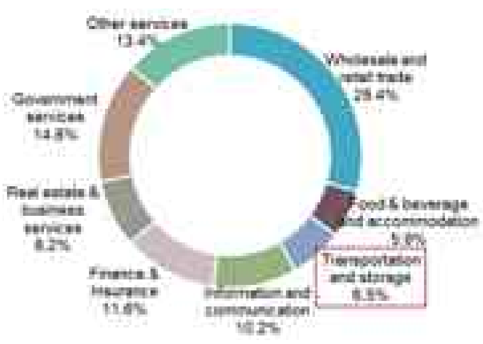
Wholesale & retail trade activity dominates the services sector garnering 29.4% share, followed by the government services (14.8%), financial & insurance (11.6%) and information & communication (10.2%).

Chart 19: Malaysia – GDP and Services Sector, 2018(p)

GDP – Percentage Share by Sector, 2018(p)



Services Sector – Percentage Share by Segment, 2018(p)



Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research
Notes: (p) = preliminary
GDP at constant 2015 price

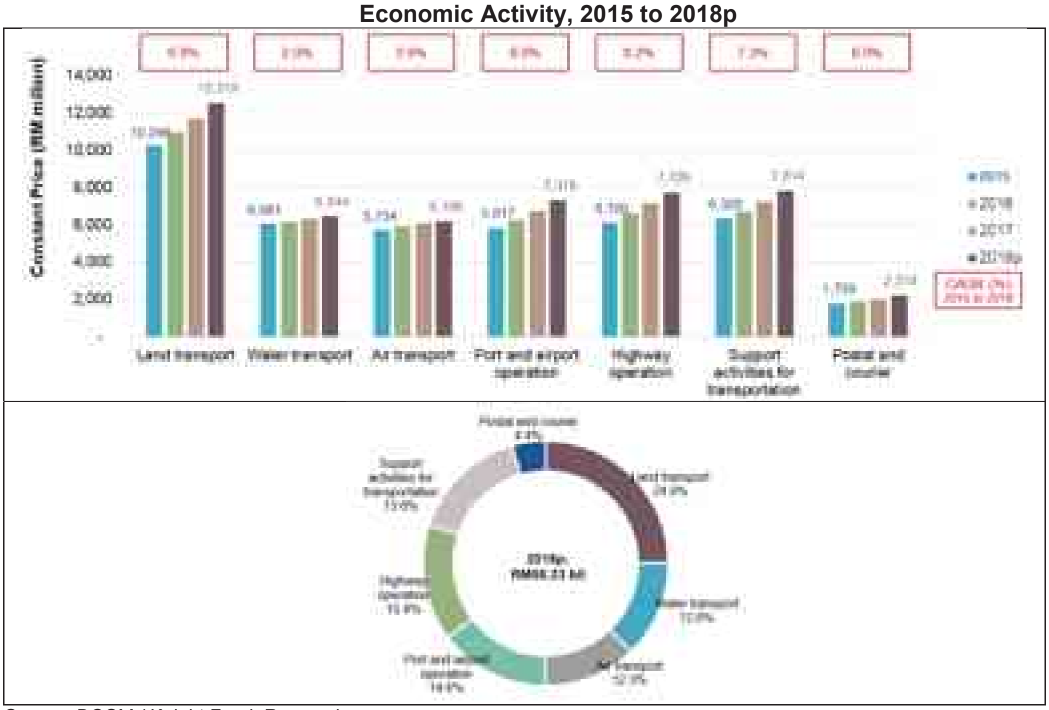
The transportation & storage services (TSS) made up 6.5% of the services sector with a RM50.23 billion contribution in 2018, representing a year-on-year (y-o-y) growth of 6.4% growth (2017: RM47.22 billion). The TSS segment has been growing at a CAGR of 6.1% for the period from 2015 to 2018.

There are seven major key economic activities within the TSS segment, namely land transport; water transport; air transport; port and airport operation; highway operation; support activities for transportation and postal & courier.

In 2018, land transport activity dominates with 24.9% share recording a value of RM12.5 billion (in constant 2015 price). Postal and courier activity contributed the least with 4.4% share while contribution from the remaining key activities ranges from 12% to 16%.

Highway operation activity experienced rapid growth with CAGR analysed at 8.2%, followed closely by port & airport operation and postal & courier activities with CAGR of 8.0% each. Support activities for transportation also grew at a fast pace of 7.3% while there was moderate growth in the water transport and air transport activities with CAGR of circa 2.0% and 2.6% respectively.

Chart 20: Malaysia – Transportation & Storage Services Contribution by Economic Activity, 2015 to 2018p



Source: DOSM / Knight Frank Research
Notes: (p) = preliminary
GDP at constant 2015 price

The demand for logistics services and strategically located warehouse spaces are expected to remain in expansionary mode to support the entire supply chain in the primary and manufacturing sectors.

6.3 Cargo and Containers

Cargo or freight generally refers to goods or produce being conveyed by water, air, rail or land for commercial gain while containers are reusable carriers to facilitate unit load handling of the goods or produce contained. Containers are usually referred to as cargo by shipping lines and logistics operators.

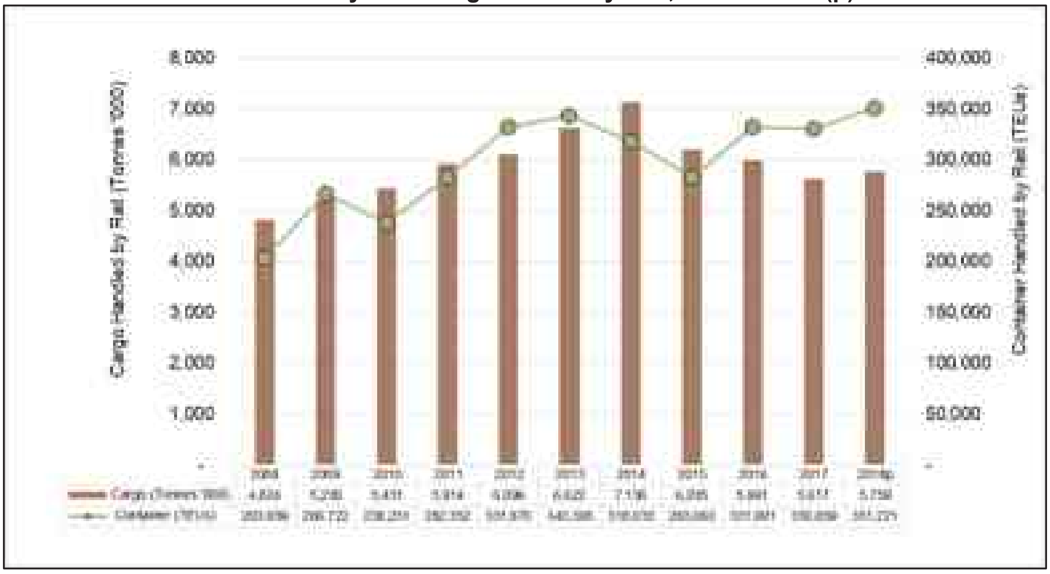
The logistics industry in Malaysia has evolved in recent years, supported by initiatives from both government and other related stakeholders to improve freight transportation, border clearance and last mile delivery services, etc. There have been increased container movements for both rail and water, encouraged by containerisation and the adoption of Industry 4.0. Containerisation is an alternative system of intermodal freight transport where the handling system is automated / mechanised.

The rapid growth of containerisation and e-commerce drive the demand for well-equipped modern warehousing and e-commerce logistics space.

6.3.1 Freight Traffic by Rail

Most inter-state cargo and container are conveyed by way of rail. Over the past 10 years (2008 to 2018), circa 64.83 million tonnes of cargo and 3.28 million twenty-foot equivalent units (TEUs) of containers were handled by rail.

Chart 21: Malaysia – Freight Traffic by Rail, 2008 to 2018(p)



Source: Ministry of Transport Malaysia (MOT) / Keretapi Tanah Melayu Berhad (KTMB) / Knight Frank Research
Note: (p) = preliminary data

An estimated 4.82 million tonnes to 7.14 million tonnes of cargo and 203,939 TEUs to 351,221 TEUs of containers are conveyed via rail annually.

The freight weight tonnes (FWT) of cargo peaked in 2014 at 7.14 million tonnes and thereafter has been on a downtrend from 2015 to 2017. In 2018, the cargo transported via rail improved to record at 5.76 million tonnes. The FWT of cargo transported via rail reflect a CAGR of 1.8% over the 10-year period.

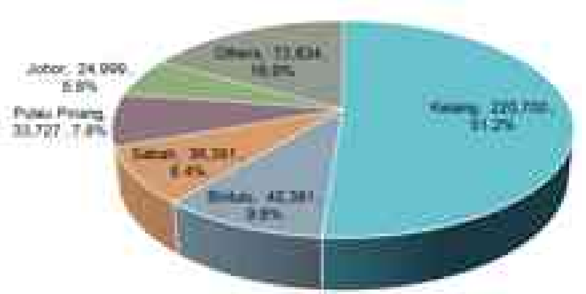
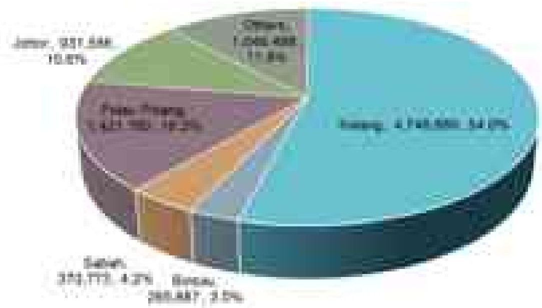
As for containers handled by rail, the FWT shown positive growth since 2010 to record 343,395 TEUs in 2013 before trending downward for two consecutive years in 2014 and 2015. The containers handled by rail subsequently improved in 2016 to peak at 351,221 TEUs in 2018. Over the past 10 years, the CAGR of container freight is circa 5.6%.

6.3.2 Cargo and Container Throughput by Ports

Cargo and container throughput by ports mainly support the cross-border export and import of goods. There are nine ports in Peninsular and 13 ports in East Malaysia.

In 2018, cargo and container throughput via ports Malaysia are estimated to be 431 million tonnes and 8.79 million TEUs respectively. Port Kelang (Northport and Westport) handled over 50% of the cargo and container throughput with an estimated 220 million tonnes of cargo and 4.75 million TEUs of containers. In addition, there are two projects going on: the enhancement of Westport and development of the third port in Port Klang on Carey Island. The former aims to raise Westport's capacity to 16 million twenty-foot equivalent units ("TEUs"). The latter, while still in the works, is a long-term project which is expected to have a maximum capacity of 30 million TEUs to accommodate Malaysia's increased trade flow.

Chart 22: Malaysia – Cargo / Container Throughput by Ports, 2018(p)

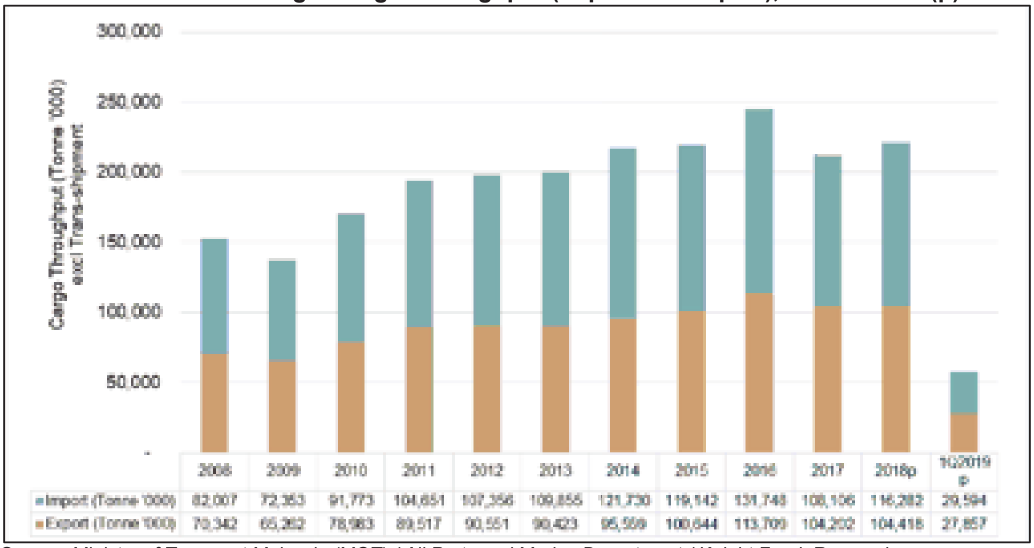
Cargo Throughput	Container Throughput
	

Source: Ministry of Transport Malaysia (MOT) / All Ports and Marine Department / Knight Frank Research

Notes: (p) = preliminary data

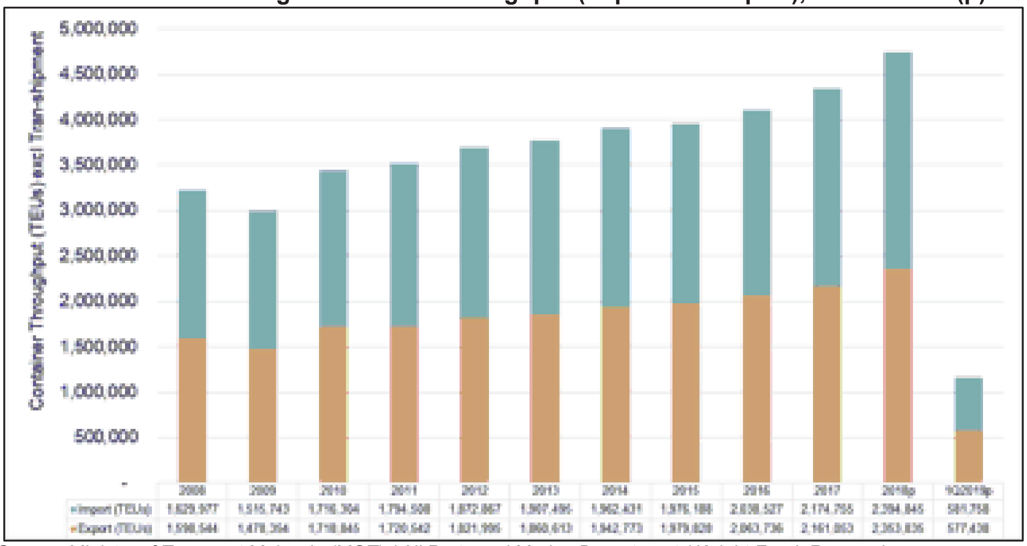
(1) The total cargo / container throughput includes export and import but excludes trans-shipment.
(2) Other ports include: Tanjung Pelepas, Kuching, Kuantan, Rajang, Miri, Teluk Ewa, Kemaman, Tanjung Bruas and Port Dickson.
(3) Kelang consists of Northport and Westport of Port Klang

Chart 23: Port Klang – Cargo Throughput (Export and Import), 2008 to 2018(p)



Source: Ministry of Transport Malaysia (MOT) / All Ports and Marine Department / Knight Frank Research
Notes: (p) = preliminary Data
(1) The total cargo / container throughput includes export and import but excludes trans-shipment.
(2) Kelang consists of Northport and Westport of Port Klang

Chart 24: Port Klang – Container Throughput (Export and Import), 2008 to 2018(p)



Source: Ministry of Transport Malaysia (MOT) / All Ports and Marine Department / Knight Frank Research
Notes: (p) = preliminary data
(1) The total cargo / container throughput includes export and import but excludes trans-shipment.
(2) Kelang = Port Klang

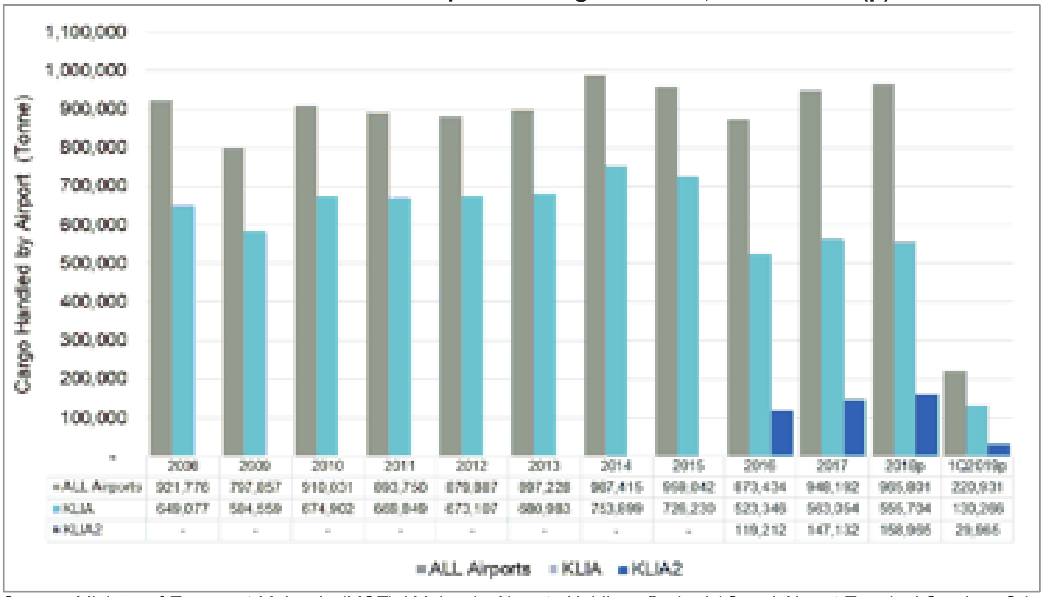
Between 2008 and 2018, the cargo and container throughputs via Kelang have grown with a CAGR of 3.8% and 3.9% respectively. Circa 44% to 49% of the cargo comprise of export with the remaining 51% to 56% made up of import. As for the container throughput, there appears to be a more even distribution between export and import.

6.3.3 Cargo Handled by Airports

There are seven international airports and 16 domestic airports in Malaysia.

Within Klang Valley, there are two international airports and a domestic airport.

Chart 25: All / Selected Airports – Cargo Handled, 2008 to 2018(p)



Source: Ministry of Transport Malaysia (MOT) / Malaysia Airports Holdings Berhad / Senai Airport Terminal Services Sdn Bhd / Knight Frank Research

Notes: (p) = preliminary data
(1) Cargo handled excludes cargo in transit

Between 2008 and 2015, Kuala Lumpur International Airport (KLIA) handled over 70% of the national cargo via air freight, recording at least 580,000 tonnes annually. However, since Kuala Lumpur International Airport 2 (KLIA2) began operations in 2016, the cargo handled by KLIA has begun to decline to record freight weight tonnes (FWT) of between 523,346 tonnes and 563,054 tonnes. Meanwhile, KLIA2 has been handling circa 119,212 tonnes to 158,965 tonnes a year.

In 2018, KLIA and KLIA2 collectively handled 714,669 tonnes of cargo. When compared to 2008 where KLIA recorded cargo handling of 649,007 tonnes, the air freight segment registered a modest CAGR of 1.0%.

6.3.4 Review of Neighbouring Countries

This section analyses Malaysia's competitiveness among the selected neighbouring countries in terms of value of international trade in goods, goods transported by railways (million ton-km), cargo / container throughputs by ports and freight handled by airports

Table 13: Neighbouring Countries – Cargo, Container and Freight Handled, 2017

Indicators	Malaysia	Singapore	Thailand	Vietnam	Philippines	Indonesia(1)
1 TRADE OF GOODS						
Trade in Goods (US$ million)	299,230	521,910	355,021	374,996	137,061	247,109
2 BY RAIL						
Railways Goods Transported (million ton-km)	1,234	-	2,846	3,600	-	13.4
3 THROUGHPUT BY PORTS						
International Cargo Throughput ('000 ton)	544,711	627,688	215,869	281,486	152,063	23,152(1)
International Container ('000 TEUs)	23,784	33,667	9,090	11,497	4,173	14,925(1)
4 HANDLED BY AIRPORT						
Freight ('000 ton)(3)	367	969	820	422	14	224

Sources: ASEAN Secretariat
Note: (1) Source for Indonesia: Directorate General of Sea Transportation, Indonesia

Singapore recorded the highest value of trade in goods at circa US$521.9 billion, followed by Vietnam (US$375 billion) and Thailand (US$355.0 billion). Malaysia came in fourth with US$299.2 billion worth of trade in goods while Indonesia and Philippines recorded US$247.1 billion and US$137.0 billion respectively.

Singapore tops the lists for both value and tonnage of goods handled except for goods transported by railway as there is currently no freight rail operations in Singapore.

Despite registering lower value of trade in goods compared to Vietnam and Thailand, Malaysia has noticeably higher tonnage of goods handled by ports.

6.4 E-commerce Trends

In line with global growth in the digital economy, the logistics industry in Malaysia is also poised to undergo major changes as it plays an integral role in enabling the country's supply chain. Emerging technologies have revolutionised the supply chains and this has resulted in new growth areas such as e-commerce and last mile delivery markets.

More businesses are diversifying into online platforms and this has led to increased demand for strategically located modern warehouses / distribution centres in the country, especially in the Klang Valley region, to cater for the quick turnaround required for e-commerce activities - either business to business (B2B), business to consumer (B2C) or business to government (B2G) transactions.

In 2017, e-commerce activities generated an estimated income of RM447.8 billion and recorded RM228.6 billion of expenditure. B2B transactions dominated the e-commerce transactions registering RM352.2 billion of income and RM213.1 billion of expenditure. Compared with 2015 (RM320.1 billion of income and RM183.0 billion of expenditure), B2B transactions grew 4.9% and 7.9% respectively on an annual basis.

As for the B2C transactions, there was an annual growth rate of circa 9.5% and 5.0% in income and expenditure respectively. In 2017, B2C transactions registered RM82.5 billion of income and RM9.5 billion of expenditure (2015: income of RM68.8 billion and expenditure of RM8.7 billion).

Meanwhile, B2G transactions generated RM13.1 billion of income in 2017 with corresponding expenditure of RM6.0 billion (2015: income of RM9.2 billion and expenditure of RM3.4 billion).

Table 14: Malaysia – Income and Expenditure from E-Commerce Transactions by Type of Customer, 2015 and 2017

Type of Customer	Income (RM billion)			Expenditure (RM billion)		
	2015	2017	Annual Growth Rate (%)	2015	2017	Annual Growth Rate (%)
B2B	320.1	352.2	4.9%	183.0	213.1	7.9%
B2C	68.8	82.5	9.5%	8.7	9.5	5.0%
B2G	9.2	13.1	19.1%	3.4	6.0	32.7%
Total	**398.1**	**447.8**	**6.1%**	**195.1**	**228.6**	**8.3%**

Source: Department of Statistics Malaysia (DOSM) / Knight Frank Research

The growth of e-commerce activities is supported by the manufacturing sector and higher ICT usage among Malaysians and businesses, particularly the small and medium enterprises (SMEs). In 2017, the manufacturing sector recorded RM287.4 billion of income and RM179.5 billion of expenditure from e-commerce transactions.

Malaysia has one of the highest internet users among the neighbouring countries at 80.1 user per 100 persons, second after Singapore (84.4 user per 100 persons).

6.4.1 Digital Economy

The ASEAN region has become a hotspot for digital development. The proliferation of tech unicorns, such as Grab, Lazada, Tokopedia, Go-Jek, Traveloka and Sea, is a strong testament of the region's vibrant digital economies.

With Malaysia strategically positioned in this part of the world and being the country where successful technology companies such as Grab, iflix and Fave were founded, its digital economy possesses tremendous potential. To date, the country has unveiled various strategic initiatives to propel its digital economy.

For example, a Digital Free Trade Zone (DFTZ) was established in 2016 to promote the growth of e-commerce, especially among small and medium enterprises (SMEs) in the country. According to the World Bank, Malaysia's digital economy grew 9% a year in value-added terms from 2010 - 2016, and it is expected to approach 20% of the country's economic output by 2020.

Malaysia's key competitive advantage lies in its established digital infrastructure, with 80% of the country's population being online primarily through mobile networks. Deep digital adoption of the population provides a foundation for the nation's digital economy to take off. However, it is also worth noting that digital adoption among businesses, especially SMEs is still relatively low. This can be resolved by promoting more competition in the fixed broadband market as a monopolistic market tend to result in higher prices.

On the other hand, funding will be made accessible to SMEs seeking to venture into the digital economy. Various government agencies such as the likes of Malaysia Digital Economy Corporation (MDEC), Malaysian Global Innovation & Creativity Centre (MaGIC) and Cradle Invest Program will continue to play a formidable role in encouraging entrepreneurship and facilitate growth of Malaysia's digital economy.

During the tabling of Budget 2019, the government allocated RM1 billion to develop broadband infrastructure to achieve 30 Mbps speed at rural and remote areas within 5 years. The initiative to improve internet is spearheaded by the Ministry of Communications and Multimedia. In addition to improving internet speed, the government is also committed to lowering broadband prices by enacting the Mandatory Standard on Assess Pricing (MSAP). Favourable accessibility coupled with inexpensive and faster internet will support further growth of the digital economy.

6.4.2 Digital Free Trade Zone (DFTZ)

With Malaysia's e-commerce sales expected to grow by 24% per year from 2016 to 2021, the government has decided to unveil the world's first Digital Free Trade Zone (DFTZ) in 2016. DFTZ is a partnership between the Malaysian government with multiple key strategic partners and China's e-commerce titan, Alibaba Group, being the leading partner. The initiative aims to achieve two objectives:

- To drive export of Malaysian SMEs via e-commerce
- To establish Malaysia as a regional e-commerce fulfilment hub

The DFTZ initiative comprise of the e-Fulfilment Hub, Satellite Services Hub and e-Service Platform, which will facilitate cross-border trade of SMEs. The implementation of DFTZ is expected to greatly enhance the efficiency of Malaysia's ports and airports. According to MDEC, as part of the DFTZ initiative, pilot tests have been conducted to reduce time of cargo movement in KACT1 of Kuala Lumpur International Airport (KLIA), Port Klang and Penang International Airport.

DFTZ's first phase of global e-Fulfilment Hub will be situated in KLIA Aeropolis, near the Kuala Lumpur International Airport (KLIA). Expected to be operational by the third quarter of 2020, the hub is expected to increase KLIA's air cargo volume to 1.3 million tonnes per annum by 2028. KLIA is the official site for the initial phase of DFTZ which is also recognized as the world's first e-world trade platform where the government is looking to increase its cargo volume from 0.7 million tonnes to 2.5 to 3.0 million tonnes by 2050. The development is a joint venture between Malaysia Airport Holdings Berhad (MAHB) and Cainiao Network, which is the logistics arm of Alibaba Group.

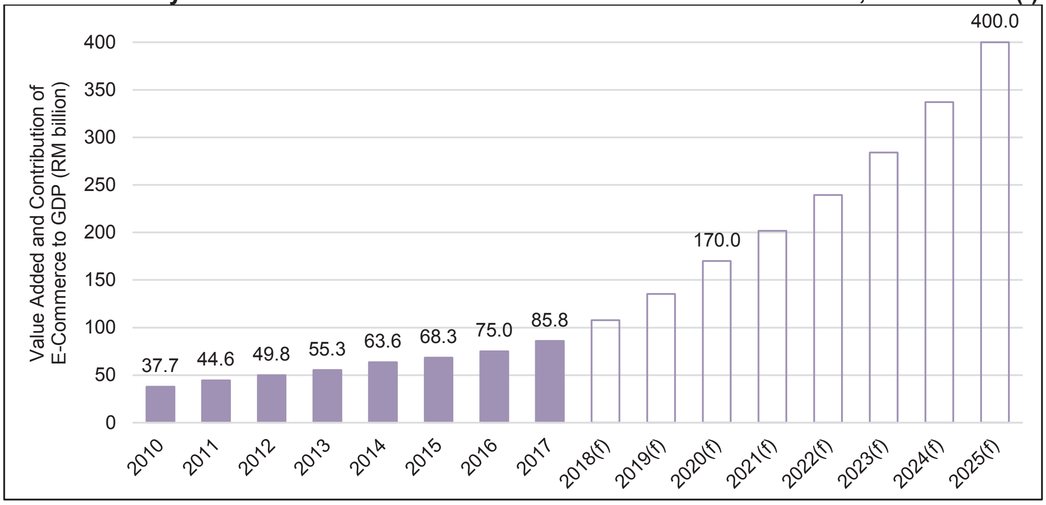
The introduction of DFTZ, which is a platform to aid SMEs in ensuring that their products are export ready, has led to multiple investment and business opportunities for logistics companies, providers of infrastructure and supporting services and e-commerce companies amongst others.

6.4.3 The Role of Logistics in E-Commerce

The logistics industry plays the pivotal role in supporting the e-commerce supply chain by facilitating the flows of goods. In 2018, Malaysia's e-commerce sales was recorded at USD3 billion (circa RM12.53 billion) while the e-commerce sales per capita in the same year amounted to USD92 per capita (circa RM384 per capita). Meanwhile, the e-commerce sales growth CAGR for 2018 to 2023 is projected to be 13.9% (Source: China E-Business Research Centre and Statista and Transport Intelligence). The conversion to Malaysia currency is based on the exchange rate of USD1 = RM4.18.

Malaysia's National e-commerce Strategic Roadmap targets to double and grow the country's e-commerce GDP contribution beyond RM170 billion by 2020 (CAGR of 20.0% between 2015 and 2020) from the earlier 2020 target of RM114 billion (CAGR of 10.8%). Subsequently, the GDP contribution is further projected to hit RM400 billion by 2025 (CAGR of 18.7% between 2020 and 2025) (Source: MDEC, 2017).

Chart 26: Malaysia – Value Added and Contribution of E-Commerce to GDP, 2010 to 2025(f)



Sources: Department of Statistics Malaysia (DOSM) / Malaysia Digital Economy Corporation (MDEC) / Knight Frank Research

Note: (f) = forecast

The double-digit growth in e-commerce demonstrates the readiness of logistics players to be part of the roadmap to transform traditional logistics services to integrated logistics services (ILS). The ILS sub-sectors include warehousing, freight forwarding, transportation, distribution as well as procurement and supply chain management.

In 2018, ten ILS projects were approved with the total investment value of RM598.5 million. One of the notable projects was M Xpress. The company, which provides delivery services, developed the award-winning Courier Online Real-time Update System (CORUS) system that allows clients to track delivery status in real time with image of proof of delivery. M Xpress plans to expand its warehouse to accommodate rising demand in line with rapid e-commerce growth.

In addition to ILS, Malaysia also sees growth in the International Integrated Logistics Services (IILS) segment. In 2018, 23 local players were granted ILLS status, a status granted by customs to companies that provide integrated and seamless logistics services (door-to-door) along the logistics supply chain a single entity on a regional or global scale.

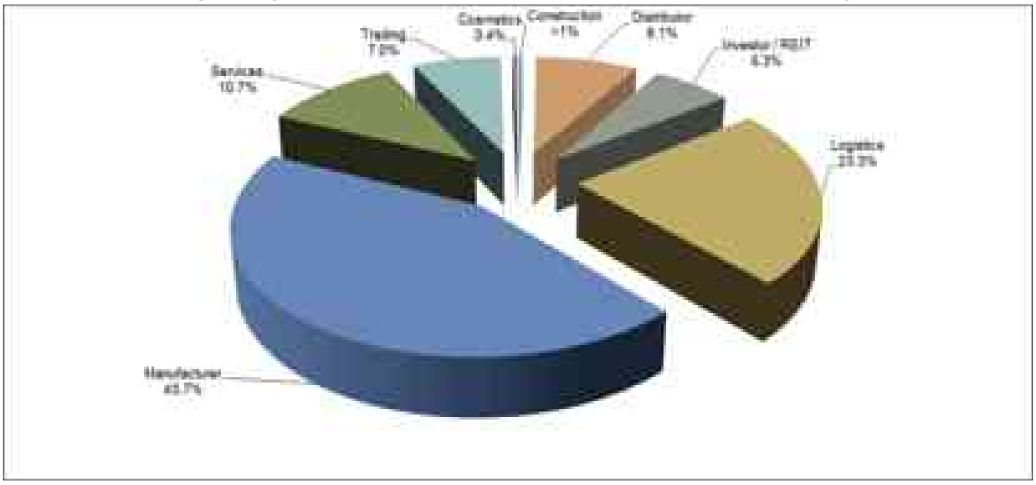
The exponential growth of e-commerce demands logistics players to increase efficiency by digitalizing their operations and this has led to higher demand for smart warehousing and e-fulfilment centres.

7.0 Property Market Analysis: Logistics and Distribution Centre

7.1 Review on Owners of Industrial Premises in Klang Valley

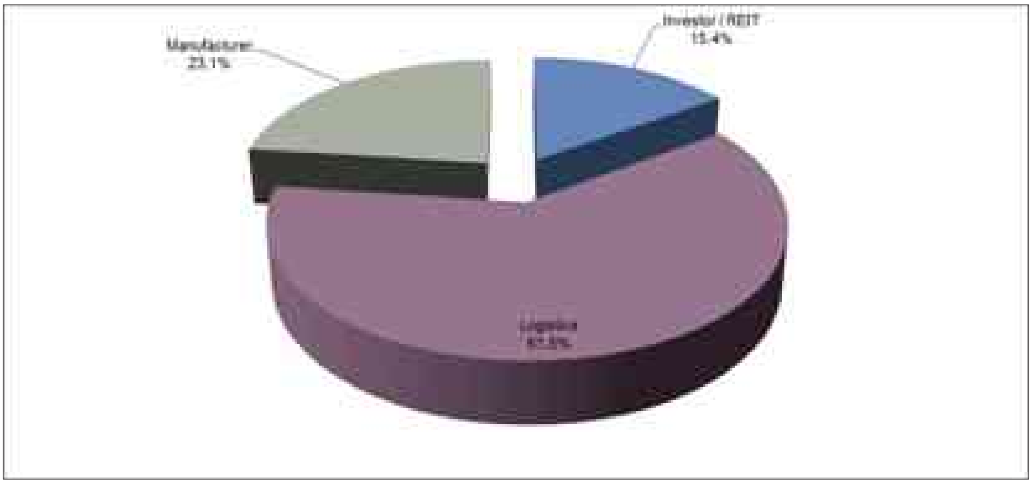
For the purpose of this Market Study, we have identified owners of industrial premises within Klang Valley.

Chart 27: Klang Valley – Breakdown of Owners of Industrial Premises by Number, 2018



Source: Knight Frank Research / Various Sources

Chart 28: Klang Valley - Owners of Sizeable Industrial Premises by Numbers, 2018



Source: Knight Frank Research / Various Sources
Note: Sizeable > 500,000 sq ft

As of 2018, there are circa 38.31 million sq ft of industrial space in Klang Valley. The industrial premises are predominantly owned by companies operating in the manufacturing, logistics and services sector in order to fulfil the requirements of their business operations.

On the other hand, sizeable industrial premises exceeding 500,000 sq ft, are primarily owned by logistics firms and manufacturers as the nature of these businesses tend to require large warehousing space.

It is worth noting that investors / REITs also own a substantial amount of industrial space, with the majority of these assets tenanted by logistics companies. For example, the majority of industrial assets owned by Axis REIT and Atrium REIT are occupied by logistics companies such as Agility Logistics, CJ Century Logistics, LF Logistics and so forth. Moving forward, the exponential growth experienced by Malaysia's e-commerce sector will likely provide a strong tailwind for the businesses of logistics companies, which will in turn lead to further increase in demand for large warehouse space.

Investors / REITs possess insatiable appetite for large industrial premises due to high yields coupled with the presence of favourable demand for this asset class. An increasing number of businesses, especially logistics companies, have adopted an asset light model in order to allocate more capital for the operations their businesses. This has led to a growing demand for built-to-suit arrangements amongst sizeable occupiers and key investors / REITs.

Despite rising demand for large industrial premises, it is not likely that an oversupply situation will emerge for this asset class, as a result of high development costs coupled with the lack of sizeable industrial land in highly established industrial areas such as Shah Alam and Bukit Raja.

7.1.1 Owners of Selected Existing and Incoming Industrial Premises

The table below shows that owners of selected existing and incoming industrial premises in Klang Valley comprised mainly of investors / REITs.

Table 15: Malaysia – Owners of Selected Existing and Upcoming Industrial Premises

Owner	Industry of Owner	Location	Estimated Built-up Area of Industrial Premise (sq ft)	Land Area (sq ft)
Existing developments				
Mapletree Logistics Trust	Investor / REIT	Shah Alam	647,535	1,083,926
Axis REIT	Investor / REIT	Sijangkang	515,000	1,079,417
DHL Supply Chain Malaysia	Logistics	Shah Alam	1,000,000	N/A
Alpha Galaxy Group of Companies	Logistics	Kuala Selangor	1,505,192	2,613,600
Big Dutchman	Trading	Klang	279,862	827,640
Modu System	Manufacturer	Klang	120,000	130,680

Incoming developments				
Axis REIT	Investor / REIT	Sijangkang	485,312	766,656
Leon Fuat Berhad	Manufacturer	Klang	N/A	700,864
Nippon Express	Logistics	Shah Alam	682,658	638,687
Solid Automotive Berhad	Automotive	Kuala Lumpur	N/A	11,198
Solid Automotive Berhad	Automotive	Kuala Lumpur	N/A	11,198
Area Management Sdn Bhd	Investor / REIT	Kuala Lumpur	Circa 1,200,000	766,610
CJ Century Berhad	Logistics	Klang	525,949	358,105
Hap Seng Land	Investor / REIT	Shah Alam	N/A	871,200
Daiwa House Industry Co Ltd	Investor / REIT	Shah Alam	N/A	1,306,800

Sources: Knight Frank Research / Various Sources

It is worth noting that sizeable industrial premises with built-up area exceeding 500,000 sq ft, namely CJ Century's new headquarters, Nippon Express' new warehouse and Area Logistics @ Ampang, generally cater to the use of logistics firms. Amid the growing e-commerce wave, logistics companies are the force to be reckoned with in driving demand in the industrial property market.

Modern warehouses and industrial premises generally come equipped with high specifications in terms of clear ceiling height, racking systems, floor loading capacities and so on, which will allow logistics companies to centralize and improve the efficiency of their business operations.

7.2 Grade A Logistics Properties

For the purpose of this research report, we have categorised industrial premises comprising of distribution centres and warehouses for logistics purpose as 'typical' or 'Grade A' logistics properties.

The following tabulates the criteria for Grade A logistics properties.

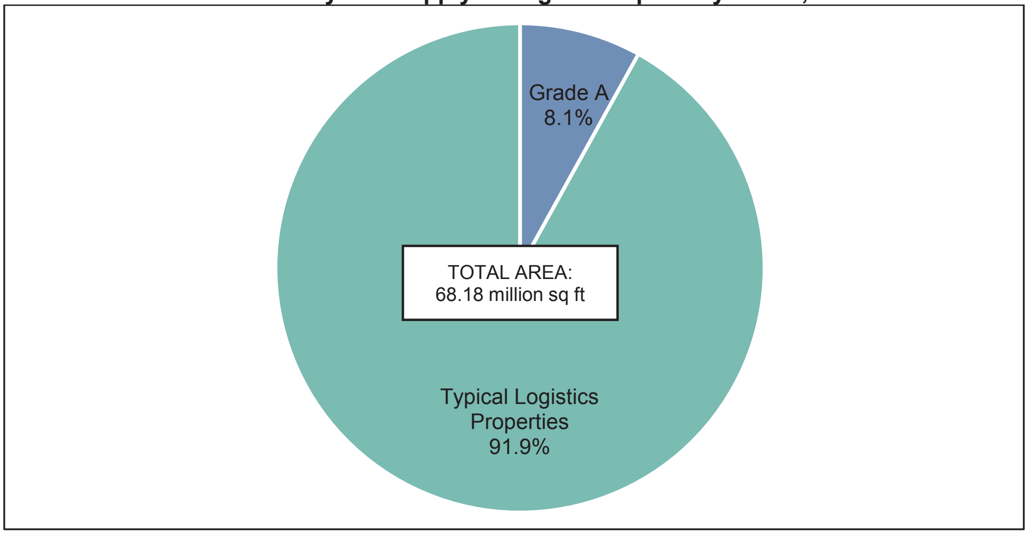
	Pre-qualification for Grade A Logistics Properties		
Grade A	Purpose	:	For logistics use
	Accessibility	:	Distance to major town(s) - 30KM
	Floorplate	:	100,000 sq ft or above
	Clear Ceiling Height	:	10 metres or above
	Structure	:	Concrete and/or steel structure
	Floor Loading	:	30kN / sq m or above
	Ramp and Elevator	:	Available for multi-storey premise
	Dock Leveller	:	Available
	Sky Lighting	:	Available
	Fire Fighting System	:	Early Suppression Fast Response (ESFR) fire sprinkler system, fire alarm and fire hydrants

Source: Knight Frank Research

7.2.1 Supply of Grade A Logistics Properties

The cumulative supply of all logistics properties in Malaysia is estimated at 68.18 million sq ft as of 2018. Properties that fall within the Grade A classification account for about 8.1% (circa 5.49 million sq ft) of the total distribution centre / warehouse / logistics space.

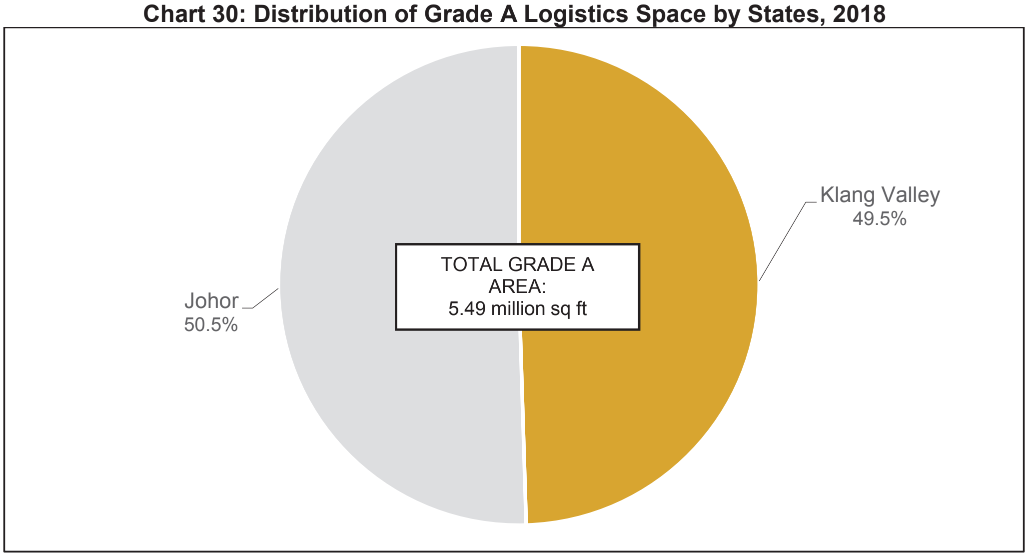
Chart 29: Malaysia - Supply of Logistics Space by Grade, 2018



Source: Knight Frank Research / Various Sources

The majority of grade A logistics properties are located in Johor with 50.5% share (circa 2.77 million sq ft), followed by Klang Valley with 49.5% share (circa 2.72 million sq ft).

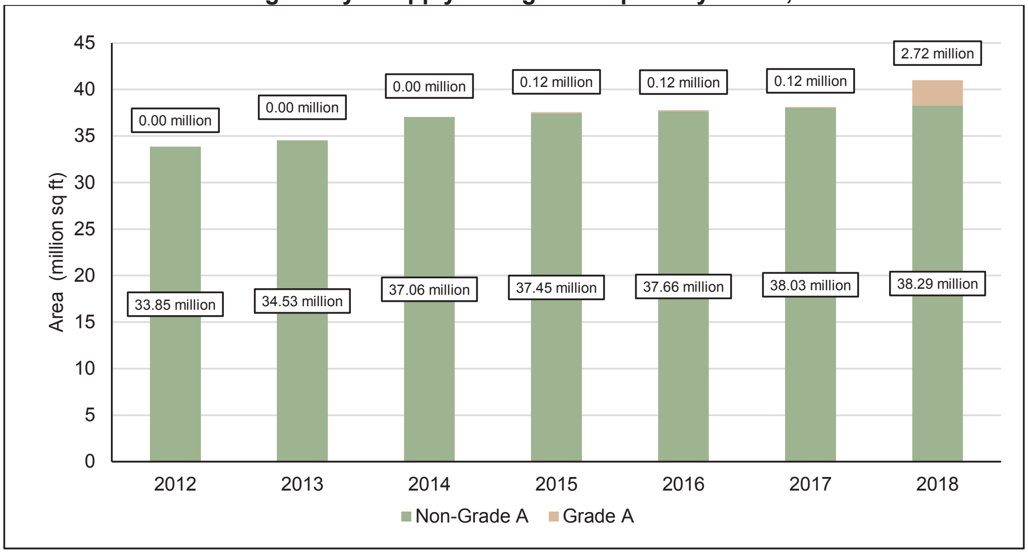
Chart 30: Distribution of Grade A Logistics Space by States, 2018



Source: Knight Frank Research / Various Sources

In Klang Valley, circa 6.6% or 2.72 million sq ft of logistics space are of Grade A category while the remaining 93.4% (38.29 million sq ft) comprise of Non-Grade A logistics space.

Chart 31: Klang Valley - Supply of Logistics Space by Grade, 2012 - 2018



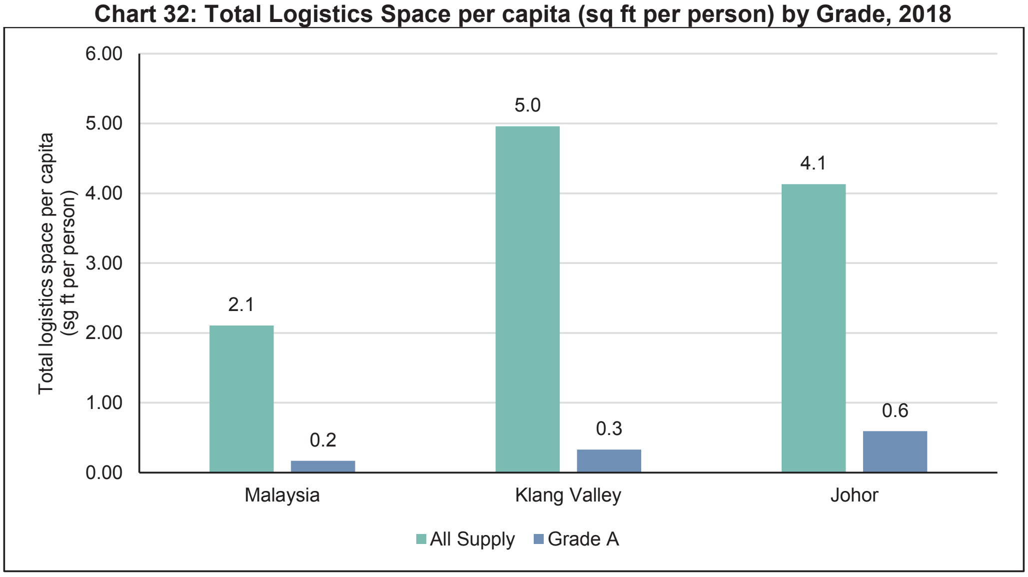
Source: Knight Frank Research / Various Sources

7.3 Logistics Space per Capita

The chart below shows the estimated logistics space per capita (sq ft per person) in Malaysia and the main region / states with affluent distribution centre / warehouse / logistics market. On a national level, the logistics space per capita is analysed at circa 2.1 sq ft for the all supply category and 0.2 sq ft for Grade A supply respectively.

The region and state with the most prominent Grade A logistics space is Johor, recording approximately 0.6 sq ft of space per person, followed by Klang Valley with circa 0.3 sq ft of space per person.

Chart 32: Total Logistics Space per capita (sq ft per person) by Grade, 2018

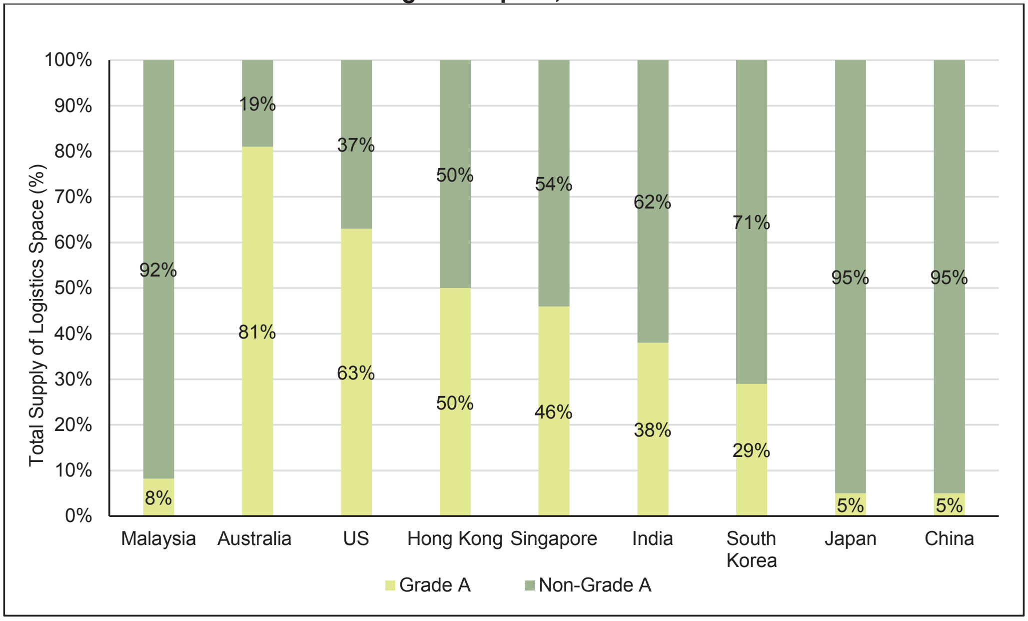


Source: Knight Frank Research / Various Sources

7.3.1 Logistics Space per Capita for Selected Countries

Countries such as Australia, United States and Hong Kong have high composition of Grade A logistics space at above 50% of the total warehouse space in the respective countries.

Chart 33: Selected Countries – Composition of Grade A and Non-Grade A Logistics Space, 2018



Source: Knight Frank Research / Various Sources

Among the countries under review, it is observed that United States (circa 25.6 sq ft per person) has the highest per capita level of Grade A logistics space, followed by Australia (circa 11.7 sq ft per person) and Singapore (circa 9.4 sq ft per person).

In the United States, the Grade A logistics stock estimated at 8.4 billion sq ft translates to an average space of 25 sq ft to 26 sq ft per capita. It is to be noted, however, that the majority of existing logistic space are aging with only 11% of the stock built over the last ten years (Source: Logistics Management.com, 2018).

The logistics space per capita for Malaysia, analysed at 0.2 sq ft per capita is considered low when compared to the United States and Australia. This suggests that Malaysia requires more logistics space to cater to growing demand. It is worth noting that Port Klang, which is located within the Klang Valley region, is the leading top 20 global container ports in 2017 (source: Review of Maritime Transport, UNCTAD). The port continues to support the logistics industry in Klang Valley and beyond.

Table 16: Selected Countries – Logistic Space per Capita, 2018

Countries	Estimated Space per capita (sq ft per person)	
	Grade A	Total
Malaysia	0.2	2.1
Australia	11.7	14.4
United States	25.6	40.6
Hong Kong	2.7	5.5
Singapore	9.4	20.4
India	<0.1	0.1
South Korea	2.1	7.2
Japan	2.1	42.8
China	0.5	8.7

Source: Knight Frank Research / The World Bank/ Various Sources

7.4 Occupancy Rate of Selected Logistics Hubs / Distribution Centres

This section provides a summary of market findings on the estimated occupancy rates of selected big-box Logistics Hubs / Distribution Centres.

Big–box hubs and centres are physically large space for specific purpose / logistics use.

Table 17: Occupancy Rates of Selected Logistics Hubs / Distribution Centres, 1H2019

Selected Logistics Hub / Distribution Centres	Location	Industry of Tenant / Occupier	Estimated Occupancy Rate (%)
Mapletree Logistics Hub – Shah Alam (The Subject Property)	Shah Alam	Predominantly Logistics	100
Mapletree Shah Alam Logistics Park	Shah Alam	Predominantly Logistics	100
Axis Mega Distribution Centre (Phase 1)	Sijangkang	Food & Beverage	100
DHL Integrated Logistics Centre	Shah Alam	Logistics / Supply Chain	100
Galaxy Logistics Hub	Puncak Alam	Automotive	56.5
Regional Head Office for Big Dutchman	Bandar Bukit Raja	Animal Feed	100
Axis Aerotech Centre @ Subang	Subang	Aerospace	100
Global Headquarters of Modu Group of Companies	Bandar Bukit Raja	Provider of Conveyor and Automation Systems	79

Source: Knight Frank Research

The selected big-box logistics hubs / distribution centres under review generally enjoy full occupancies. The exception are Galaxy Logistics Hub and the Global Headquarters of Modu Group of Companies which are circa 56.5% and 79% occupied respectively.

The two facilities are relatively new with Modu's global headquarters and Galaxy Logistics Hub only commencing their operations in November 2018 and April 2019 respectively. It is to be noted that Galaxy Logistics Hub, a large-scale facility with NLA of circa 1,505,192 sq ft, may require a longer gestation period to secure other tenant(s) / occupier(s) for the remaining unoccupied space.

Both the Subject Property and Mapletree Shah Alam Logistics Park are fully occupied multi-tenanted facilities located in Shah Alam. This is a testament that there is strong demand for sizeable warehouse space in Shah Alam, especially among logistics companies due to its strategic location offering ease of accessibility and excellent connectivity. Thus, there is a potential for positive rental reversion for well-located and high specification warehousing space in Shah Alam.

It is also worth noting that Axis Mega Distribution Centre (AMDC), Galaxy Logistics Hub and Axis Aerotech Centre at Subang are built-to-suit developments. There appears to be growing demand for purpose-built facilities with Grade A construction that come with high specifications. Phase 1 of AMDB, completed in 2018, is currently the distribution centre for Nestle Products Sdn Bhd while Phase 2 is in the planning stage. As for the Axis Aerotech Centre at Subang, the built-to-suit industrial manufacturing facility was developed to cater to Upeca Aerotech Sdn Bhd's growing business needs.

7.5 Review of Rental Rates

7.5.1 Notable Concluded Rentals and Asking Rental Rates

The concluded rentals and asking rentals of selected Logistics Hubs / Distribution Centres are tabulated below.

Table 18: Rental Rates of Selected Logistics Hubs / Distribution Centres

Name of Building / Development Location	**Land Area** *Built-Up Area* (sq ft)	**Rental** (RM / month)	**Rental Rate** over BUA (RM / sq ft)	**Rental Term**
Existing				
Mapletree Shah Alam Logistics Park Section 23, Shah Alam	**1,083,926** *647,535*	Circa 1,045,887(1) (SGD344,167)	Circa 1.62	N/A
Axis Mega Distribution Centre Taman Industri Sijangkang Utama, Telok Panglima Garang.	**1,079,417** *515,000* *(Phase 1 only)*	Circa 1,600,000	Circa 3.11	Initial lease term of 10 years, with option to renew for 2 additional terms of 3 years each
Galaxy Logistics Hub Locality of Puncak Alam	**Circa 2,613,600** *Circa 1,505,192*	N/A	Circa 1.65 (asking)	N/A
Incoming				
Area Logistics @ Ampang Ulu Kelang Free Trade Zone, Ampang	**Circa 766,610** *Circa 1,200,000*	N/A	Circa 2.00 (asking)	N/A
Global Headquarters of Modu Group of Companies Bandar Bukit Raja, Klang	**Circa 130,680** *Circa 120,000*	N/A	Circa 1.60 (asking)	N/A
Hap Seng Industrial Hub Section 23, Shah Alam	**Circa 871,200** *Circa 1,297,246*	N/A	Circa 1.80 – 2.50 (asking)	N/A
D Project Malaysia I Section 33, Shah Alam	**Circa 1,306,800** *Circa 1,285,605 (GFA)*	N/A	Circa 2.10 (asking)	N/A

Sources: Knight Frank Research / Various Sources
Note: (1) The exchange rate adopted is as at August 2019: SGD 1 to RM3.04.

The asking rental rates of incoming industrial developments in Shah Alam, namely Hap Seng Industrial Hub and D Project Malaysia I hover between RM1.80 per sq ft and RM2.50 per sq ft per month depending on the scheme / location, type of space and specification, size and other value factors. The favourable asking rental rates are mainly attributed to the lack of modern warehousing space with high specification in the established locale of Shah Alam, as the likes of Mapletree Shah Alam Logistics Park and the Subject Property are already fully tenanted.

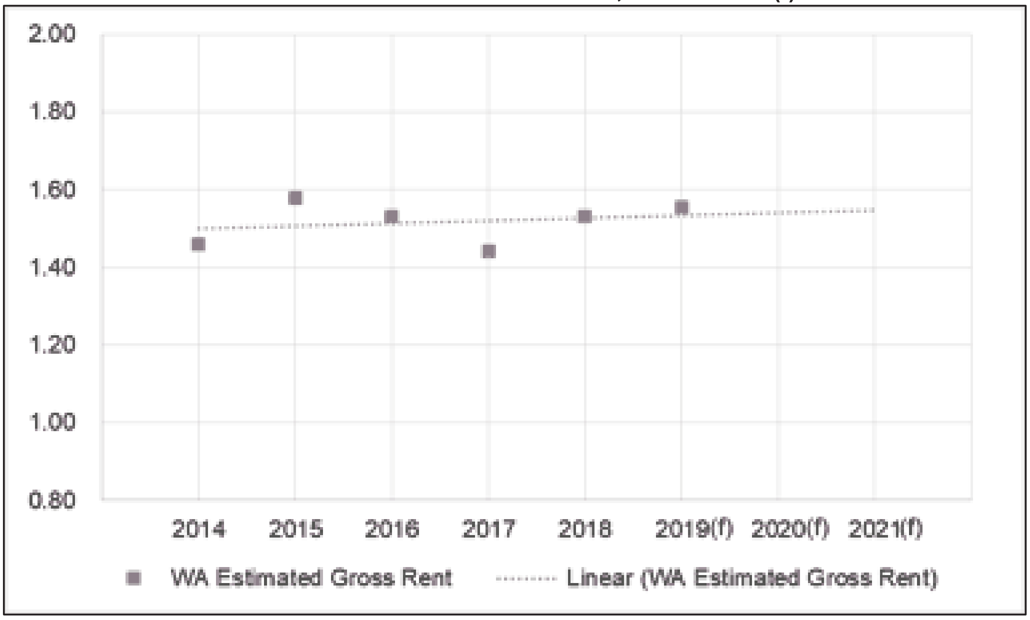
7.5.2 Selangor: Forecast of Rental Rates

The weighted average gross rental rates of selected logistics centres / distribution centres / warehouses / manufacturing facilities in Selangor are estimated at RM1.44 per sq ft in 2017 and RM1.55 per sq ft in 2019. This reflects a compound average growth rate (CAGR) of 3.9% from 2017 to 2019.

The estimated weighted average gross rental rate of selected industrial facilities in Selangor is projected to grow linearly into 2021.

The chart below shows the estimated weighted average gross rental rates of selected logistics centres / distribution centres / warehouses / manufacturing facilities in Selangor.

Chart 34: Selangor – Estimated Weighted Average Gross Rental Rate of Selected Industrial Facilities, 2014 to 2021(f)



Sources: Knight Frank Research / Various Sources
Notes: (f) = forecast
(1) Estimated Gross Rental Rates are analysed based on gross revenue of selected logistics centres / distribution centres / warehouses / manufacturing facilities in Selangor.

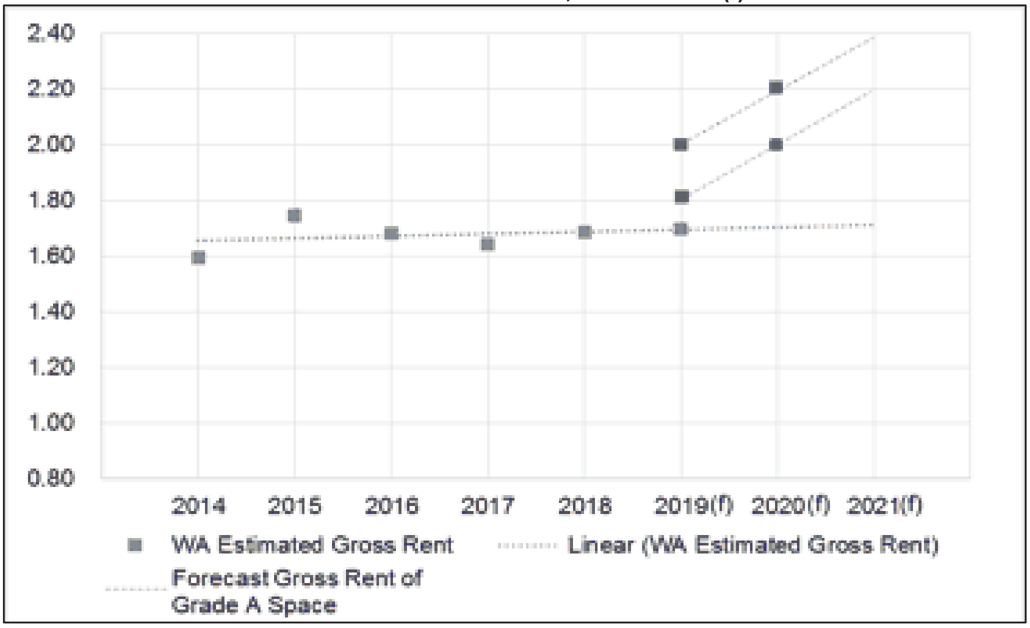
7.5.3 Shah Alam: Forecast of Rental Rates

In Shah Alam, the estimated weighted average gross rental rate of selected logistics centres / distribution centres / warehouses / manufacturing facilities depicts a CAGR of 1.6% from 2017 to 2019 (2017: RM1.64 per sq ft; 2019: RM1.70 per sq ft).

Similar to the trend in Selangor, the estimated weighted average gross rental rate of selected industrial facilities in Shah Alam is projected to grow linearly into 2021.

The chart below shows the estimated weighted average gross rental rates of selected logistics centres / distribution centres / warehouses / manufacturing facilities in Shah Alam.

Chart 35: Shah Alam – Estimated Weighted Average Gross Rental Rate of Selected Industrial Facilities, 2014 to 2021(f)



Sources: Knight Frank Research / Various Sources
Notes: (f) = forecast
(1) Estimated Gross Rental Rates are analysed based on gross revenue of selected logistics centres / distribution centres / warehouses / manufacturing facilities in Shah Alam.

Due to the changing landscape of the industrial sector, developers are now focusing on developing high specifications Grade A industrial properties to attract occupiers / investors. The attractiveness of warehouses that come equipped with high specifications has made the industrial sub-sector a bright spot in this relatively challenging property market. Grade A logistics properties that come with state-of-the-art warehousing facilities typically enjoy a rent premium of circa 10% to 20% as compared to traditional warehouses.

The rental rates of Grade A logistics properties in Shah Alam, estimated to be in the region of RM1.80 to RM2.00 per sq ft per month in 2019, are projected to increase by 5% to 8% to circa RM2.00 to RM2.20 per sq ft per month in 2020 based on the market performance of the industrial sector in Shah Alam.

Table 19: Shah Alam - Monthly Rental Rates of Grade A Logistics Properties, 2019 and 2020(f)

Year	Monthly Rental Rates (RM per sq ft)	Estimated Rental Growth (%)
2019	1.80 to 2.00	-
2020(f)	2.00 to 2.20	5% to 8%

Sources: Knight Frank Research / Various Sources
Note: (f) = forecast

7.6 Capital Values and Capitalization Rates

7.6.1 Notable Transactions of Industrial Premises

The following tabulates notable transactions of industrial premises in Shah Alam from 2016 to 2019. The estimated annual net income and yield of selected industrial premises are also provided in the table.

Table 20: Shah Alam - Selected Notable Transactions of Industrial Premises, 2016 to 2019

Address	Land Area / Built-Up Area	Year	Purchaser	Consideration	Estimated Annual Net Income	Analysed Yield
Lot 9, Persiaran Raja Muda, Sec. 16 of Shah Alam(1)	304,190 sq ft / 174,757 sq ft	2019	Pacific Trustees Berhad, the Trustee of Atrium REIT	RM45 million	N/A	N/A
Lot 72, Persiaran Jubli Perak, Sec. 22 of Shah Alam(2)	661,884 sq ft / 261,402 sq ft	2019	Symphony Warehouse Sdn Bhd	RM124 million	N/A	N/A
Ten (10) subdivided lots located within Sec. 15 of Shah Alam(2)	1,690,259 sq ft / 1,089,619	2018	Strategic Sonata Sdn Bhd	RM287.7 million	N/A	N/A
Balai Berita Shah Alam, Taman Perindustrian Bukit Jelutong(3)	653,154 sq ft / 330,163 sq ft	2018	PNB Development Sdn Bhd	RM127.9 million	RM7,923,912	6.20%
Lot PT 5038-5041, Off Persiaran Sepang, Sec. 28 of Shah Alam(4)	440,268 sq ft / 258,553 sq ft	2018	RHB Trustees Berhad, as the Trustee of Axis REIT	RM87 million	RM6,024,015	6.92%
Lot 7, Jalan Utas 15/7, Sec. 15 of Shah Alam	634,929 sq ft / 209,475 sq ft	2018	LJK Prestige Properties Bhd	RM85 million	N/A	N/A
Lot 72, Persiaran Jubli Perak, Sec. 22 of Shah Alam(2)	638,687 sq ft / 280,028 sq ft	2017	Nippon Express (Malaysia) Sdn Bhd	RM105 million	N/A	N/A
PT 65, Sec. 23 of Shah Alam(5)	673,684 sq ft / 386,856 sq ft(6)	2017	RHB Trustees Berhad, as the Trustee of Sunway REIT	RM91.5 million	RM5,598,333	6.12%
Lot 11A, Jalan Utas 15/7, Sec. 15 of Shah Alam	436,089 sq ft / 260,030 sq ft	2016	Daikin Malaysia Sdn Bhd	RM69.5 million	N/A	N/A
Lot 177, Jalan Utas 15/7, Sec. 15 of Shah Alam	453,500 sq ft / 205,575 sq ft(7)	2016	Axis Development Sdn Bhd	RM61 million	N/A	N/A
Mapletree Shah Alam Logistics Park	1,083,926 sq ft / 655,576 sq ft	2016	Mapletree Logistics Trust	RM160 million	N/A	N/A
No. 4, Jalan Saudagar U1/16, Hicom Glenmarie(8)	67,371 sq ft / 76,186 sq ft	2016	CIMB Islamic Trustee Berhad, as the Trustee of AmanahRaya REIT	RM32 million	RM2,079,996	6.50%

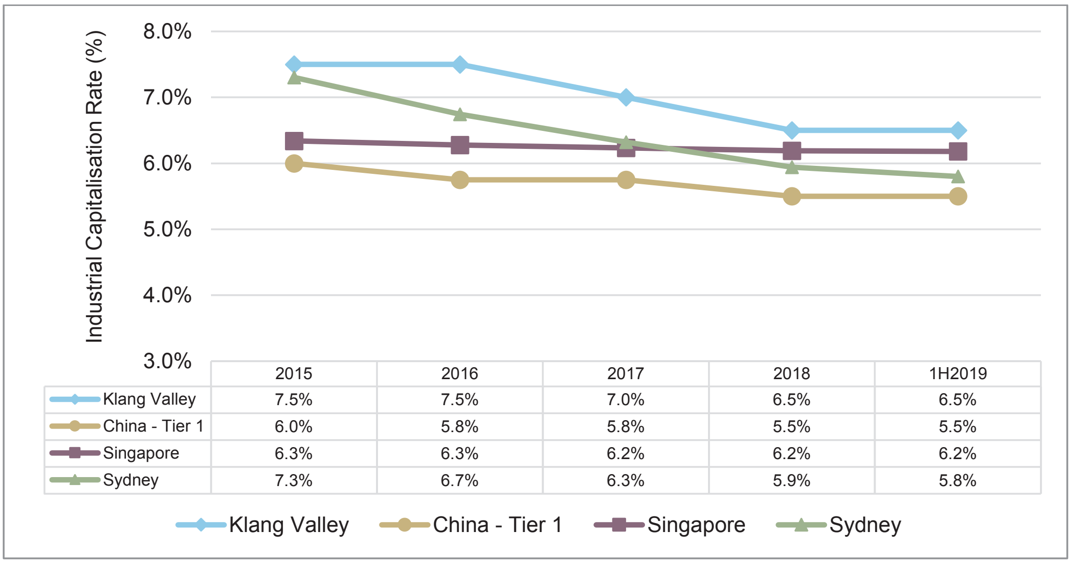
Source: Knight Frank Research

Notes:
(1) Accepted the Letter of Offer
(2) Transaction on redevelopment basis
(3) With a tenancy agreement for a period of 3 years, with monthly rental at RM720,082 on a triple net basis; and will be automatically renewed for another 3 years following the expiry of the initial term (10% increase from the prevailing rent); thereafter with the option to extend the tenancy up to 3 additional terms of 3 years each (10% increase on the first option, 15% increase on the subsequent options)
(4) With a proposed lease for a term of 6 years from the completion date with a monthly rental: of RM528,422.35 (Year 1 to Year 3) and RM581,264.59 (Year 4 to Year 6)
(5) Transacted with an existing lease with IDS Manufacturing Sdn Bhd, with a remaining duration of approximately 18 years, expiring on 31/12/2034 (Initial Term). This Initial Term will automatically be extended for one further term of 5 years unless the Lessee gives written notice to Lessor not less than 18 months prior the end of the Initial Term that it does not wish to extend or that it wishes to extend the term for a period in excess of 5 years but less than or equal to 15 years. Current annual lease rental at RM5,598,332.50 on triple net basis; and the rent is subject to review every 3 years and the next review date shall be 1/1/2019; subject to a cap of 10% increment
(6) Extracted from Sunway REIT Annual Report 2017
(7) Extracted from Circular dated 3rd August 2016
(8) With a fixed 6-year tenancy from the Commencement Date at an initial monthly net rental of RM173,333.33 until the expiry of the Principal Tenancy Period.

7.6.2 Capitalization Rates

The average capitalization rate (cap rate) for industrial assets in Malaysia is estimated to be in the region of 6.5% as of 1H2019 as demand for quality industrial space continues to outpace supply. In selected Asia Pacific countries such as China, Singapore and Sydney, the cap rates were at 5.5%, 6.2% and 5.8% respectively.

Chart 36: Industrial Sector - Capitalization Rates of Malaysia and Selected Asia Pacific Countries



	2015	2016	2017	2018	1H2019
Klang Valley	7.5%	7.5%	7.0%	6.5%	6.5%
China - Tier 1	6.0%	5.8%	5.8%	5.5%	5.5%
Singapore	6.3%	6.3%	6.2%	6.2%	6.2%
Sydney	7.3%	6.7%	6.3%	5.9%	5.8%

Source: Knight Frank Research

8.0 Review: Site and Location

8.1 The Subject Property

The Subject Property comprises an industrial logistics cum warehouse development known as Mapletree Logistics Hub – Shah Alam ("MLHSA"). The latter is erected upon a parcel of leasehold industrial land identified as Lot 10003 Seksyen 22 held under Title No. Pajakan Negeri 112703, located within Bandar Shah Alam, District of Petaling, Selangor and bears postal address, Mapletree Logistics Hub, Jalan 22/1, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan. Seksyen 22 is the most prime location in the Shah Alam industrial area, the only section which is 5 minutes driving distance to the 2 main highways in Klang Valley, the Federal Highway and KESAS Highway.

The site, fronting onto Jalan 22/1, has a surveyed title land area of 172,700 sq m (approximately 42.68 acres or 1.86 million sq ft).

The Subject Property comprises three blocks of two-storey ramp-up logistics and warehousing facilities with mezzanine office space. The logistics and manufacturing facilities feature a two-way ramp-up design that enable up to 45-foot container trucks (the largest used in the market) to gain access directly to the warehouse units on the first floor, thus facilitating quick loading and unloading of goods. Other available amenities at MLHSA include a cafeteria and ample parking space for cars, motorcycles and heavy vehicles.

The specifications of the multi-tenanted facility are the highest available for lease in the Malaysia market and comparable with facilities in more developed markets like Singapore, Japan and Hong Kong. The facility is equipped with Early Suppression Fast Response (ESFR) sprinkler system, which is a major competitive advantage, as this allows tenants to enjoy significant cost savings. This is because without ESFR, tenants would be required to install in-rack sprinklers in order to comply with fire safety requirements of Bomba (local Fire Department) based on their goods stored.

The warehouse floor is constructed to United Kingdom Concrete Society's 'FM2' flatness standard, with only 2mm flatness tolerance across the floor. This is critical for highly efficient logistics operations because FM2 standard warehouse floor helps to ensure the stability of tenants' multiple-level racking system and the productivity of their operations. On uneven floor, material handling equipment (MHE) such as reach trucks and automated guided vehicles (AGVs) will not be able to run at its designed speed which reduces the efficiency of goods movement for logistics operators.

The facility, while modular in design with 34 units, has one of the largest floor-plates in the market (415,000 sf to 429,000 sf). This means units can be combined to achieve a total contiguous space of up to 429,000 sf on a same single floor. This provides the Landlord flexibility to cater to both smaller space requirements as well as tenants operating large regional distribution centres. The floor-plate size is an important consideration for tenants when making location decisions, especially for ecommerce tenants who have major plans for expansion and would like to expand on the same floor to ensure logistics efficiency.

As at September 2019, the Subject Property enjoys full occupancy rate and is asking rental rate of circa RM2.20 per sq ft per month.

<table>
<tr><th colspan="4">Logistic / Warehouse Development</th></tr>
<tr><td>Land Area (sq ft)</td><td colspan="3">1,858,927</td></tr>
<tr><td>Gross Floor Area (sq ft)</td><td colspan="3">2,559,764</td></tr>
<tr><td rowspan="3">Net Lettable Area (sq ft)</td><td>Warehouse area</td><td colspan="2">2,133,284</td></tr>
<tr><td>Mezzanine Office</td><td colspan="2">101,971</td></tr>
<tr><td>Total</td><td colspan="2">2,235,255</td></tr>
<tr><td>Car Parking Lots</td><td colspan="3">1,231 bays</td></tr>
<tr><td>Loading Bays</td><td colspan="3">5 – 8 bays per unit</td></tr>
<tr><td>Blocks</td><td>Block 1</td><td>Block 2</td><td>Block 3</td></tr>
<tr><td>No. of Units</td><td>14 units</td><td>14 units</td><td>6 units</td></tr>
<tr><td>Size of Warehouse area (sq ft)</td><td>53,400 - 80,772</td><td>53,476 – 71,440</td><td>67,587 – 88,189</td></tr>
<tr><td>Size of Mezzanine Office (sq ft)</td><td colspan="3">2,808 – 3,034</td></tr>
<tr><td>Notable Tenants</td><td colspan="3">Korjaya Logistics, Watson's Personal Care Stores, Sinotrans Logistics, Ninjavan, Lazada, GD Express, Setia Corporation, Taiun, Logwin Air + Ocean Malaysia, Shopee Mobile, SL NG, Pan Asia Logistics, YCH Logistics, Next Logistics, Toyo Tyres, Quantium Solution, Maple Café</td></tr>
<tr><th colspan="4">Building Specifications</th></tr>
<tr><td>Loading Platform</td><td colspan="3">1.3m raised floor from driveway</td></tr>
<tr><td>Fire Protection System</td><td colspan="3">ESFR Sprinkler System</td></tr>
<tr><td>Power Supply (3-phase)</td><td colspan="3">320A – 400A per unit</td></tr>
<tr><td>Lighting</td><td colspan="3">LED high bay lights</td></tr>
<tr><td>Flooring</td><td colspan="3">In compliance with FM2 standard</td></tr>
<tr><td rowspan="2">Column Grid</td><td>Ground Floor</td><td colspan="2">12m x 11.4m or 12m x 12m</td></tr>
<tr><td>First Floor</td><td colspan="2">12m x 22.8m or 12m x 23.4m</td></tr>
<tr><td rowspan="3">Floor Loading Capacity</td><td>Ground Floor</td><td colspan="2">30kN / m^2</td></tr>
<tr><td>First Floor</td><td colspan="2">25kN / m^2</td></tr>
<tr><td>Mezzanine Office</td><td colspan="2">5kN / m^2</td></tr>
<tr><td rowspan="2">Clear Height</td><td>Warehouse area</td><td colspan="2">10m</td></tr>
<tr><td>Mezzanine Office</td><td colspan="2">3m</td></tr>
<tr><th colspan="4">SWOT Analysis</th></tr>
<tr><td>Strengths / Opportunities</td><td colspan="3">▪ The Subject Property is surrounded by multinational corporations, thus there is ready captive market within the immediate surrounding.
▪ The Subject Property is professionally managed to ensure that the building is constantly in prime condition and that the operations of tenants will not be disrupted at all times
▪ Safety features such as ESFR sprinkler system, photobeam detection system are present
▪ The compound is gated and guarded – there are 2 guard houses.
▪ The entry of large trucks is constantly monitored
▪ The presence of Maple Café provides convenience to employees working in the building
▪ The two-way ramp-up feature enables up to 45-foot container trucks to access warehouse units located on the first floor directly</td></tr>
<tr><td>Weaknesses / Threats</td><td colspan="3">▪ The space allocated for surau is not adequate. This can be mitigated if tenants with a large number of Muslim employees are able to obtain necessary approvals to construct their own surau
▪ The entrance to the compound is relatively narrow. Thus, to perform a sharp turn when entering the compound, may pose as a challenge for larger vehicles</td></tr>
</table>

Source: The Client / Knight Frank Research

During our cursory inspection on 20th June 2019, we observed that the Subject Property, namely the logistics cum warehouse development known as Mapletree Logistics Hub, comprising of three blocks of two-storey ramp-up logistics and warehousing facilities with mezzanine office space, is operational and occupied.

The northern boundary of the Subject Site is demarcated by metal fencing while the remaining boundaries are defined by plastered brick walls surmounted with metal railings.

Properties within the immediate and larger surroundings are mixed use in nature, comprising predominantly industrial developments, and supported by residential and commercial developments.

8.2 Location and Accessibility

8.2.1 Location

Shah Alam is a prime location for warehousing and distribution business in Klang Valley with the key attractiveness as follows:

- Positioned as the key logistics hub in Malaysia serving the largest and most affluent consumer market in Klang Valley.
- Demand for logistics functions will rise to keep pace with the country's anticipated growth in household income and e-commerce.
- The strategic location is readily accessible and well connected to Kuala Lumpur City Centre, Kuala Lumpur International Airport (KLIA) and Port Klang, the largest port in Malaysia and second largest port in Southeast Asia for container handling.

Exhibit 2: Malaysia – Major Federal Ports

Source: Google Map

8.2.2 Macro Accessibility

Mapletree Logistics Hub - Shah Alam is strategically located in the heart of Section 22, Shah Alam, offering excellent connectivity for multinational corporations and logistics providers. It is bounded by the Federal Highway to the north, the North–South Expressway Central Link (ELITE) to the east, Shah Alam Expressway (KESAS) to the south and the Kemuning–Shah Alam Highway (LKSA) to the west.

A summary of the highways / expressways servicing the locality is tabulated below:

Table 21: The Subject Property – Macro Accessibility

Legend	Route	Direction	Linking / Interchange
Route 1	Federal Highway	From East	▪ Travelling from KL City Centre, the **exit** to the left towards KLIA / E2 / Johor Bahru will merge the traffic onto Persiaran Jubli Perak, this leads to the Subject Property.
		From West	▪ From Klang / Port Klang, take the **exit** to the left towards Semdong and thereafter the 3rd exit at the roundabout onto Persiaran Tengku Ampuan. The latter connects to Persiaran Jubli Perak to the left.
Route 2	ELITE	From North	▪ From Shah Alam, take **Exit 603** towards Subang Jaya onto KESAS before turning into **Exit B7**. ▪ At the traffic light junction, take the exit to the right towards Persiaran Tengku Ampuan. Another exit on the right at the following traffic light junction connects to Jalan Batu Tiga Lama, leading towards Persiaran Jubli Perak on the left of the road.
		From South	▪ From Putra Heights, take **Exit E6** to connect to Persiaran Jubli Perak which leads to Jalan 22/1, the frontage road of the Subject Property.
Route 3	KESAS	From South	▪ **Exit 507** on the left leading towards Shah Alam / Puchong / Kota Kemuning will guide the traffic onto Persiaran Tengku Ampuan. ▪ At the following traffic light junction, take the **exit** on the right towards Jalan Batu Tiga Lama. ▪ At the T-junction at the end of Jalan Batu Tiga Lama, the turning to the left will connect to Persiaran Jubli Perak.
		From East	▪ Take the **exit** on the left towards Johor Bahru / Subang / Ipoh before merging onto ELITE following the route to Klang. ▪ The following **Exit E6** will lead to Persiaran Jubli Perak.
Route 4	LKSA	From North / South	▪ Take **Exit 1304** towards Padang Jawa / Seksyen 16 – 28 / Uptown before merging onto Persiaran Jubli Perak.

Source: Knight Frank Research

The Subject Property benefits from similar travelling time onto the Federal Highway, KESAS and LKSA as it is situated in a centralised location.

A summary of the approximate distance and travelling time are provided in the table below.

Table 22: The Subject Property – Approximate Distance to Major Highway / Expressways

Highway / Expressways	Approximate Distance (km)	Approximate Travelling Time
Federal Highway	3.5	5 - 7 mins
KESAS	3.4	5 - 7 mins
LKSA	3.3	5 - 7 mins

Source: Knight Frank Research

The macro accessibility of the Subject Property is illustrated below.

Exhibit 3: The Subject Property – Macro Accessibility to Major Highway / Expressways

Source: Google Earth

Given the wide network of expressways serving the locality, the Subject Property enjoys easy accessibility and good connectivity to various conurbations within Klang Valley including the capital city as well as rail stations, airports and seaports in the region.

The approximate driving distances from the Subject Property to the following notable destinations in Klang Valley are tabulated below:

Table 23: Approximate Driving Distance from the Subject Property

Destination		Approximate Distance
North		
Shah Alam	:	7 – 9 km
East		
Subang Jaya	:	9 – 11 km
Seri Kembangan	:	24 – 30 km
Puchong	:	14 – 15 km
Petaling Jaya	:	16 – 17 km
Cheras	:	27 – 30 km
Damansara Town Centre	:	21 – 26 km
Kuala Lumpur City Centre	:	24 – 27 km

Destination		Approximate Distance
West		
Bukit Raja	:	18 – 24 km
Port Klang	:	23 – 27 km
Klang	:	15 – 16 km
Airports		
KLIA / KLIA 2	:	42 – 47 km
Subang Airport	:	16 – 22 km

Source: Knight Frank Research

8.2.3 Micro Accessibility

The Subject Property, which fronts onto Jalan 22/1 in Section 22, Shah Alam, is well connected to the arterial roads of Persiaran Jubli Perak and Persiaran Tengku Ampuan.

Table 24: The Subject Property – Micro Accessibility

Legend	Route	Link / Interchange
Route 1	Persiaran Jubli Perak	▪ Serves as the main arterial road directing traffic from the east and west to the Subject Property. ▪ Traffic from the east may take the left turning straight onto the Jalan 22/1, frontage road of the Subject Property. ▪ However, traffic from the west is required to make a U-turn at the traffic light junction of Jalan Batu Tiga Lama before turning onto Jalan 22/1.
Route 2	Persiaran Tengku Ampuan	▪ Serves as the main arterial road directing traffic from the north and south to the Subject Property. ▪ From the north, this arterial road direct traffic onto Persiaran Jubli Perak via the left turning. There is a need to make a U-turn thereafter to connect to Jalan 22/1. ▪ Similar route for incoming traffic from the South after taking the 3rd exit on the roundabout, leading onto Persiaran Jubli Perak and thereafter onto Jalan 22/1.

Source: Knight Frank Research

8.3 Surroundings

The Subject Property is strategically located within Section 22 of Shah Alam, surrounded mainly by industrial developments and a mix of residential cum commercial properties.

Within the locality, there are six notable existing industrial areas / schemes, namely Section 21, Section 15, Kawasan MIEL / Section 23 Industrial Area, Taman Perindustrian Subang Utama, Taman Perindustrian Axis and Hicom Industrial Estate.

Located due north-west of the Subject Property are the mature residential neighbourhoods of Shah Alam, namely Section 18 to Section 20. Other notable residential / township developments in the immediate locality include Taman Sri Muda, Taman Pinggiran USJ and Taman Subang Emas.

A summary of notable developments within the immediate and wider neighbourhoods of the Subject Property is provided below.

Notable Residential / Township Developments		Notable Industrial Developments
Immediate Neighbourhood	**Wider Neighbourhood**	
▪ Section 19 & Section 20 ▪ Section 23 Township Area ▪ Kampung Baru Hicom ▪ Taman Pinggiran USJ ▪ Taman Subang Mas ▪ Kampung Kebun Bunga	▪ Section 13 ▪ Section 14 ▪ Section 18 ▪ Section 24 ▪ Taman Sri Muda	▪ Section 21 ▪ Section 15 ▪ Kawasan MIEL / Section 23 Industrial Area(1) ▪ Taman Perindustrian Subang Utama ▪ Taman Perindustrian Axis ▪ Hicom Industrial Estate ▪ Taman Perindustrian UEP

Note: (1) Notable tenants in the industrial development of Kawasan MIEL / Section 23 Industrial Area include Nippon Express (M) Sdn Bhd (NLC) and DHL Supply Chain (M) Sdn Bhd.

9.0 Summary & Market Outlook

9.1 Supply Analysis

This section summarises the market findings on industrial property supply within District of Petaling as of 2018.

Supply Analysis: District Petaling			
Type of Industrial Property	District of Petaling		
	Existing Supply	Incoming Supply	Planned Supply
Terraced	10,415	0	0
Semi-Detached	1,980	82	0
Detached	1,616	1	0
Flatted Factory	263	0	0
Industrial Complex	12	0	0
Cluster	0	0	0
Sub-Total	**14,286**	**83**	**0**
TOTAL	**14,369**		

Source: NAPIC / Knight Frank Survey

The existing supply of industrial properties in District of Petaling, wherein the Subject Property is located, stood at 14,286 units as of 2018. The terraced and semi-detached industrial units made up 72.9% and 13.9% share respectively, with the balance units comprising detached (11.3%), flatted factory (1.8%) and industrial complex (0.1%).

While terraced factories represent a lion share for the existing supply of industrial properties, there is an absence of both incoming and planned supply for this asset class as its small sizing coupled with low specifications does not bode well for modern warehousing needs. The same applies for flatted factories, industrial complex and cluster.

Incoming supply of industrial properties in District of Petaling comprise predominantly of semi-detached industrial units followed by one detached unit. This is attributed to the versatility of semi-detached units, which suits the business needs of small and medium enterprises across different industries.

On the other hand, increasing trade in recent years coupled with the current e-commerce wave have led to higher demand for sizeable detached industrial units. Future supply of detached industrial units will, however, still remain low due to high capital expenditures (land & construction costs) required to develop sizeable modern warehousing / industrial units. The high barrier of entry associated with the development of large industrial facilities, bodes well for the Subject Property, as an oversupply situation is less likely to occur for this coveted asset class.

9.2 Demand Analysis

This section provides a summary of market findings on industrial property demand within District of Petaling as of 2018.

Demand Analysis: District of Petaling						
Volume of Transaction (No. of Units)						
2012	2013	2014	2015	2016	2017	2018
878	722	739	630	456	458	605
Value of Transactions (RM Million)						
2012	2013	2014	2015	2016	2017	2018
1,994.55	1,830.35	2,436.77	2,345.03	2,062.57	2,078.65	3,846.92
Average Value per Transaction (RM Million)						
2012	2013	2014	2015	2016	2017	2018
2.27	2.54	3.29	3.72	4.52	4.54	6.36

Source: JPPH / NAPIC / Knight Frank Research

District of Petaling has consistently recorded the highest level of transactions, especially in terms of transacted value and average value per transaction in Selangor.

The consistent growth in the average value per transaction in District of Petaling is a strong testament that demand for larger industrial units, which come with higher quantum pricing, is steadily increasing. In 2018, there were a few notable transactions in District of Petaling such as the disposals of detached factories at Jalan Teluk Datuk in Taman Alam Megah (254,233 sq ft) and Persiaran Jubli Perak (279,010 sq ft) for RM105 million and RM87 million respectively.

District of Petaling is home to highly established industrial areas, its strategic location coupled with good accessibility and easy access to high-skilled labour force, have generated strong demand for industrial properties amongst notable investors, REITS and operators alike. For example, the detached factory at Jalan Teluk Datuk, purchased by Axis REIT from Teraju Sinar Sdn Bhd (TSSB), will be leased back to TSSB for six years, with an initial monthly rental rate of circa RM2.08 per sq ft for the first three years, and thereafter at circa RM2.29 per sq ft per month for the subsequent three years.

Meanwhile, the detached factory at Persiaran Jubli Perak, purchased by Nippon Express from Amanahraya REIT, is currently being redeveloped. The all-new double-storey warehouse will cater to various logistics needs, including temperature-controlled storage upon its completion.

Based on our findings, the growth trajectory of Selangor's industrial property market is expected to continue as a result of the state's robust manufacturing sector coupled with positive trend observed in the logistics segment, which is supported by initiatives such as the Digital Free Trade Zone (DFTZ) that will further spur growth in the e-commerce sector.

The expansionary Budget 2019 supports growth of the industrial sector, especially the high-technology industries. Industry4WRD, which is the government's new blueprint for Industry 4.0, strives to catalyse growth of key sectors, in the realm of electrical & electronics, machinery & equipment, chemicals, aerospace and medical devices. Industry4WRD places a high emphasis towards the development progress of SMEs as there are circa 907,065 SMEs which make up 98.5% of the total establishments in Malaysia. These SMEs contribute about 36.6% to the national's gross domestic product (GDP).

The introduction of Industry4WRD, coupled with Malaysia's continuous ability to attract FDI at a healthy rate, are strong tailwinds for Malaysia's industrial property market moving forward. Approved investments in Malaysia's manufacturing sector increased by 126.8% to RM25.4 billion in 1Q2019 (1Q2018: RM11.2 billion). Malaysia is able to secure more capital intensive, high-value added and high technology projects, which has led to a higher capital investment per employee (CIPE) ratio. The CIPE ratio of manufacturing projects have increased by 37.2% to RM1,105,582 in 1Q2019 (1Q2018: RM805,531).

The Subject Property is a prized asset that will benefit from the exponential growth of its tenants' businesses. Leading e-commerce players in Malaysia such as Lazada and Shopee are major tenants of the Subject Property, occupying 187,659 sq ft and 187,217 sq ft of warehouse space respectively. Collectively, Lazada and Shopee occupied 17.6% of the warehouse space in the Subject Property.

It is worth noting that rapid growth in the e-commerce sector will also spur business growth of other tenants within the Subject Property, which comprises of predominantly logistics operators. For example, GD Express, which occupies 232,254 sq ft of warehouse space in the Subject Property, has earmarked e-commerce to be a key sector that will spur growth in its business. Hence, as warehouse demand amongst its existing tenants continues to increase swiftly, it is likely that the Subject Property will continue to command high occupancy rate and its rental rates are poised to enjoy upward revisions.

Traditionally, most of the larger existing industrial park developments in the country are led by the state governments. However, the trend is changing as more private developers and investors see opportunities in this growing property segment. We now see the emergence of modern gated and guarded (G&G) industrial parks and logistics parks supported by amenities for the convenience of occupiers and end-users. A notable example of a modern G&G industrial development would be the upcoming Hap Seng Industrial Hub, which is located just a stone throw away from the Subject Property.

Build-to-lease (BTL) developments have also become more prevalent where one-stop solutions are offered to companies which prefer to operate in customized facilities on long-term leases, saving the hassle and capital expenditure associated with the construction process.

It is observed that large multinational firms in Selangor tend to set up their facilities in mature and more established industrial areas such as the likes of Klang and Shah Alam as these areas are located closely to seaports and airports.

The table below provides a sample of major occupiers in Selangor.

Table 25: Selected Notable Occupiers in Selangor

Name	Country of Origin	Type of Industry	Location of Facility in Malaysia
Panasonic Manufacturing Malaysia Sdn Bhd	Japan	Electronics	No.3, Jalan Sesiku 15/2, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan
Cargill Feed Sdn Bhd	United States	Animal Nutrition	Lot 55711, Dry Bulk Terminal, Jalan Mawar, West Port (Pulau Indah), 42009 Klang, Selangor, Malaysia.
Saint-Gobain Malaysia Sdn Bhd	France	Construction & High-Performance Materials	1, Jalan Sultan Muhamed 4, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor
BASF Malaysia Sdn Bhd	Germany	Chemicals	No.8, Jalan Keluli 2, Kawasan Perindustrian Bukit Raja, 41050 Shah Alam, Selangor
Petzl Manufacturing Malaysia Sdn Bhd	France	Safety Gear & Rescue Equipment	Lot PT 4047, Jalan Kancing Jaya 8, Taman Kancing Jaya, 48000 Rawang, Selangor
SGL Carbon Sdn Bhd	Germany	Chemicals	No. 11, Jalan Graphite 1, Kawasan Perindustrian, Bandar Mahkota Banting, 42700 Banting, Selangor
Monin Asia KL Sdn Bhd	France	Food & Beverage	Jalan Industri 3/4, Taman Industri Integrasi Rawang, 48000 Rawang, Selangor
Oleon Sdn Bhd	Belgium	Oleochemicals	57, Jalan Sungai Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang Selangor
SR Technics Malaysia	Switzerland	Civil Aviation	Jalan Keluli 15/16, Seksyen 15, 40200 Shah Alam, Selangor
Hanwha Q Cells Malaysia Sdn Bhd	South Korea / Germany	Solar Solutions	Taman Sains Selangor 2, 63000 Cyberjaya, Selangor

Source: Invest Selangor / Knight Frank Research

These MNCs are generally attracted to the southern region of Klang Valley due to better / readiness of infrastructure and proximity to ports and airports.

Within the vicinity of the Subject Property in Section 22, Shah Alam, it is evident that there is a strong latent demand for sizeable warehouses with high specifications. The highly established industrial area of Shah Alam is home to multiple state-of-the-art warehouses that include the DHL Integrated Logistics Centre and the upcoming warehouse for Nippon Express. Hap Seng Land is also developing an integrated industrial development to be known as Hap Seng Industrial Hub in close proximity to the Subject Property.

The Subject Property, being a sizeable and professionally managed facility that is equipped with favourable specifications, is practical and versatile enough to cater to a wide target market based upon their warehousing needs. For example, large occupiers such as Lazada and GD Express are given the option to occupy multiple contiguous units in order to cater to their substantial warehousing needs. Also, with existing occupiers in the Subject Property requiring to incur high costs should they relocate, they (the existing tenants) are likely to continue to renew their leases in the short to medium term. This will provide Mapletree with an upper hand in negotiating for upward rental revisions.

9.3 Rental Rate Analysis

Upon evaluating selected industrial premises which are deemed comparable to the Subject Property, it can be observed that state-of-the-art industrial premises in Shah Alam, such as Hap Seng Industrial Hub and D Project Malaysia I command high asking rentals of circa RM1.80 to RM2.50 per sq ft per month.

The Subject Property has significant advantage due to its sizeable scale, which allows it to cater to the burgeoning demand for large warehousing space amongst market leaders in the e-commerce and logistics companies. It is also worth noting that the Subject Property enjoys better accessibility vis-à-vis D Project Malaysia I, where Jalan Bukit Meru needs to be shared among large trailers from the development and passenger vehicles from the surrounding neighbourhood.

Based upon the strengths and weaknesses of the Subject Property, we opined that its gross market rentals may range from RM2.10 to RM2.20 per sq ft per month subject to the size of leasable space, tenure of lease terms and other factors.

Estimated Gross Rental Rate(1)	
Property Type	**Estimated Gross Monthly Rental Rate(1)**
Purpose-built logistics and warehousing facility	**Rental Range:** RM2.10 to RM2.20 per sq ft

Source: Knight Frank Research
Note:
(1) Estimated gross rental excluding any maintenance & service charges, rent free period and etc.

10.0 Appendices

Services Sector: Explanatory Notes

Services Sector	Explanatory Notes
Real Estate	Refers to real estate sub-sector covering the housing industry (excluding commercial buildings).
Utilities	Refers to energy and water utilities services. The energy utilities include generation, transmission and distribution of electricity by Tenaga Nasional Berhad (TNB), Syarikat Sesco Berhad and Sabah Electricity. Water utility services are offered by Suruhanjaya Perkhidmatan Air Negara (SPAN) and Pengurusan Aset Air Berhad.
Financial Services	Refers to banking, insurance and capital markets (fund management, investment advisory, financial planning, venture capital and brokerage).
Telecommunications	Refers to telecommunication related services including network facilities, application services, content application services, postal and broadcasting.
Global Establishments	Refers to Principal Hubs, Representative Offices (REs), Regional Offices (ROs), Operational Headquarters (OHQs), Regional Distribution Centres (RDCs), International Procurement Centres (IPCs), and Treasury Management Centres (TMCs). These establishments are the operating base serving as a nerve centre to conduct its regional or global businesses.
Distributive Trade	Refers to wholesale and retail trade, hypermarkets / supermarkets, department stores and direct selling, franchising and projects approved under the Petroleum Development Act (PDA), 1974.
Support Services	Refers to support services including integrated logistics services (ILS).
Hotel &Tourism	Refers to tourism related activities including hotel projects.
Health Services	Refers to healthcare related services mainly private healthcare also including medical tourism.
Education Services	Refers to education related services including private colleges /universities, skills centres and other private education institutions, including international/ private schools.
MSC Status	Refers to companies with Multimedia Super Corridor (MSC) status governed by the Malaysia Digital Economy Corporation Sdn Bhd (MDEC).
Transport	Refers to transport sub-sector covering maritime transport, aviation as well as highway construction and maintenance.
Other Services	Refers to other services not specified above.

Source: MIDA / Knight Frank Research

Global Establishment: Fortune 500 Companies in Malaysia

Malaysia continues to attract an increasing number of Fortune 500 companies to operate in the country.

In 2018, the likes of France's telco Orange, Sweden's Electrolux and US' MetLife established their regional hubs / operation centres in Kuala Lumpur. On top of that, other Fortune 500 companies which have invested in the country include EY (UK), Accenture (Ireland), Persolkelley (Japan/ US), China Pacific Construction Group (China) and Wood (UK)

Notable Fortune 500 Companies in Malaysia

Name of Company	Industry	Presence in Malaysia
PPG Industries	Global supplier of paints, coatings and specialty materials	PPG Industries has established its regional hub in Malaysia. Its plant in Malaysia manufactures coatings for automotive OEM and industrial applications
SK Mobility	Subsidiary of conglomerate SK Holdings	SK Holdings will set up its regional office in Malaysia in 2018, to serve the ASEAN, India and Middle East market
Allianz	Insurance and asset management	Allianz has set up its regional hub in Malaysia with the purpose of serving the local and Asia Pacific market
Honeywell	Conglomerate	Honeywell has picked Malaysia to set up its headquarters for the ASEAN region
Zurich	Insurance	Zurich has picked Malaysia to set up its regional shared services centre
Vinci	Construction	Vinci is collaborating with University of Malaya in research and development in the field of Capacity Building and Local Talent Management
Schlumberger	Oil & Gas	Schlumberger has set up its global business hub in Malaysia since
Oracle	Computer technologies	Oracle has set up a digital hub in Malaysia, which offers cloud services and targets small and medium enterprises (SMEs) across 22 countries
Aecom	Engineering	Aecom has housed its regional headquarters in Malaysia
Novartis	Pharmaceuticals	Novartis has set up one of its five global service centres in Malaysia
Amer International Group	Producer of cable and copper products	Amer has set up a commodity trading hub in Malaysia
AXA	Insurance, investment management	AXA has set up its Business Services and IT Hub in Malaysia to serve its operations in Asia
Veolia Environment	Service and utilities, focusing on water management, waste management, transport and energy serviced	Veolia has set up a regional hub in Malaysia
CRH plc	Building materials	CRH has chosen Malaysia to set up its headquarters for its construction accessories business in Asia
Hitachi	Conglomerate	Its subsidiary Hitachi System has set up its regional headquarters in Malaysia, serving its operations in Asia
IBM	Technologies	IBM has set up a Global Delivery Centre in Malaysia to support Malaysia's vision to be an international shared serviced hub
Darden Restaurants Inc	Restaurant operator	Darden Restaurants has set up its South East Asian regional headquarters in Malaysia
Huntsman Corporation	Manufacturer and marketer of chemical products	Huntsman has selected Malaysia to be a venue to set up its global IT hub to complement its existing one in Woodlands, Texas

EY	Accountancy	Greater KL was selected as one of the EY Asia Pacific digital hubs based on several factors include the incentives offered by the Malaysian Government to MNCs looking to establish regional hubs are attractive, world-class infrastructure in place and agencies, large pool of multi-lingual talent skilled in Information Technology
Electrolux		Electrolux has set up a regional hub in Greater KL
Accenture	Consultancy	Accenture has three Intelligent Operations Centres in Greater KL and supports clients worldwide. The offerings include Marketing, Finance & Accounting and Sourcing & Procurement services
Persolkelley	Consultancy	Persolkelley Consulting offers human resources consulting, analytics and technology via innovative talent development, management advisory, organisational effectiveness and insights driven solutions to achieve optimal results for our clients in Asia Pacific. Greater KL serves as the most competitive regional operations base for us with access to agile talent and extensive business ecosystem
China Pacific Construction Group	Construction	CPCG group is open to increasing investment with a planned RM10bil investment over 10 years in areas including infrastructure development, education and hi-tech machinery
Wood	Oil & Gas	Wood provides engineering design, Operations support, business development, finance and other functional support to their regional activities in the Oil & Gas and industrial sectors. Greater KL was selected primarily for the talented pool of professionals available and secondly for the transport and communications infrastructure required to support a Regional business
Orange	Telecommunications	Orange has opened Asia Competency Centre in Kuala Lumpur to serve its Asia Pacific operations centre
MetLife	Insurance	MetLife Inc has set up Asia Pacific Centre of Excellence (CoE) for finance which located at the Vertical Corporate Towers in Bangsar South commercial district

Source: Various Sources

In summary, a number of Fortune 500 companies across various industries have notable presence in Malaysia. The majority of them have set up their business hubs in the country to serve the operations in the region. This is a strong testament to Malaysia's attractiveness as a business venue with good market potential as compared to its peers in the Asia Pacific, especially within the ASEAN region.

Appendix B: Government Development Plans

List of Government Development Plans, namely Malaysia Plans, Economic Transformation Programme (ETP), National Key Economic Area (NKEAs), Strategic Reform Initiative (SRIs) and the Industrial Master Plan (IMP).

Malaysia Plans

The following tabulates the Malaysian Plans, namely five-year economic development plans that have been implemented in the country since 1966.

List of Malaysia Plans

Plan	Period	Emphasis
First Malaysia Plan	1966 – 1970	Eradication of poverty
Second Malaysia Plan	1971 – 1975	Socioeconomic balance
Third Malaysia Plan	1976 – 1980	Industry
Fourth Malaysia Plan	1981 – 1985	Privatisation and agriculture
Fifth Malaysia Plan	1986 – 1990	Moderate and stable growth
Sixth Malaysia Plan	1991 – 1995	Balanced development
Seventh Malaysia Plan	1996 – 2000	Resilience and strengthening of the economy
Eighth Malaysia Plan	2001 – 2005	Human resource development
Ninth Malaysia Plan	2006 – 2010	National unity and harmony
Tenth Malaysia Plan	2011 – 2015	Towards high income nation
Eleventh Malaysia Plan	2016 – 2020	People centric growth

Source: Perdana Leadership Foundation

Eleventh Malaysia Plan (2016 – 2020)

The Eleventh Malaysia Plan (11MP) is the closing chapter of the lengthy 2020 Vision Plan launched in year 1991 and differs from the previous plans. The 11MP with tagline, ***'anchoring growth on people'*** lays the foundation for sectoral growth. It is the catalyst for greater income equity at all levels and is the best edge against future economic instability.

Six strategic thrusts have been identified to address the end-to-end needs of the rakyat.

11MP - Six Strategic Thrusts

No.	Thrusts	
1	Enhancing inclusiveness towards an equitable society	▪ Uplifting vulnerable households ▪ Balance geographical growth
2	Improving welfare for everyone	▪ A home for every household ▪ Safer communities
3	Accelerating human capital development for an advanced nation	▪ A labour market for everyone ▪ Education for 21st century graduates ▪ Decent wage for all
4	Pursuing green growth aimed at sustainability and resilience	▪ Conservation culture
5	Strengthening infrastructure to support economic expansion	▪ Basic amenities for all ▪ Improve connectivity – rural & urban ▪ Regional connectivity – upgrade freight & logistics infrastructure and increase container capacity
6	Re-engineering growth for greater prosperity	▪ Transform services sector ▪ Support SMEs ▪ Go global

Source: Eleventh Malaysian Plan (11MP)

Economic Transformation Programme (ETP)

Various programmes have been implemented to transform Malaysia into a developed nation status by 2020. The Economic Transformation Programme (ETP), one of the initiatives that was introduced by Malaysia's 6th Prime Minister, Najib Razak under the National Transformation Programme, focused on strengthening and developing the nation's economy.

Focusing on economic growth, 12 potential National Key Economic Areas (NKEAs) were unveiled for drive Malaysia to achieve high-income status by 2020. These NKEAs are to be supported by six Strategic Reform Initiatives (SRIs).

National Key Economic Areas (NKEAs)

Each NKEA will have specific targets.

The Economic Delivery Unit will monitor the actions to drive economic growth.

12 National Key Economic Areas (NKEAs)

No.	NKEA	Focus / Initiatives

1	Oil & Gas	▪ To leverage on potential of oil and gas
		▪ To expand opportunities in logistics and maritime business activities
		▪ To strengthen oil and gas related professional services
		▪ To enhance linkages in downstream industries
		▪ Malaysian Petroleum Resources Corporation (MPRC) was established under this initiative
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Rejuvenating existing fields through enhanced oil recovery, developing marginal fields through innovative solutions, unlocking premium gas demand in Peninsular Malaysia, and taking local oil and gas services & equipment companies to the global stage
		  ▪ **Work in Progress:** Deploying nuclear energy for power generation and increase petrochemical outputs

2	Palm Oil & Related Products	▪ To promote Malaysia as a global hub for palm oil and preferred destination for foreign investments ▪ 123,400 job opportunities are expected to be created by 2020 ▪ Updates of selected projects under this NKEA: ▪ **Work in Progress:** Accelerating the replanting and new planting of oil palm, improving fresh fruit bunch yield, improving worker productivity, increasing the Oil Extraction Rate (OER), and developing biogas facilities at Palm Oil Mills

3	Financial Services	▪ New financial blueprint
		▪ To strengthen Malaysia's position in Islamic finance
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Revitalising Malaysia's Equity Markets, deepening and broadening bond markets, creating an integrated payment ecosystem, and accelerating the growth of the Private Pension Industry
		  ▪ **Work in Progress:** Transforming Development Financial Institutions (DFIs)

4	Wholesale & Retail	▪ To liberalise the retail and wholesale sectors
		▪ To promote franchise, direct sales and e-commerce
		▪ Small Retailer Transformation (TUKAR) to modernise sundry shops
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Revitalising Malaysia's Equity Markets, deepening and broadening bond markets, creating an integrated payment ecosystem, and accelerating the growth of the Private Pension Industry
		  ▪ **Work in Progress:** Transforming Development Financial Institutions (DFIs)

5	Tourism	▪ To create tourism clusters to cater to unique and distinctive travel patterns
		▪ To develop new tourism products through private sector and public private partnerships
		▪ To encourage investments in four to five star hotels
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Positioning Malaysia as a Duty-Free Shopping destination, designating Bukit Bintang-Kuala Lumpur City Centre area as a vibrant shopping precinct in Malaysia, establishing premium outlets in Malaysia, targeting more international events
		  ▪ **Work in Progress:** Establishing Malaysia Mega Biodiversity Hub (MMBH), developing an eco-nature integrated resorts, improving rates, mix and quality of hotels

6	Information & Communications Technology	▪ MSC Malaysia will identify and support the development of niche areas in software and e-solutions, creative multimedia, shared services, outsourcing and e-business ▪ Government to aggressively promote the use of ICT in all industries ▪ Updates of selected projects under this NKEA: ▪ **Work in Progress:** Nurturing Malaysia's creative content, establishing e-learning for students and workers, deepening e-Government, ensuring broadband for all

7	Education	▪ To expand rating system for Malaysian Higher Education Institution (SETARA) to cover private universities and college universities, and at faculty level
		▪ To promote conducive educational ecosystem
		▪ To focus on technical education and vocational training (TEVT) in order to produce a skilled workforce
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Scaling up of international schools
		  ▪ **Work in Progress:** Scaling up early private childcare and education centres, improving early child care and education (ECCE) training, expanding private teacher training, scaling up private skills training provision

8	Electrical & Electronics	▪ To develop centres of engineering excellence, collaborating with industry and academia
		▪ Incentives to focus on strategic segments of the value chain such as design, testing and precision machining
		▪ To ease the entry of Malaysian entrepreneurs and innovators into the global marketplace
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Developing assembly and testing using advanced packaging technology, supporting the growth of substrate manufacturers and related industries, developing LED front-end operations, growing automation equipment manufacturing
		  ▪ **Work in Progress:** Increasing solar module producers, creating local sold state lighting champions, expanding wireless communications and Radio Frequency Identification (RFID)

9	Business Services	▪ To further develop construction related and environmental management services ▪ To liberalise the industry and create new business opportunities ▪ Such sectors which seen to have opportunities to grow are aviation maintenance repair and overhaul (MRO), outsourcing, data centre hub, green technology and pure play engineering ▪ Updates of selected projects under this NKEA: ▪ **Operational:** Growing aviation maintenance, repair and overhaul services, building globally competitive shared services and outsourcers, positioning Malaysia as a world-class data centre hub, jump-starting a vibrant green technology industry

10	Private Healthcare	▪ Target to grow revenue from healthcare by 10% per annum
		▪ To encourage more private hospitals to seek accreditation with international healthcare accreditation bodies
		▪ To promote investment in high end medical technology
		▪ To strengthen the presence of Malaysia healthcare brand globally
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** Mandating health insurance for foreign workers, creating a supportive ecosystem to grow clinical research, Malaysian pharmaceuticals, reinvigorating healthcare travel
		  ▪ **Work in Progress:** Creating a Diagnostic Services Nexus, become the hub for High-Value Medical Devices Contract Manufacturing, build Malaysian showcase on next generation of core single use device (SUD) products

11	Agriculture	▪ To review and streamline current regulation to attract greater investment and participation from private sector
		▪ To transform agriculture industry to agribusiness
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** High-value herbal products, edible bird's nest swiftlet farming, mini-estate farming for seaweed, integrated cage farming, cattle integration in oil palm estates
		  ▪ **Work in Progress:** Expansion of cattle in feedlots, overseas acquisition/joint venture of cattle farms

12	Greater Kuala Lumpur	▪ Pool of internal and external talents under TalentCorp to attract capable talents and graduates
		▪ InvestKL was established to attract MNCs and dynamic firms to invest in Kuala Lumpur
		▪ Upon completion in 2026, High Speed Rail (HSR) will enable to connect Malaysia to Singapore within 90 minutes only
		▪ Building an integrated urban Mass Rapid Transit system is the next
		▪ The River of Life project to revitalising the Klang and Gombak rivers into a heritage and commercial centre
		▪ Greening Greater KL by providing sufficient green space
		▪ Creating iconic places and attractions within Kuala Lumpur
		▪ Creating a comprehensive pedestrian network
		▪ Developing an efficient solid waste management system
		▪ Updates of selected projects under this NKEA:
		  ▪ **Operational:** MRT 1 Sungai Buloh – Kajang Line, attracting 100 of the world's most dynamic firms, attracting internal and external talent, greening Greater Kuala Lumpur to ensure residents enjoy sufficient green space, creating a comprehensive pedestrian network
		  ▪ **Work in Progress:** MRT 2 SSP Line and MRT 3 Circle Line, High Speed Rail (HSR) connecting Malaysia to Singapore, revitalising the Klang and Gombak rivers into a heritage and commercial centre, creating iconic places and attractions, developing an efficient solid waste management system

Source: Economic Planning Unit
Note: All the 12 NKEAs will be guided by eight pillars of Strategic Reformative Initiative (SRI)

Strategic Reform Initiatives (SRIs)

Launched in 2011, the Strategic Reform Initiatives (SRIs) were created to support the idea and thrust under the 12 National Key Economic Areas (NKEAs).

The SRIs, comprising six key elements, are tabulated below:

Six Strategic Reform Initiatives (SRIs)

No.	SRI	Focus / Initiatives
1	Competitions, Standards and Liberalisation	▪ Government to facilitate economic growth via policy and regulatory enforcement ▪ Creating a healthy and competitive economic environment ▪ Creating of job opportunities and investment activities through the advancement of economic performance ▪ Malaysia companies to adopt international standards and best practices to maintain the quality and sustainability ▪ To improve access into the international markets
2	Public Finance	▪ Adopt accrual accounting for prudent fiscal management ▪ Implement efficient broad-based tax for revenue and fiscal stability ▪ Strengthen expenditure control ▪ Improve fiscal policy institution and processes
3	Public Service Delivery	▪ Lean, efficient and facilitate government ▪ High performing civil service
4	Narrowing Disparity	▪ Reducing inter-ethnic income disparities ▪ Increase Bumiputera participation in corporate equity and professionals ▪ Enhancing value of Bumiputera-owned assets such as financial assets, property and corporate equity ▪ Building up Bumiputera capabilities through better employment
5	Government's Role in Business	▪ Establishing government's role in business ▪ Divestment plan via white room discussions between GLCs, GLICs, and relevant ministries
6	Human Capital Development	▪ Modernise labour legislation ▪ Focus on upskilling and upgrading the workforce ▪ Strengthen human resource management ▪ Leverage on women's talent to increase productivity ▪ Undertake a labour market forecast and survey programme ▪ Enhance labour safety net by introducing unemployment insurance

Source: Economic Planning Unit

Industrial Master Plan (IMP3)

The Third Industrial Master Plan (IMP3), covering the period from 2006 – 2020 outlines the industrial strategies and policies to realise Malaysia's objectives of becoming a fully developed nation by 2020.

Themed ***'Malaysia – Towards Global Competitiveness'***, the plan leverages upon the strengths and capabilities of existing industries and the country's resources to enhance competitiveness and resilience.

The overriding objective of the IMP3 is to achieve global competitiveness through innovation and transformation of the manufacturing and services sectors with emphasis on technological upgrading, attracting and generating quality investments, developing innovative and creative human capital, and integrating Malaysian industries and services into the regional and global networks and supply chains.

To facilitate the achievement of the macro-targets under the IMP3, ten overall strategic thrusts have been set.

IMP3 – 10 Strategic Thrusts

Development Initiatives	
1	Enhancing Malaysia's position as a major trading nation
2	Generating investments in targeted growth areas
3	Integrating Malaysian companies into the regional and global networks
4	Ensuring industrial growth contributes towards equitable distribution and more balanced regional development
Promotion of Growth Area	
5	Sustaining the manufacturing sector's contribution to growth
6	Positioning the services sector as a major source of growth
Enhancing the Enabling Environment	
7	Facilitating the development and application of knowledge-intensive technologies
8	Developing innovative and creative human capital
9	Strengthening the role of private sector institutions, including trade and industry association
10	Creating a more competitive business operating environment through effective institutional support and efficient Government delivery system

Source: Third Industrial Master Plan (IMP3)

During the IMP3 period, the average annual growth of the manufacturing sector, including agro-based industries, is targeted at 5.6%.

A total of 12 industries in the manufacturing sector have been targeted for further development and promotion.

Manufacturing Sector: Targeted Industries	
Non- resource based	**Resource based**
▪ Electrical and Electronics (E&E)	▪ Petrochemicals
▪ Medical devices	▪ Pharmaceuticals
▪ Textiles and apparel	▪ Wood-based
▪ Machinery and equipment	▪ Rubber-based
▪ Metals	▪ Oil palm-based
▪ Transport equipment	▪ Food processing

Initiatives will also be undertaken to develop Malaysia as a major producer of halal products and services. The country will leverage upon its international recognition as a modern and progressive Islamic country to gain access to the export markets for its halal products and services.

Meanwhile, in the services sector, eight sub-sectors have been targeted for greater development and promotion.

Services Sector: Targeted Sub-sectors	
▪ Business and professional services	▪ Construction
▪ **Logistics**	▪ Education and training
▪ ICT services	▪ Healthcare services
▪ Distributive trade	▪ Tourism services

The above sub-sectors have the potential to contribute to exports and strengthen inter-sectoral linkages, including facilitating and supporting the greater growth of the manufacturing sector.

Appendix C: Delineation of Localities in Klang Valley

Klang Valley encompasses the Federal Territory of Kuala Lumpur (FTKL) or Wilayah Persekutuan Kuala Lumpur (WPKL) and Selangor.

Localities in Selangor are known as “daerah” or district while in Kuala Lumpur, these sub-districts are referred to as “mukim”.

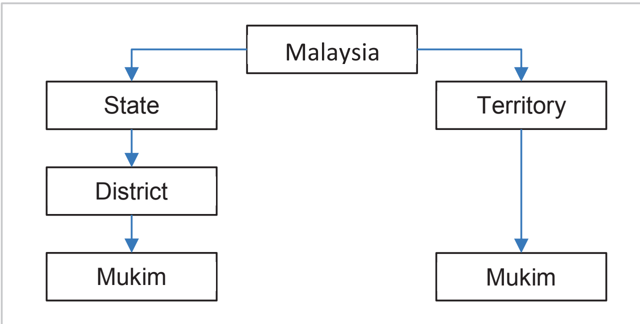
The followings are the definitions of district and mukim.

District:

Each state in Malaysia (excluding the federal territories) is divided into several census districts. For example, in Selangor, it is divided into nine districts that fall within the jurisdiction of 12 councils / local authorities.

Mukim:

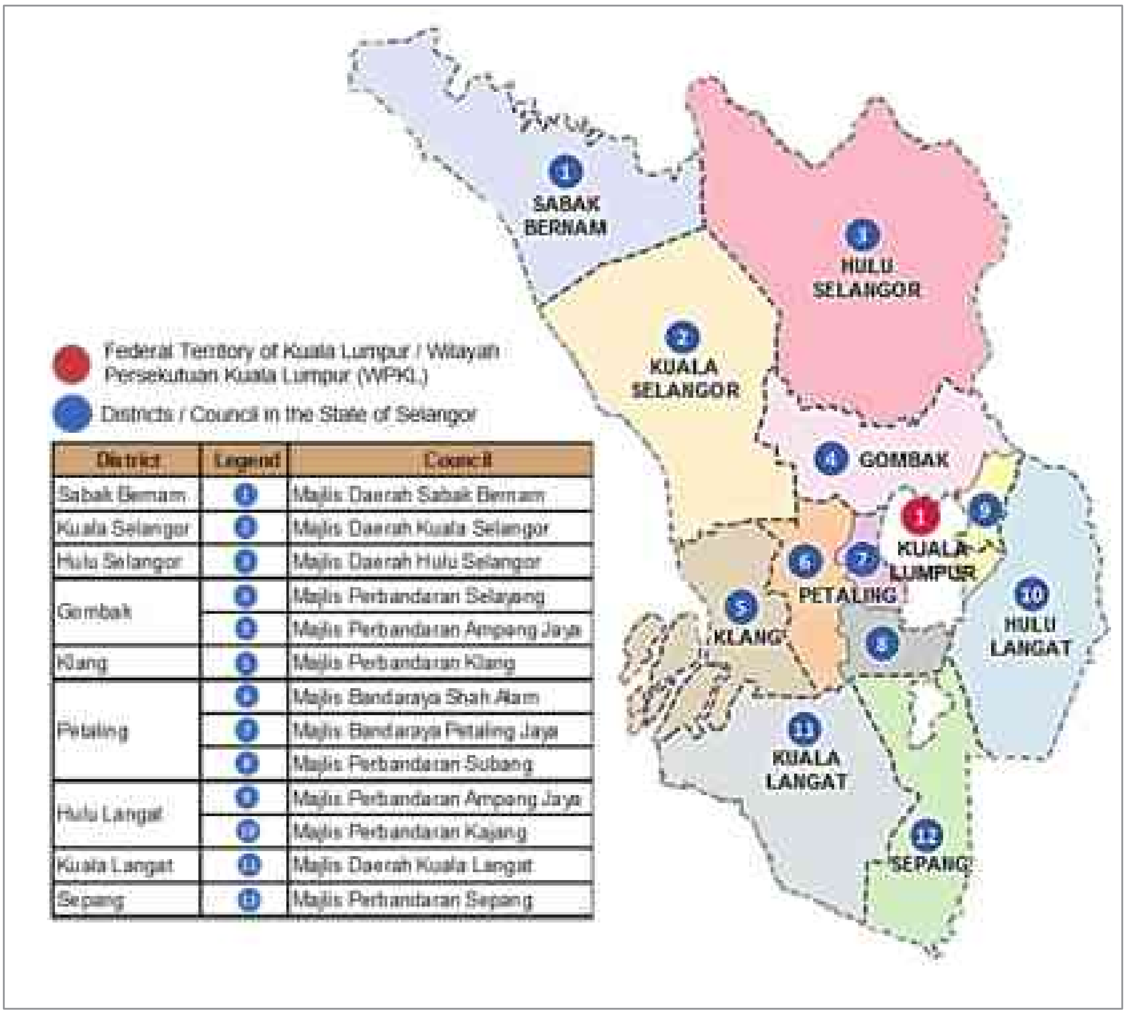
Mukim is sub-district in the Federal Territory of Kuala Lumpur (FTKL) or Wilayah Persekutuan Kuala Lumpur (WPKL). All the mukim(s) in the FTKL come under the jurisdiction of Kuala Lumpur City Hall [Dewan Bandaraya Kuala Lumpur (DBKL)].



There are nine districts in Selangor under the jurisdiction of 12 local authorities.

District of Petaling falls under three local jurisdictions, namely Majlis Bandaraya Shah Alam, Majlis Bandaraya Petaling Jaya and Majlis Perbandaran Subang.

Meanwhile, part of Gombak District and part of Hulu Langat District fall under the jurisdiction of Majlis Perbandaran Ampang Jaya.



*Wilayah Putrajaya also forms part of Klang Valley

Type of Supply

Existing Supply: Units that have been issued with certificate of fitness (CF) or temporary certificate of fitness (TCF) prior to and within the review period. This has now been replaced with the Certificate of Completion and Compliance (CCC).

Future Supply: A term used in the report to denote incoming supply and planned supply.

a. **Incoming Supply**: Comprise units where physical construction works are in progress including starts and where the CCC have not been issued.
b. **Planned Supply**: Comprise units with building plan approvals from the local authority but have yet to commence physical construction works.

Type of Industrial Property

Common Industrial Property Type: Designed for general manufacturing process or storage usage and is normally for sale / letting or purpose-built for specialized manufacturing process. Common types of industrial properties:

a. Terraced
b. Semi-Detached
c. Detached

Limited Industrial Property Type:

a. Flatted Factory: Industrial units within a low-rise / multi-storey stratified building.
b. Industrial Complex: Individually designed / purpose-built buildings and premises to suit an industrial process.

Mapletree Research Report

Prepared by

COLLIERS INTERNATIONAL VIETNAM

Prepared on behalf of
HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Mapletree Logistics Trust); and

Mapletree Logistics Trust Management Limited
(in its capacity as manager of Mapletree Logistics Trust)

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30 September 2019

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Table of Content:

30 September 2019

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Dear Sir/Madam,

RE: Market Study for Mapletree Research Report in Vietnam

Thank you for appointing Colliers International as a market research consultant. With reference to your instructions, we have prepared a market study of Vietnam in relation to analyse the significant development of warehousing/logistics services.

This report is for your sole use and for the purpose indicated and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this market study nor any reference thereto may be included in any published documents, circular or statement, nor published in any way whatsoever without prior written approval of Colliers International Vietnam as to the form and context in which it may appear.

The report is enclosed herewith.

Yours faithfully,
For and on behalf of
Colliers International

David Maurice Jackson
MSC BSC
FRICS LEED GA CBIFM FinstCPD
General Director

Disclaimer: *It should be noted that legal parts in this report is compiled to the best of our knowledge at the time of writing. The client must seek legal advice on specific issues.*

1. Vietnam Overview

Figure 1: Population and Urbanization Rate

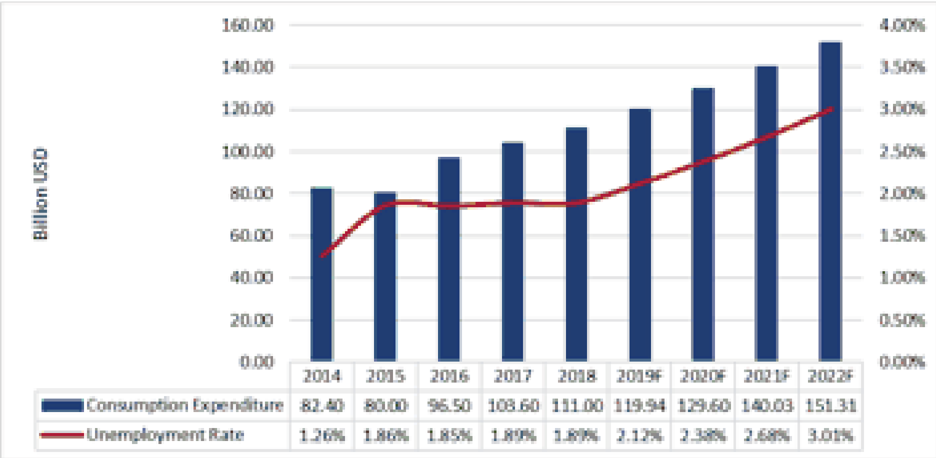
Source: Worldbank

According to Worldbank, Vietnam is experiencing rapid demographic and social change. Vietnam's population reached about 97 million in 2018 (up from about 60 million in 1986) and is expected to expand to 120 million before moderating around 2050. Currently, 70% of the population is under 35 years of age, with a life expectancy of nearly 73 years. There is an emerging middle class, a segment which has major consumption power — which currently accounts for 13% of the population but expected to reach 26% by 2026.

The Vietnamese rural population increased from 61.29 million in 2012 to its highest of 61.35 million in 2015. Since 2015, the rural population recorded a decline to 61.23 million in 2018.

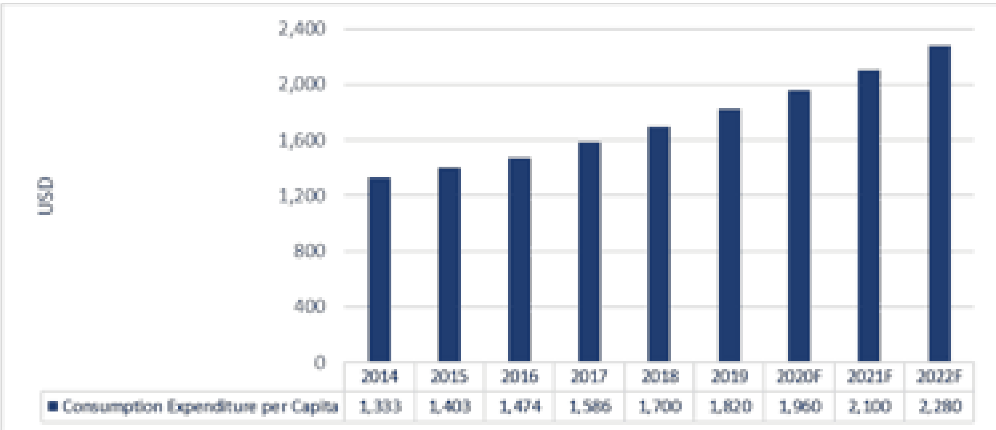
The urban population has grown remarkably at the compound annual growth rate (CAGR) of 3.1% from 28.52 million in 2012 to 34.32 million in 2018. In 2018, Vietnam has reached the urbanization rate of 35.9% as compared to 31.8% in 2012. The growing urban population could be attributed to more job opportunities in the urban areas of Vietnam and strong economic growth. In the recent years, GDP has been increasing significantly year-on-year ("y-o-y") and it is forecasted to increase in the next five years. This is because the economy has developed greatly since Vietnam joined economic forums such as WTO or EVFTA, opening up more opportunities to increase exports as well as reduce unemployment rate. Notably, the on-going trade war between the US and China also has a positive impact on Vietnam as many companies have decided to move their factories and warehouses from China to Vietnam.

Figure 2: Consumption Expenditure and Unemployment Rate



Source: Worldbank

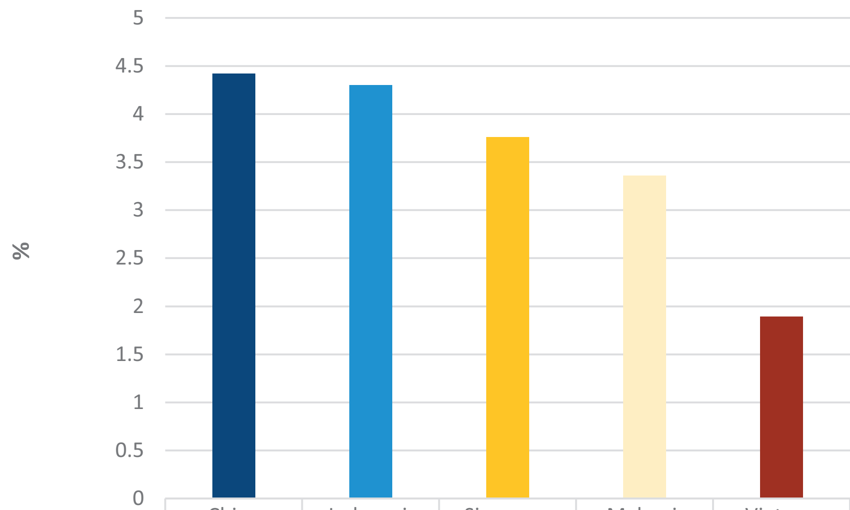
Figure 3: Consumption Expenditure per Capita



Source: The Economist Intelligence Unit

The consumption expenditure per capita in Vietnam is rising. Increasing at the CAGR of 7.7%, consumption expenditure rose to 111.0 billion USD in 2018 from 82.4 billion USD in 2014. Unemployment rate increased from 1.26% in 2014 to 1.86% in 2015. During the period of 2015 to 2018, no significant change in unemployment rate was recorded. Vietnam's unemployment rate of 1.89% is much lower than major countries in the region (Figure 4), demonstrating strong economic activities. Such low unemployment further supports the growth in household's purchasing power and consumption expenditure.

Figure 4: Unemployment Rate of Major Countries in the Region (2018)



	China	Indonesia	Singapore	Malaysia	Vietnam
Unemployment rate (%)	4.42	4.30	3.76	3.36	1.89

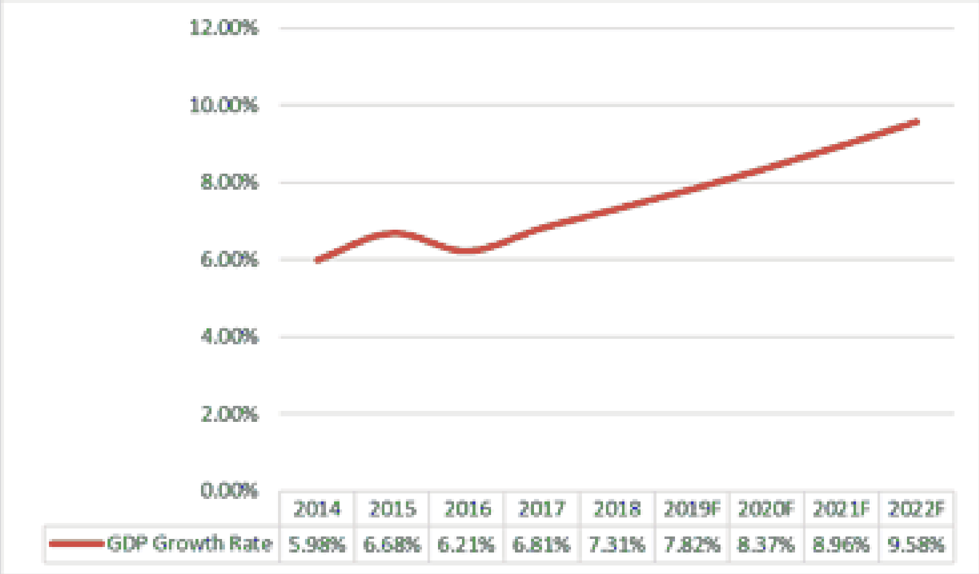
Source: World Bank

2. Vietnam Economic Overview

2. 1.Gross Domestic Product (GDP)

From 2014 to 2018, the GDP growth rate of Vietnam increased greatly from 5.98% to 7.31%. The growth trend was interrupted in 2016. In 2016, Vietnam lost nearly 0.5% of GDP growth (about 1.7 billion USD) in comparison to GDP growth rate in 2015 (6.68%) due to a slowdown in the mining industry as well as environmental factors such as natural disasters and drought. Nevertheless, in 2017, the GDP growth rate recovered to 6.81% due to impressive growth from sectors such as agriculture or industry. With continued growth across all sectors, Vietnam's GDP recorded an impressive growth of 7.31% in 2018. Benefitting from macroeconomic stability in Vietnam, rising domestic demand and external events such as China-US trade war and Korea-Japan trade conflict, Vietnam is likely to experience rising exports and strong influx of Foreign Direct Investment (FDI). Its industrial activities are expected to grow at faster pace, creating positive impact on GDP growth. Vietnam's GDP will continue its upward trajectory from 2019.

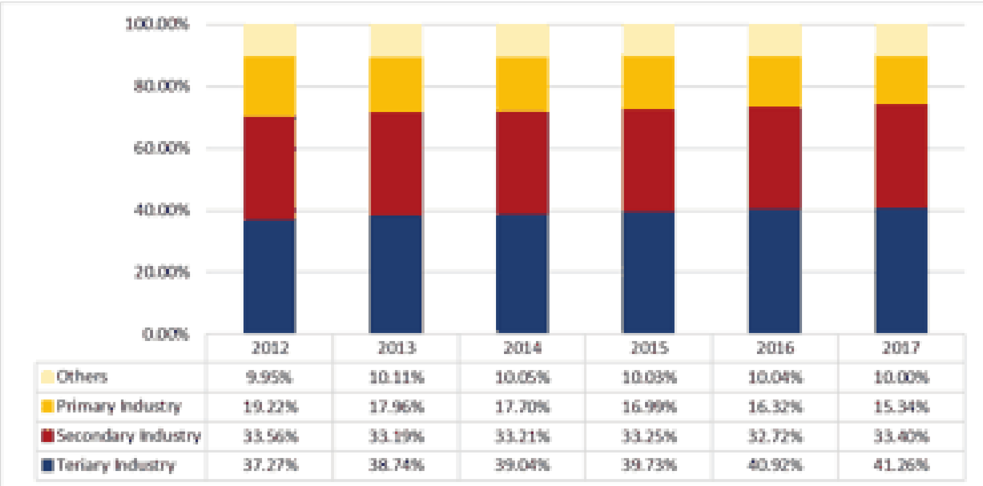
Figure 5: GDP Growth Rate



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
GDP Growth Rate	5.98%	6.68%	6.21%	6.81%	7.31%	7.82%	8.37%	8.96%	9.58%

Source: General Statistics Office of Vietnam

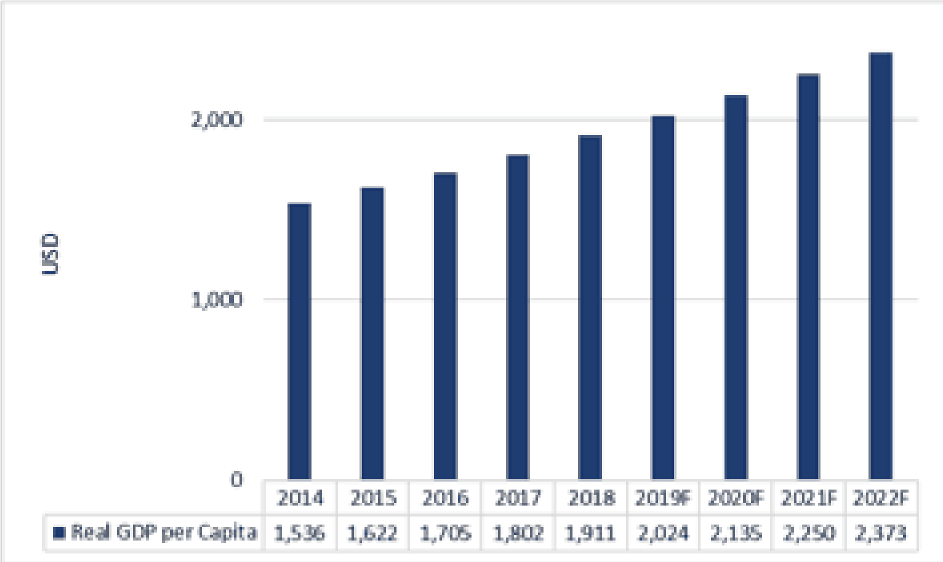
Figure 6: GDP by Industry



	2012	2013	2014	2015	2016	2017
Others	9.95%	10.11%	10.05%	10.03%	10.04%	10.00%
Primary Industry	19.22%	17.96%	17.70%	16.99%	16.32%	15.34%
Secondary Industry	33.56%	33.19%	33.21%	33.25%	32.72%	33.40%
Teriary Industry	37.27%	38.74%	39.04%	39.73%	40.92%	41.26%

Source: General Statistics Office of Vietnam

Figure 7: GDP Per Capita



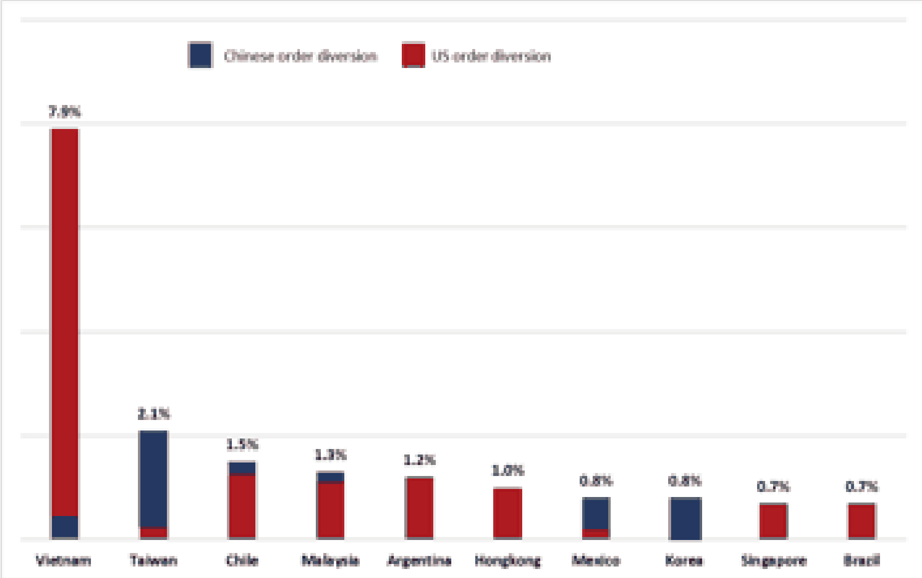
Source: Economist Intelligence Unit

Over the past five years, GDP per capita in Vietnam increased from 1,536 USD in 2014 to 1,911 USD in 2018. It is expected to reach 2,024 USD by the end of 2019. From 2019 to 2022, GDP per capita is forecasted to increase further to 2,373 USD.

2. 2. Vietnam is potential beneficiary of US-China trade war

The prolonged US-China trade war is reshaping the global supply chain and Vietnam stands out as a country that could benefit from the US and China diverting imports away from each other and into other countries. According to a June 2019 report from Bloomberg, Vietnam is ranked as the largest beneficiary, gaining 7.9% of GDP from order diversion, where order diversion is mostly additional US imports of goods covered by US tariffs on China. A small portion came from China's additional imports from Vietnam instead of the US.

Figure 8: Third-Party Economies Gain from Goods Diversion in US-China Trade Conflict (% of GDP)



Source: Bloomberg, Nomura.

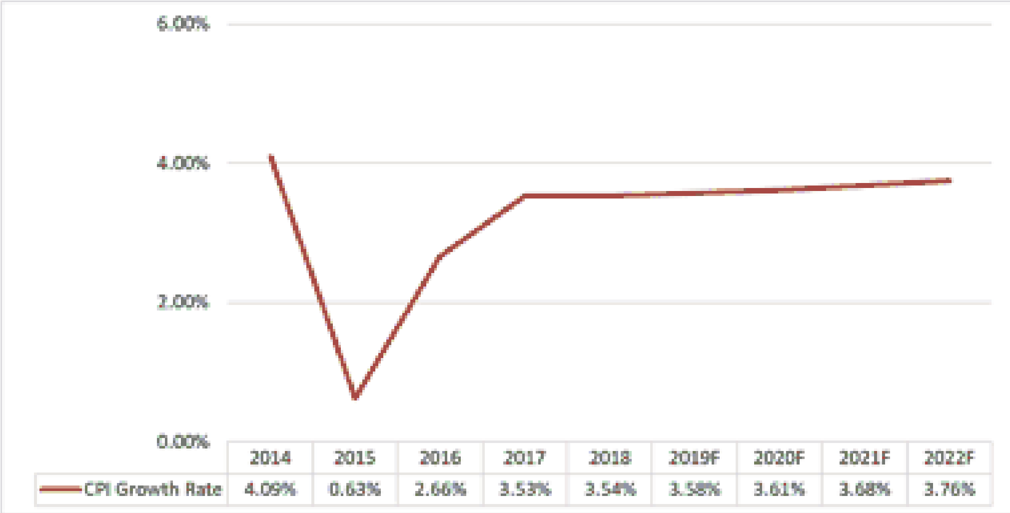
Notes: U.S. order diversion is American shift in orders due to higher tariffs on China; Chinese order diversion is that economy's order substitution due to higher levies on US. Data are for year through Q1 2019.

2. 3. Consumer Price Index (CPI)

During the period of 2014 to 2018, Vietnam's CPI growth rate was 4.09% in 2014 and increased from 0.63% in 2015 to 3.54% in 2018. Due to the increase in GDP in recent years, more overseas investments driven by the trade war and other commercial agreements, Vietnam's CPI has been increasing significantly and is forecasted to grow further in the following years. Specifically, it is predicted that in 2022, CPI growth rate will be 3.76%.

Growth rate for CPI in 2019 is expected to reach 3.55% – 3.60% as compared to 2018. From July 1, 2019, the basic wage has increased to 1,490,000 VND/month (64 USD). This regulation stipulates the basic salary applicable to officials, public servants and employees working in agencies and organizations of the Party. The increase in basic wage will lead to an increase in consumption spending which will reinforce CPI growth.

Figure 9: CPI Growth Rate

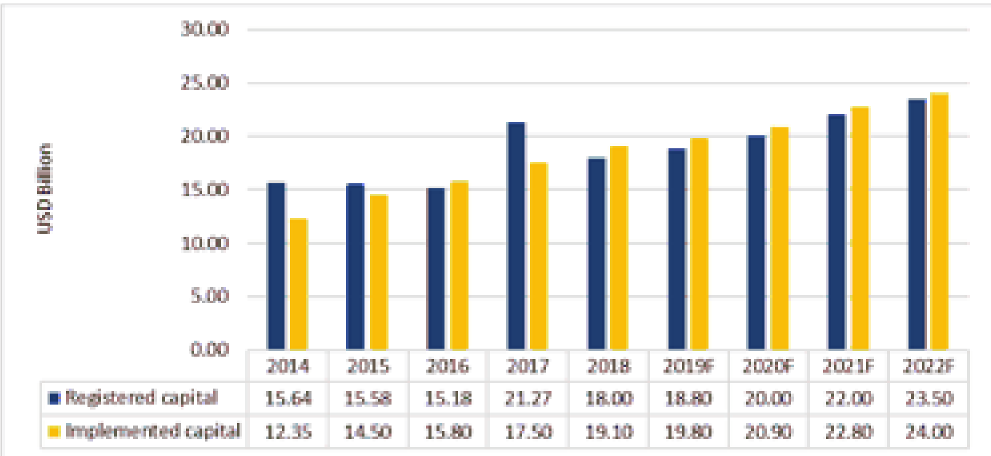


Source: General Statistics Office of Vietnam

2. 4. Foreign Direct Investment (FDI)

Fueled by continuous growth, Vietnam is one of the top recipients of FDI in the region, ranking third in ASEAN. From 2014 to 2018, FDI increased at a CAGR of 3.6% and is expected to reach 19 billion USD in 2019. Approximately 2,064 new projects were granted investment licenses with total registered capital of 8.27 billion USD from January to July 2019, up 24.6% from the same period last year. As a result of the US-China trade war, China moved up from fifth to being the third largest investor in Vietnam as foreign manufacturers relocate production from China to Vietnam to reduce costs.

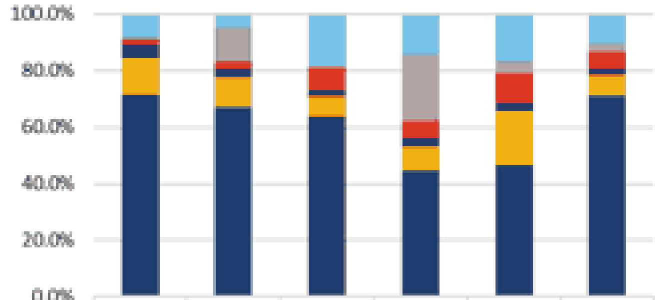
Figure 10: FDI - Registered Capital and Implemented Capital



Source: Ministry of Planning and Investment

Out of the 19 sectors receiving FDI, Manufacturing and Processing emerged top in first half of 2019 with 14.46 billion USD, accounting for 71.2% of total FDI, marking a notable increase compared to previous years. Real Estate was second place at 1.47 billion USD, followed by Retail and Wholesale at 1.1 billion USD.

Figure 11: FDI by Sector

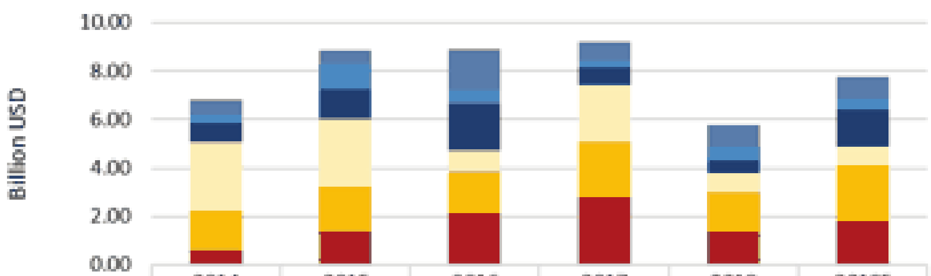


	2014	2015	2016	2017	2018	1H2019
Others	7.9%	4.7%	18.5%	14.1%	16.3%	10.4%
Electricity	1.1%	12.3%	0.5%	23.5%	4.6%	2.9%
Retail and Wholesale	1.6%	2.4%	7.8%	6.0%	10.4%	5.7%
Construction	5.2%	3.2%	2.5%	3.2%	3.3%	2.6%
Real Estate	12.6%	10.5%	6.9%	8.6%	18.6%	7.2%
Manufacturing and Processing	71.6%	66.9%	63.8%	44.6%	46.8%	71.2%

Source: Ministry of Planning and Investment

Underpinned by strong economic growth and being beneficiaries of the US-China trade war, Bac Ninh and Binh Duong are increasingly attracting more newly registered FDI. In 2018, Binh Duong and Bac Ninh were ranked first and second in newly registered FDI, even higher than HCMC and Hanoi. This is expected to increase further to 2.31 billion USD for Binh Duong and 1.80 billion USD for Bac Ninh respectively in 2019.

Figure 12: Newly Registered FDI of Five Majors Cities and/Provinces



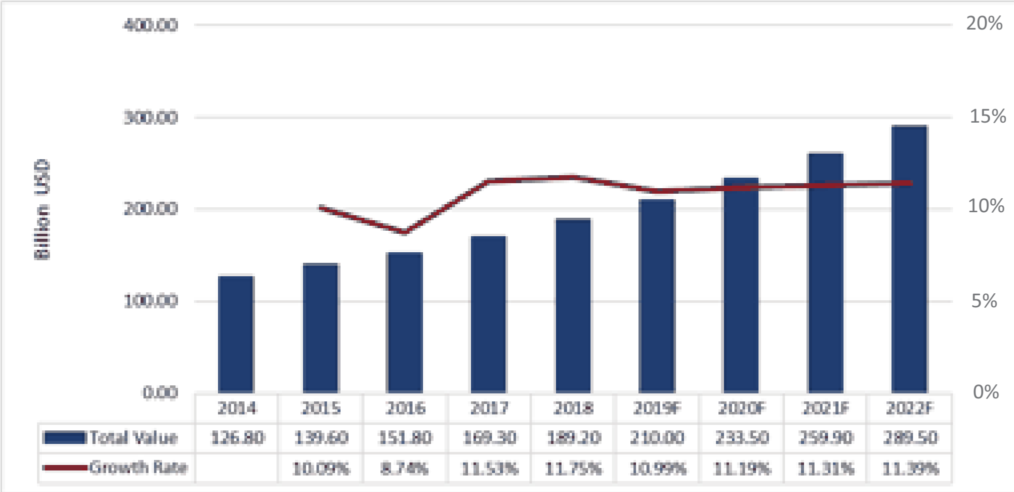
	2014	2015	2016	2017	2018	2019F
Hai Phong	0.63	0.57	1.72	0.83	0.92	0.90
Long An	0.27	1.06	0.56	0.24	0.51	0.42
Hanoi	0.80	1.20	1.90	0.75	0.56	1.56
HCMC	2.84	2.81	0.91	2.34	0.78	0.75
Binh Duong	1.60	1.82	1.70	2.29	1.65	2.31
Bac Ninh	0.65	1.41	2.13	2.76	1.35	1.80

Bac Ninh Binh Duong HCMC Hanoi Long An Hai Phong

Source: Ministry of Statistics, Colliers International

2. 5. Retail Sales

Figure 13: Total Value of Retail Sales of Goods and Services and Growth Rate



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Total Value	126.80	139.60	151.80	169.30	189.20	210.00	233.50	259.90	289.50
Growth Rate		10.09%	8.74%	11.53%	11.75%	10.99%	11.19%	11.31%	11.39%

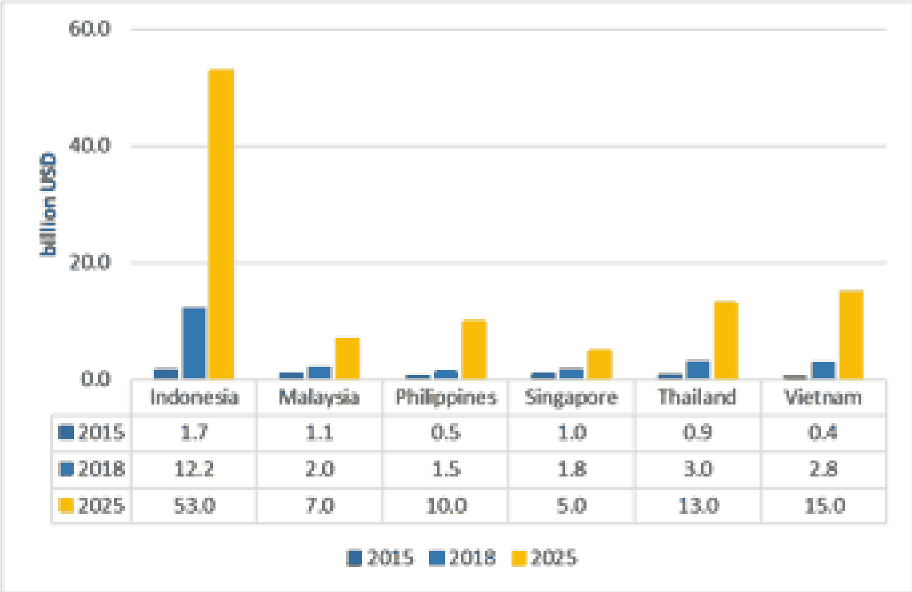
Source: Colliers International Vietnam

Retail sales in the last five years witnessed a positive growth. During the period 2014 to 2017, y-o-y growth rate was in the range of 8% to 12%. In 2018, growth rate increased to 11.8% driven by an increase in consumer purchasing power. According to The Economist Intelligence Unit, Vietnam has the fastest growing middle class in Asia Pacific, with the percentage of households with income of more than 10,000 USD/year expected to increase from 12% in 2016 to 17% in 2021. The rapid rise of the middle class means that there will be more demand for basic and high-end goods. It is expected that in the next three years, retail sales will continue to grow at a rate of over 11% per year to a total value of 289 billion USD in 2022.

Some key factors affecting the retail sales industry:

- Technology evolution has made it easy for customers to find everything through their smartphones
- Traditional way of marketing is no longer attractive
- Government policies that promote competitive environment among retailers
- Growing purchasing power and preferences for shopping
- Development of infrastructure as it affects the costs of transportation, goods preservation, new construction/rental costs and prices of business premises

Figure 14: Southeast Asia E-Commerce Market Size (Gross Merchandise Value (GMV), USD Billion)



Source: Google & Temasek

According to a Google and Temasek report, growth rate of the Southeast Asian e-commerce market is 35%, led by Indonesia and Vietnam which grew at 49% and 38% respectively from 2015 to 2018. E-commerce growth in Vietnam is expected to exceed more developed economies such as Singapore, Thailand, Malaysia, etc. It is expected that by 2025, Indonesia and Vietnam's e-commerce markets will have a GMV of 53 billion USD and 15 billion USD respectively to become two of the largest e-commerce markets in Southeast Asia.

2. 6. Trade Balance

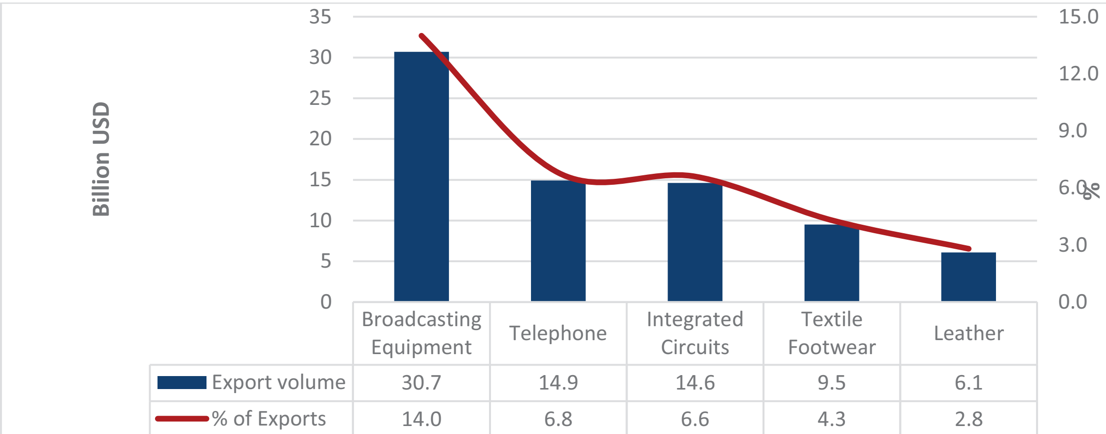
From 2014 to 2018, trade balance increased from 2.368 billion USD to 7.2 billion USD. There was a significant increase from 2017, with trade balance increasing from 2.7 billion USD in 2017 to 7.2 billion USD in 2018. The growth is driven by preferential tariffs in free trade agreements (FTAs) to expand new export markets. In addition, the trade war between China-US has also impacted Vietnam's trade balance by increasing exports with America importing more textile products from Vietnam instead of China. However, along with the opportunities, Vietnam may also face stricter import standards or tighter tariff barriers.

Figure 15: Export-Import Value and Trade Balance

	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Exports	150.2	162.4	175.9	213.8	244.7	249.6	254.6	259.7	264.9
Imports	147.8	162.6	173.3	211.1	237.5	242.3	247.1	252.0	257.1
Trade Balance	2.4	-0.2	2.6	2.7	7.2	7.3	7.5	7.6	7.8

Source: General Statistics Office of Vietnam

Figure 16: Export Volume and Top 5 Exported Products (2017)

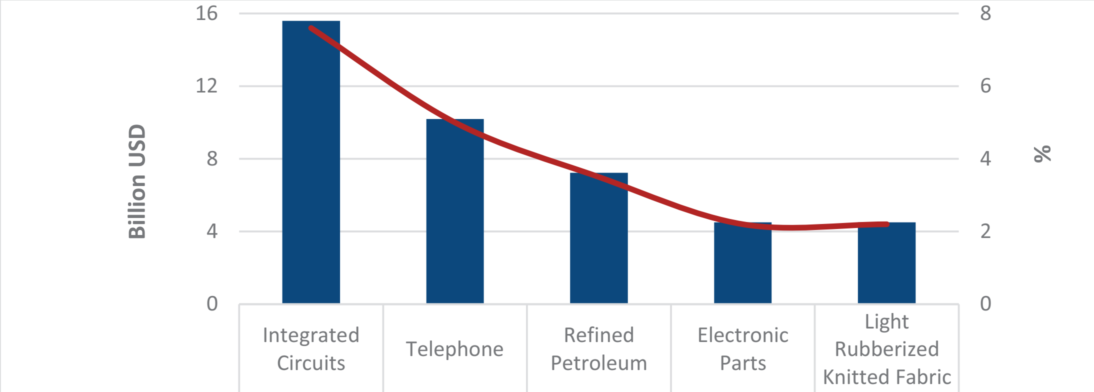


	Broadcasting Equipment	Telephone	Integrated Circuits	Textile Footwear	Leather
Export volume	30.7	14.9	14.6	9.5	6.1
% of Exports	14.0	6.8	6.6	4.3	2.8

Source: OEC, Colliers International Vietnam

Broadcasting Equipment is the most exported product of Vietnam in 2017, accounting for 14% of total exported products. The second place went to Telephone accounting for 6.8% of total exported products. Integrated Circuits accounted for 14.6 billion USD or 6.6% of total exported products to rank third. Ranking 4th and 5th place were Textile Footwear and Leather accounting for 4.3% and 2.8% of market share, respectively.

Figure 17: Import Volume and Top 5 Imported Products (2017)

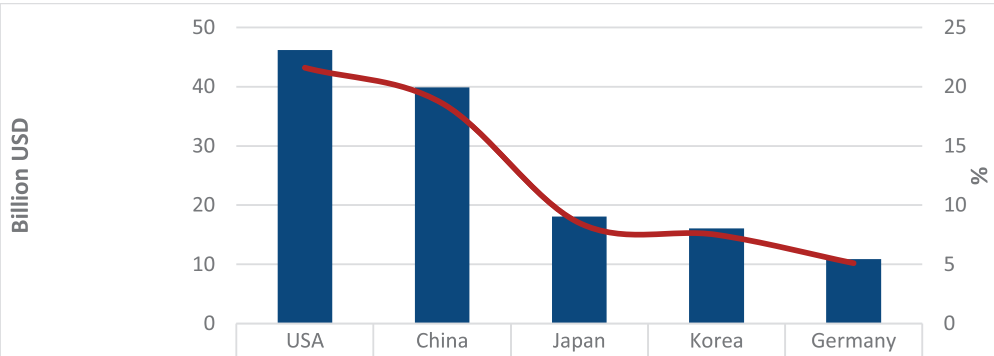


	Integrated Circuits	Telephone	Refined Petroleum	Electronic Parts	Light Rubberized Knitted Fabric
Import Volume	15.6	10.2	7.2	4.5	4.5
% of imports	7.6	5.0	3.5	2.2	2.2

Source: OEC, Colliers International Vietnam

In 2017, Integrated Circuits was the top imported product accounting for 7.6% of total imported goods. The second place went to Telephone, accounting for 5.0% of the imported products. Refined Petroleum ranked third with 3.5% of market share. Electronic Parts and Light Rubberized Knitted Fabric each accounted for 2.2% of imported products respectively.

Figure 18: Top 5 Export Destinations and Volume (2017)

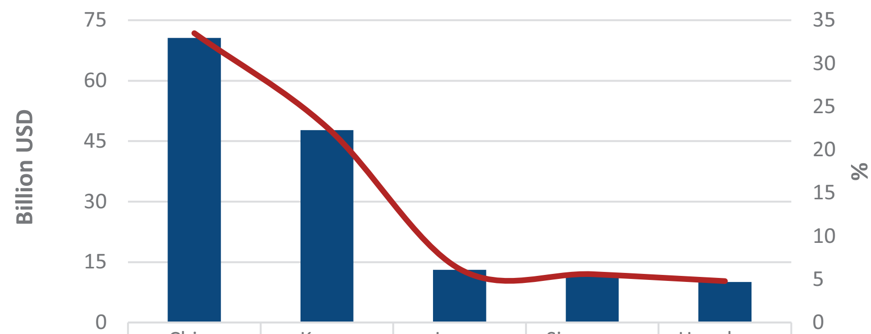


	USA	China	Japan	Korea	Germany
Export Volume	46.2	39.9	18.1	16.1	10.9
% of Exports	21.6	18.6	8.5	7.5	5.1

Source: OEC, Colliers International Vietnam

In 2017, US is the biggest export market of Vietnam, accounting for 21.6% of total exports and 46.2 billion USD worth of goods. China took the second place with 39.9 billion USD and third place went to Japan with 18.1 billion USD. Korea ranked fourth with 16.1 billion USD, followed by Germany with 10.9 billion USD.

Figure 19: Top 5 Destinations and Their Import Volume in 2017



	China	Korea	Japan	Singapore	Hongkong
Import Volume	70.6	47.7	13.1	11.8	10.1
% of Imports	33.5	22.6	6.2	5.6	4.8

Source: OEC, Colliers International Vietnam

In 2017, China is the biggest import market of Vietnam with a total import volume of 70.6 billion USD. Korea ranked second place with 47.7 billion USD. Vietnam imported 13.1 billion USD worth of goods from Japan, which was ranked as the third largest import destination. Singapore and Hong Kong ranked 4th and 5th place at 11.8 billion USD and 10.1 billion USD, respectively.

Government Planning and Policies and Infrastructure Development

3. 1. Government Planning and Policies

Several agreements have been signed, affecting the Logistics industry:

EVFTA

On 30 June 2019, the EU-Vietnam Free Trade Agreement (EVFTA) was signed into effect after nine years of negotiations.

At present, only 42% of Vietnam's exports to the European Union (EU) is eligible for zero tariffs. With the signing of the EVFTA, up to 70.3% of Vietnam's exports to the EU can be exempted from tariffs. In the next seven years, the EU will eliminate 99.7% of tariff lines for Vietnam's exports. Effective immediately, Vietnam will also eliminate tariffs on 64.5% of imports originating from the EU. Within the next seven years, this figure will increase to 97.1%.

CPTPP

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into effect in mid-January 2019. The CPTPP is one of the most significant trade partnership of which Vietnam is a member, and is expected to have a highly positive effect on the country's GDP and exports in particular. Under the CPTPP, Vietnam can enjoy a gradual abolishment of up to 98% of tariffs on agricultural and industrial products and imports and exports are predicted to grow annually by 5.3% and 4.2% respectively, by 2030.

As exports increase and industries expand, the income growth generated from domestic production will continue to grow, leading to an increase in purchase power and aggregate demand. In addition to boosting exports, the CPTPP can also lead to an increase in foreign direct investment.

AFTA

The ASEAN Free Trade Area (AFTA) came into effect in 1996, and since then, has supported local manufacturing in all ASEAN countries by reducing intra-regional tariffs through the Common Effective Preferential Tariff (CEPT) scheme. Vietnam, in particular, implemented the reduction of taxes to be paid on various kinds of imports and exports to and from the other ASEAN states in 2006.

Under the AFTA, ASEAN member states offer each other preferential tariff rates between 0-5%. This allows Vietnamese producers to access a regional market which has numerous substantial advantages, e.g. a population of more than 650 million, convenient transportation systems, and relatively moderate requirements on product quality. The reduction in tariffs and duties also resulted in lower costs, enhancing the competitiveness of Vietnamese products in the regional market. In fact, between 2010 to 2017, the value of Vietnam's exports to other ASEAN states more than doubled from 10.3 billion USD to 21.7 billion USD.

In addition, below are several of Decrees and Decisions affecting the logistics industry:

Decree No. 163/2017/ND-CP: To regulate the logistics service business in replacement of Decree No.140/2007/ND-CP detailing the Commercial Law on the conditions for trading in logistics services and the limitation of liability for traders providing logistics services.

Decree No. 69/2018/ND-CP: To regulate the temporary import and re-export of goods in Vietnam. The two major stipulations focus on Vietnamese traders processing goods for foreign merchants and the time limit for temporary import and re-export of goods.

Decision No. 1012/QD-TTg: Approval for nationwide logistics center system development planning by 2020 and orientation towards 2030. Refer to Appendix I.

Decision No. 200/TTg: The action plan to develop and raise the competitiveness of logistics services in Vietnam up to 2025. The plan aims at the objectives that by 2025, the logistics sector will grow by 15%-20%, logistics costs will be cut to 16%-20% of GDP, and Vietnam will be ranked 50th or higher in the world in terms of the logistics performance index. In addition, the plan looks to lure investment capital to build logistics infrastructure and develop regional- and international-level logistics centers, especially those in big cities and provinces as Hanoi, Ho Chi Minh City, Hai Phong, Da Nang, Can Tho, Quy Nhon, Lang Son and Lao Cai.

Circular 38/2018/TT-BTC and 39/2018/TT-TBC: New customs procedures, customs supervision and inspection, export duty, and tax administration applied to exports and imports, which helps to improve the efficiency of the export and import processes between Vietnam and other countries as well as prevent frauds and errors.

The above agreements and decisions from the state benefit Vietnam's export and import industry.

Strong government support and de-regulation also present opportunities for logistics enterprises to participate in regional / global supply chains and improve their service quality. These improvements include more professional customs procedures with a better declaration system, provision of warehousing services which meet international standards and more timely transportation.

In 2016, the cost of logistics operations in Vietnam accounts for over 20% of GDP, while in developed countries this rate is only 10% to 13%. Therefore, participating in those agreements with preferential tariffs will help reduce logistics costs and increase the competitiveness of Vietnam's imports and exports.

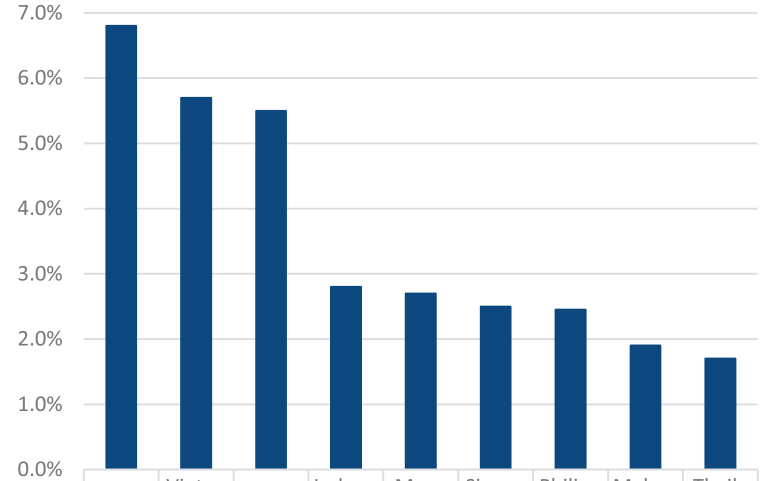
To seize the opportunities, many businesses have invested in warehouses and modern machinery. Transimex - Saigon has started the construction of bonded warehouses and logistics hubs in HCMC Hi-tech Park with a total area of over 10 ha. TBS Logistics has also invested in a modern warehouse with an area of 47,500 sqm in Binh Duong, equipped with automatic alarm/ fire alarm system and 24/7 CCTV. In addition, Mapletree, a major player in this market segment, is also expanding its presence in logistics hubs such as Binh Duong and Bac Ninh and will occupy 70 ha and 30 ha of land respectively, after completion. It is expected that in the future, the supply of warehouses will continue to increase due to the volume of demand driven by the growth of import and export volume.

3.2 Infrastructure Development

3.2.1 Infrastructure Spending

Associated with the development of the logistics industry is the development of infrastructure. A robust infrastructure system will help reduce logistics costs, which is beneficial for logistic businesses and for maintaining the country's GDP growth. As reported by the Global Infrastructure Center - GI Hub, the greatest infrastructure needs are in Asia at 52 trillion USD. Particularly for ASEAN, according to the Asian Development Bank, about 2.8 trillion USD is still expected to meet the total demand for infrastructure investment for this region by 2030. Vietnam, despite being a small country in both territory and economy size, is a leading country in the race for infrastructure construction. In recent years, investments in infrastructure in Vietnam accounted for around 5.7% of GDP on average, the highest in Southeast Asia; larger countries like Indonesia or the Philippines only spend less than 3%, while in Thailand and Malaysia, the proportion is less than 2%. Within Asia, Vietnam is second only to China, with an infrastructure investment of 6.8% of GDP.

Figure 20: Asia's Biggest Infrastructure Spenders – Spending as a Proportion of GDP (2018)



	China	Vietnam	India	Indonesia	Myanmar	Singapore	Philippines	Malaysia	Thailand
Percentage of Spending	6.8%	5.7%	5.5%	2.8%	2.7%	2.5%	2.5%	1.9%	1.7%

Source: Asian Development Bank

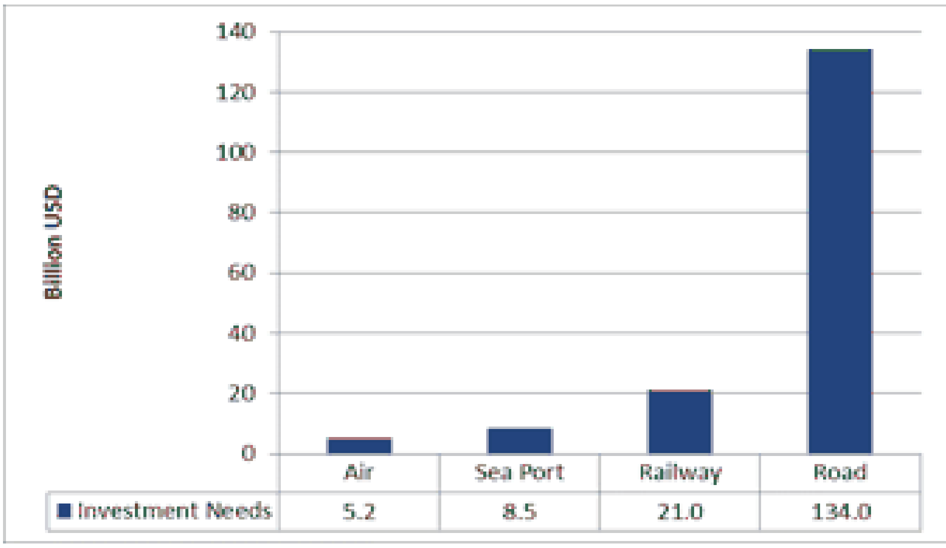
3.3 Transportation Infrastructure in Vietnam

Currently, Vietnam's focus on road infrastructure investments include the expansion of main roads connecting CBD/ central areas to suburban districts/ areas and construction of highways to help shorten travel time, etc. Between 2018 to 2020, Vietnam will invest in 11 projects to complete the 50% of the North-South expressway in the East. The expressway with a total length of 645 km goes through 13 provinces and includes eight BOT projects and three projects invested by private capital which will help to improve the infrastructure as well. The total investment for these projects is 5.1 billion USD, of which 2.4 billion USD is State capital and 2.7 billion USD is non-budget mobilized capital.

The railway network in Vietnam has been in use for more than 100 years with an upgrade being scheduled. The railway network is focused on a single main route of 1,726 km running from Hanoi to HCMC. Vietnam's current railway project includes the modernization and expansion of its national railway network. The Ministry of Transportation and Korea International Cooperation Agency is currently studying the feasibility of constructing a 500 km railway linking to Laos.

Besides development of the road and railway infrastructure, Vietnam is also developing a new international airport in Long Thanh, a notable air infrastructure project with investment of more than 16 billion USD. On seaport infrastructure, Vietnam also plans to build a number of large ports such as Tran De port (Soc Trang) with investment capital of 1.5 billion USD and Cang My Thuy (Quang Tri) with investment capital of 610 million USD, etc.

Figure 21: Vietnam's Transport Infrastructure Investment Needs (2016 - 2040F)



Source: G20 Global Infrastructure Outlook 2017, cited in Vietnam Briefing

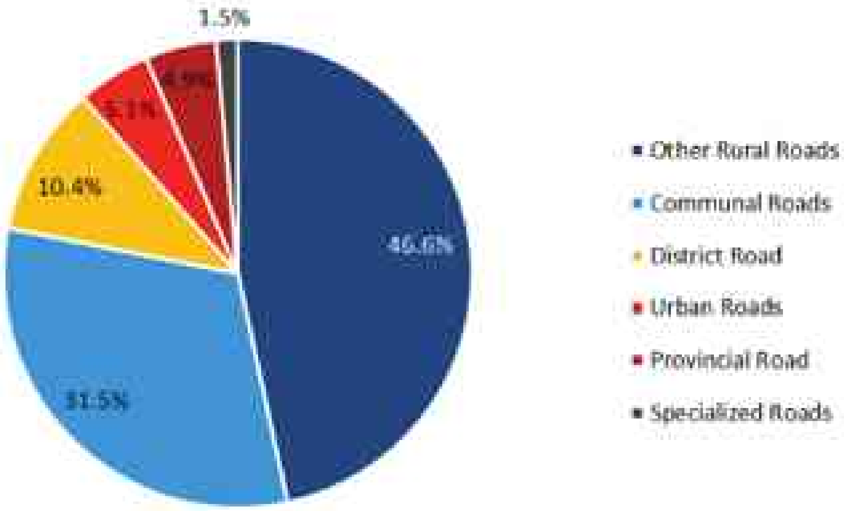
3.3.1 Roadways

Road transport in Vietnam accounted for approximately 77.2% of total freight volume in the year 2016. Despite capacity limitations and infrastructure shortcomings in Vietnam, road transport is highly flexible and remains by far the first choice of domestic consignors in the country.

In Vietnam, road traffic is concentrated on national roads and major urban centers which have led to general bans on the operation of trucks within the city. Limited capacity of bridges and poor quality of roads have further aggravated the issues faced by cargo transport, especially container haulage. For instance, container movement by road is prohibited in many Mekong Delta provinces due to bridge limitations and poor road conditions.

To facilitate cross-border trade with other countries, road access to big seaports such as the Hai Phong port, Da Nang port and Saigon port need to be rapidly rehabilitated or built to help local logistics services providers expand their activities to neighboring countries such as China, Cambodia and Laos.

Figure 22: Vietnam's Road Network Including Road Classification



Source: Greater Mekong Sub - Region Information Portal, Colliers International Vietnam

Note: Others include Streets, Alleys and Avenues

3.3.2 Ring Road Initiatives

Large projects like the construction of ring road systems are essential. The construction of ring road systems will reduce distance, time and travel costs and help to alleviate traffic problems. This will be a lever for economic development as suburban areas will no longer be too dependent on the central districts. The development of housing and economy in the area along both sides of the ring road would also spur the economic growth in the vicinity.

North:

On ring road 1 there are two steel overpasses: O Dong Mac, Tran Khac Chan and Kim Lien underground tunnel.

Ring road 2 is a traffic route of a closed inner city of Hanoi with a total length of 43.6 km. In 2016, the Ring Road 2 section from Cau Giay to Nhat Tan commenced operations with two bridges crossing the Red River: Vinh Tuy and Nhat Tan and a bridge crossing the Duong River: Dong Tru Bridge.

Ring road 3 is an important road traffic route of Hanoi, about 65 km in length, passing through districts of Dong Anh, Bac Tu Liem, Nam Tu Liem, Cau Giay, Thanh Xuan, Thanh Tri, Hoang Mai and Long Bien and Gia Lam. The highlight of this route is the viaduct system designed according to expressway standards, serving cars running at maximum speed of 90 km per hour. There are three big bridges: Thang Long Bridge, Thanh Tri Bridge and Phu Dong Bridge.

Currently, there are three ring roads which are supporting the traffic in the inner city of Hanoi. In particular, Ring Road 3 allowing big vehicles to move at maximum speed greatly facilitates the transportation of goods and trade flow across logistics parks and warehouses. Because of the large population and the large number of private vehicles as well as existing limitations of the three ring roads, the government is pushing and planning to build ring road 4 and 5 between 2021 to 2025 in order to connect Hanoi to other nearby provinces as well as to industrial parks, factories and warehouses to support logistics services.

Figure 23: Map of Hanoi's Ring Roads

Source: Colliers International Vietnam

South:

According to the approved plan, Ring Road 3 has a length of 97.7 km. The starting point of this route starts from Ben Luc - Long Thanh highway and will go through four provinces and cities, namely Dong Nai, Ho Chi Minh City, Binh Duong and Long An. The end of this road intersects with HCMC - Trung Luong highway. The whole route is divided into four sections: section 1 - Binh Chuan - Tan Van (Binh Duong) is 16.7 km; section 2 - Tan Van - Nhon Trach (Dong Nai) is 34.3 km; section 3 - Binh Chuan (Binh Duong) - Highway 22 (Ho Chi Minh City) is 17.5 km and section 4 of national highway 22 - Ben Luc (Long An) is 29.2 km.

The proposed investment for Ring road 4 is in the form of Public-Private Partnership (PPP). It stretches approximately 35.8 km, passing through the districts of Ben Luc, Can Duoc and Can Giuoc (Long An); Nha Be (Ho Chi Minh City) with the first point at Ben Luc intersection (intersection between Ho Chi Minh City - Trung Luong highway and provincial road 830) located in Ben Luc town, Long An province. Its end point connected to the North-South axis is located in Hiep Phuoc industrial-port planning area, Nha Be district, Ho Chi Minh City

Ring Roads 3 and 4 play an important role in easing the area. Moreover, Ring Roads 3 and 4 provide connectivity between HCMC as well as eastern and western provinces; hence, it will be easier for logistics and transportation service in Southern Vietnam as traffic becomes more convenient and efficient. Also, it will be much easier to connect industrial parks and warehouses in the region.

Figure 24: Map of Ho Chi Minh's Ring Roads

Source: Colliers International Vietnam

3.3.3 Highway/ Expressway

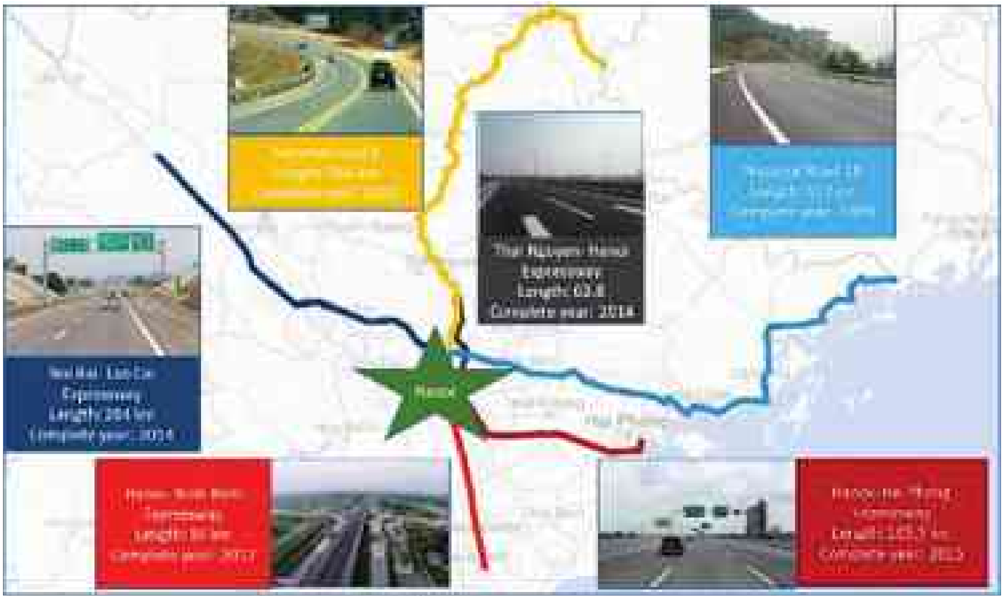
Expressways connect economic centers, urban centers, industrial parks and economic zones together.

North:

Hanoi - Lao Cai highway commenced operations on September 21, 2014 and has since contributed significantly to the socio-economic development of the Northern region, especially the Northwest region. The highway has helped to reduce travelling time between Hanoi and Lao Cai from 7 hours to 3.5 hours, to over 2 hours from Hanoi to Yen Bai and also halved the travel time to Ha Tinh, Tuyen Quang, Phu Tho provinces. The project also boosts connectivity between the less developed, remote areas of the Northwest and economically developed centers.

Cau Gie - Ninh Binh expressway with a total length of over 50 km, consists of four lanes and four intersections in stage 1, and is designed according to the standard of an A-grade highway where the maximum speed ranges from 100-120 km per hour. The expressway promotes trade between the center of Hanoi City and neighboring provinces, facilitates travel and transport of passengers and goods among neighboring provinces in the region, shortens travel time, limits traffic accidents and traffic jams on the National Highway.

Figure 25: Maps of Expressways in Hanoi



Source: Colliers International

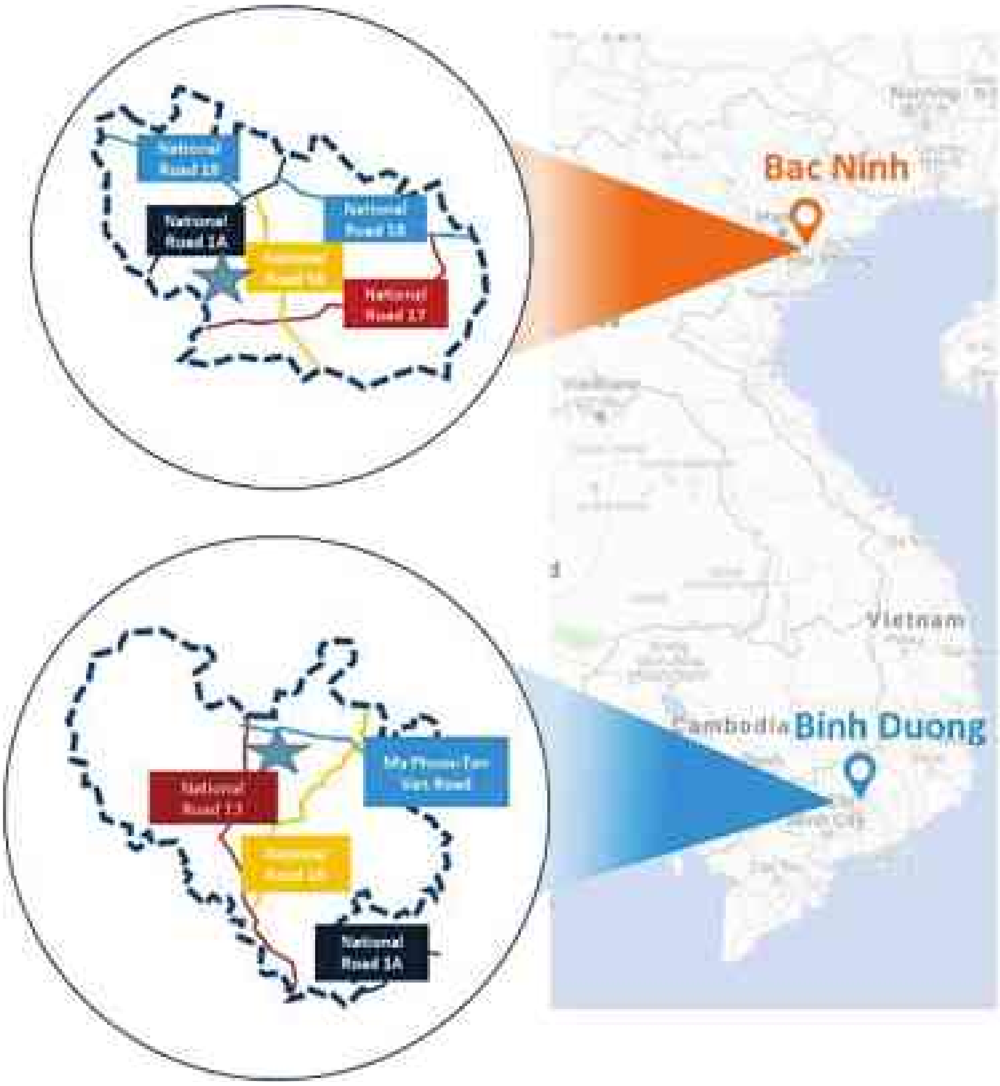
South:

The HCMC-Long Thanh-Dau Giay is an operational 55 km long expressway which has shortened the distance and time to the surrounding areas of Ho Chi Minh City. The expressway reduces the HCMC-Long Thanh district commute from 45 km to approximately 22 km, cutting down travel time from 60 minutes to about 20 minutes. In addition, it has shortened the distance between HCMC to the beach city of Vung Tau from 120 km to 95 km, almost halving travel time from 2.5 hours to about 1 hour and 20 minutes.

Figure 26: Maps of Expressways in Hanoi

Source: Colliers International

Figure 27: Maps of Expressways in Bac Ninh and Binh Duong



Source: Colliers International Vietnam

At present, Bac Ninh and Binh Duong are two of the provinces with the most developed logistics activities in Vietnam. Therefore, the government has facilitated infrastructure development by constructing expressways to reduce travel time from these two places to Hanoi and Ho Chi Minh as well as created favorable conditions to connect traffic from Bac Ninh and Binh Duong to other nearby provinces/cities.

3.3.4 .Inland Waterway

Vietnam has 41,000 km of natural waterways, of which 7,075 km is used commercially. The sea freight is a popular mode of transport for logistics in Vietnam as the waterway transport has a higher carrying capacity and is lower in cost as compared to other transportation modes. Due to road restrictions in some areas, such as provinces in the Mekong Delta, containers and foreign trade cargos are often moved by inland water transport during the transportation process that occurs before the main sea transport leg. Despite limited investments, the waterways remain attractive for the transportation of high-weight and low-value goods such as coal, rice, sand, stone, and gravel; all of which heavily depend on waterway transport in the delta regions of the Mekong and Red River.

3.3.5 Maritime Transportation

Shipping Fleet Size: Vietnam is a coastal country which comes under a long history of maritime trade with a shipping fleet of 1,568 ships and a total DWT (deadweight tonnage) of 7.8 million as of June 2019. Presently, this shipping fleet has been transporting about 90% of the country's domestic sea cargo volume.

Major Seaports: Across a 3,200 km long coastline, Vietnam has a total of 114 seaports. The national seaport system comprises three major ports out of which Saigon, Vung Tau (Southern Vietnam) accounting for approximately 70.0% of Vietnam's foreign trade owing to the port's fast vessel turnaround time whereas, the remaining 30.0% is accounted for by Hai Phong and Danang ports situated in Northern and Central Vietnam respectively.

Table 1: Major Seaports

Port Name	Region	Total Storage (sqm)	Terminals	Berth Length (m)	Maximum Size (DWT)	Cargo Handled
Hai Phong	Northern Vietnam	432800	Hoang Dieu (conventional)	1,300	10,000	General, bagged, bulk
			Hoang Dieu (container)	410	10,000	Container, general, metal
			Vat Cach	311	10,000	General, bagged, bulk, metal
			Doax Xa	200	10,000	General, bagged, bulk, liquid
			Chua ve	335	10,000	Container, general
Da Nang	Central Vietnam	186,225	Tien Sa	732	30,000	Container, general
			Song Han (1, 2)	235	5,000	Container, passenger
			Song Han (3, 4, 5)	465	3,000	Container, passenger
			Song Han (6, 7, 8)	273	N/A	General
Saigon	Southern Vietnam	500,000	Nha Rong Khanh Hoi	689 1,389	30,000 N/A	General, passenger General, passenger
			Khanh Hoi B	140	N/A	Bulk
			Tan Thuan	713	N/A	Roro, container, bulk

Source: Vietnam Maritime Administration, Ken Research Analysis, Colliers International

3.3.6 Railways

The railway network comprises seven lines with a total length of 3,161 km, out of which 2,646 km belongs to the main line station and 515 km are slip roads. All lines are single track, mostly meter gauge, with a few standard gauge and double gauge towards the Chinese border. There are over 1,800 bridges (57,044 m), 39 tunnels (11,513 m) and 281 stations.

Table 2: New Railways Connecting Ports, Industrial Parks, Economic Zones and Mines

Region	Route	Length (km)
Northern Port Cluster	Lach Huyen Dinh Vu	39.7
	Inland Port ICD Huong Canh (Vinh Phuc)	5

Port Group North Central Region	Nghi Son Port downlink Restore Cua Lo	30
Port Group Mid-Central Region	Chan, Lien Chieu, Dung Quat	30
Port Group South Central Region	Quy Nhon, Van Phong, Phan Thiet, restore railway station Nga Ba - Cam Ranh Port	55

Source: Ministry of Transport

The Northern Port Cluster railway comprises the new railway system connecting Lao Cai- Ha Noi- Hai Phong. Instead of passing through the city center of Hai Phong like before, this new railway passes through the rural area straight to the Lach Huyen port and Dinh Vu station. In the Port Group North Central region, the Nghi Son Port downlink Restore Cua Lo with a length 30 km is underway and is poised to be the gateway to Nghi Son port - one of the biggest sea port in Northern Central Vietnam. In the Southern area, there are new railways being constructed with access to important ports such as Dung Quat or Cam Ranh.

3.3.7 Airways

Vietnam has a total of 23 airports. The government is currently developing new airports with total investments of 13.4 billion USD. Airfreight logistics services in Vietnam are mainly performed at two airports, namely Noi Bai in Hanoi and Tan Son Nhat in HCMC.

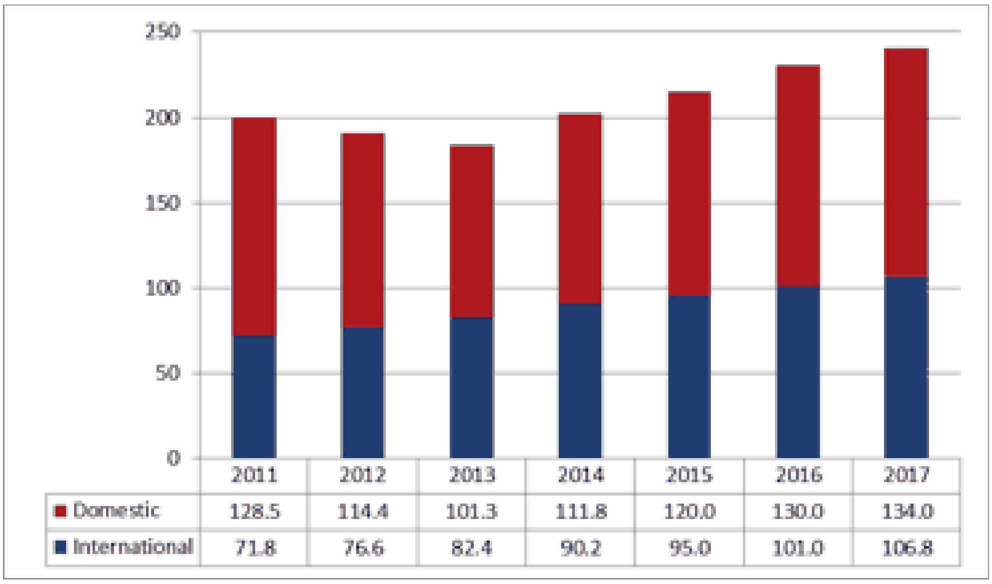
In 2015, Vietnam Air Traffic Management (VATM) handled more than 640,000 flights including commercial and air cargo flights. VATM expects to provide Air Traffic Control (ATC) services for between 0.6 million to 1.0 million flights by the end of 2020 and 1.2 million to 1.5 million flights by end 2030. Additionally, VATM is expected to spend about 500.0 million USD on its new and ongoing air traffic management projects from 2014 to 2020.

Table 3: List of Airports

Airport Name	Province	Range	Passenger Capacity (Million Passengers/Year)	Cargo Terminal Capacity (Tonnes/Year)
Noi Bai	Hanoi	4E	21	403,000
Danang	Danang	4E	10	18,000
Orange Line	Khanh Hoa	4E	2.5	2,500
Tan Son Nhat	Ho Chi Minh	4E	28	495,000

Source: Ministry of Transport

Figure 28: Volume of Cargo Handled in Vietnam's Airports



Source: GSO

4 Vietnam Logistics and Warehouse Market Overview

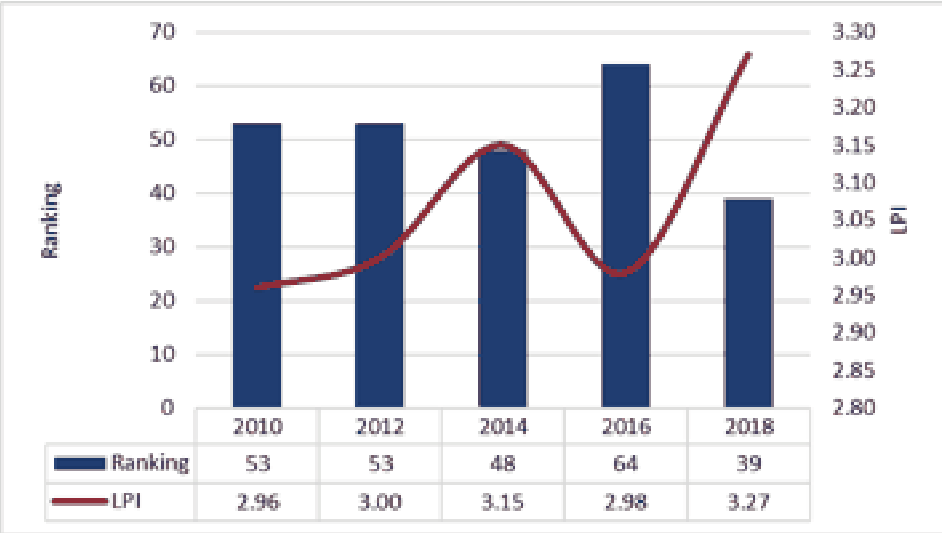
4. 1 Performance

Logistics Performance

According to the latest report from the World Bank (WB), in 2018, Vietnam improved 25 places to rank 39 out of the 160 surveyed countries on the Logistics Performance Index (LPI), compared to two years ago. This is the country's highest ranking since 2007, when WB started compiling the ranking.

Representatives from the Ministry of Transport attributed the results to improvements in "Logistics Competence" (up 29 places) and "Tracking and Tracing" (up 41 places).

Figure 29: LPI and Ranking



Source: Colliers International Vietnam

Vietnam is ranked 39th out of 160 countries in terms of logistics development and 3rd in ASEAN after Singapore and Thailand. With an annual logistics service growth rate of 15% to 20%, this is one of the most steadily growing service sectors of Vietnam in recent years. Such strong growth is driven mostly by Vietnam's strong GDP growth, rising cross-border trade activities and technology advancement.

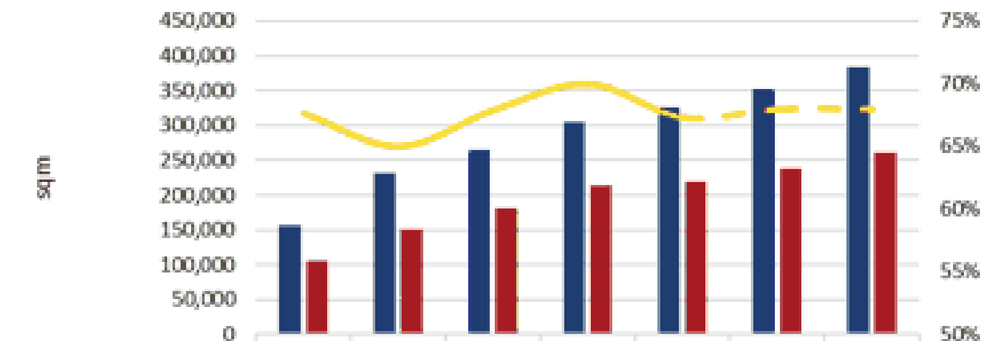
Technology development provides solutions for logistics companies to tackle issues such as vehicle routing, enabling logistics service companies to achieve higher productivity. Fast-moving consumer goods or electronics companies with their own distribution channel adopt these technological solutions to improve their services, while global companies such as P&G or Friesland Campina turn to the use of 3PLs.

With these solutions, enterprises are able to reduce transportation and management costs as well as time. Some of these enterprises offering good solutions in logistics and operating in Vietnam include Abivin, Smartlog, etc. In the future, demand for full-service, high-quality logistics services across the country, the AEC region and the global scope is expected to increase.

Warehouse Performance

Supply

Figure 30: New Supply, Net Absorption and Absorption Rate

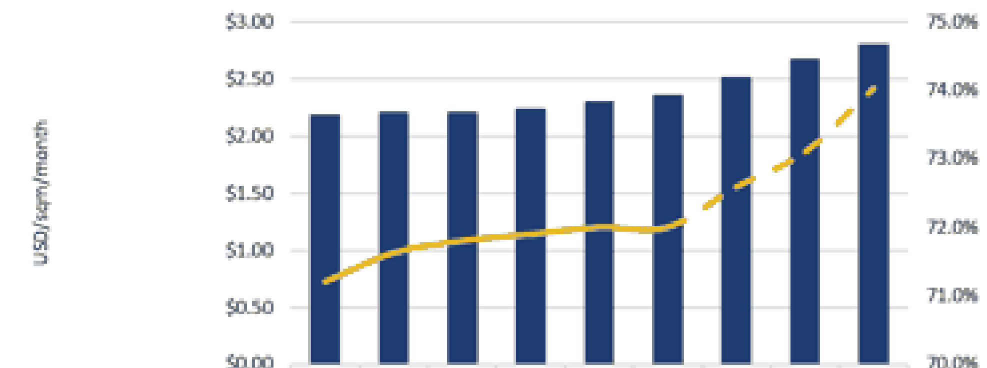


	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	156,751	231,055	265,016	304,602	326,400	351,609	382,820
Net Absorbtion	106,042	150,186	179,946	213,221	219,667	239,094	260,318
Absorption Rate	68%	65%	68%	70%	67%	68%	68%

Source: Colliers International Vietnam

In 2018, total warehouse stock in Vietnam increased by 304,602 sqm with an absorption of 213,221 sqm during the year. The absorption rate of new supply between the period 2015 to 2018 ranges from 65% to 70%, reflecting that new supply had been well absorbed by the market. In the next few years, supply of high-quality warehouses in Vietnam is expected to grow driven by high demand from foreign companies who want to move from China to Vietnam. On a national level, in 2019, the logistics space per capita in Vietnam may be around 0.03 sqm.

Figure 31: Vietnam Warehouse Average Rent and Occupancy Rate



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Average Asking Rental	$2.18	$2.20	$2.20	$2.23	$2.30	$2.35	$2.51	$2.67	$2.80
Occupancy Rate	71.2%	71.6%	71.8%	71.9%	72.0%	72.0%	72.6%	73.1%	74.0%

Source: Ken Research, Colliers International

The average asking rent of the warehouse market in Vietnam increased steadily to US$2.30 in 2018 with CAGR of 1.3% from 2014 to 2018 and is expected to increase to US$2.35 by 2019. In the next three years, the average asking rent of warehouse is expected to increase 6% y-o-y. Due to the higher demand for warehouse space and the evolution of the logistics market driven by Industry 4.0, occupancy is expected to increase moderately to 74% in 2022.

4. 2 Demand Drivers

4. 2.1 Factors affecting Logistics and Warehouse Market

SEAPORTS

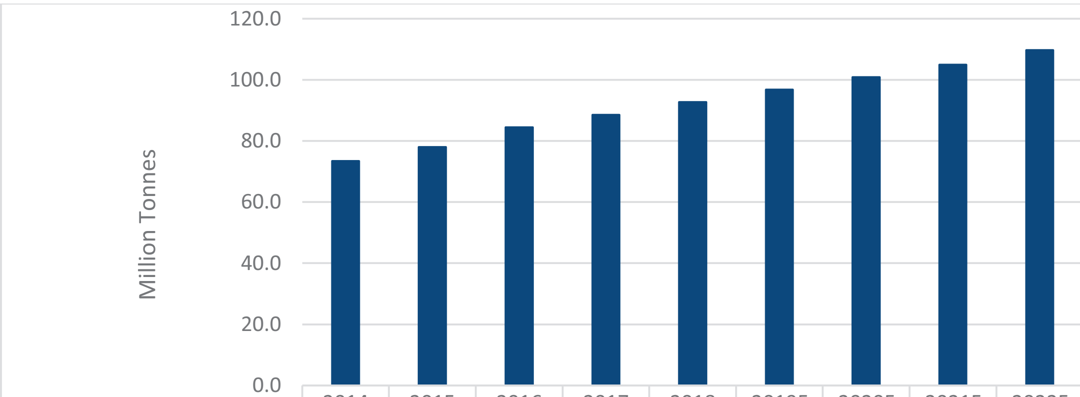
2011-2017

- Growth in HCMC has been driven by infrastructure projects such as the Soai Rap dredging project which enable faster navigation and the ability to handle larger ships. HCMC has 40 terminals.
- In 2011, volume of cargo handled across seaports in Vietnam was 64.3 million tonnes. This increased to 88.6 million tonnes in 2017; representing a CAGR of 5.5% in the review period.

2018-2022

- Saigon Port is the 26th biggest container port in the world and the fifth biggest in ASEAN in 2018
- Approved by the Prime Minister, HCMC is developing its first Special Economic Zone (SEZ) in the south of the city with a maritime focus. Under a 470.0 billion USD master plan to develop HCMC, the city will be developed in all four directions but with a focus on the south and east where busy seaport and logistics activities are concentrated.
- Volume of cargo handled across seaports in Vietnam is expected to reach 109.7 million tonnes by 2022, representing a CAGR of 4.3% for the estimated period of 2018 to 2022.

Figure 32: Volume of Cargo Handled in Vietnam's Seaports



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Volume in Million Tonnes	73.4	78.0	84.5	88.6	92.7	96.8	100.9	105.0	109.7

Source: The General Statistics Office of Vietnam, Colliers International

Note: F refers to Forecast

AIR FREIGHT

2011-2017

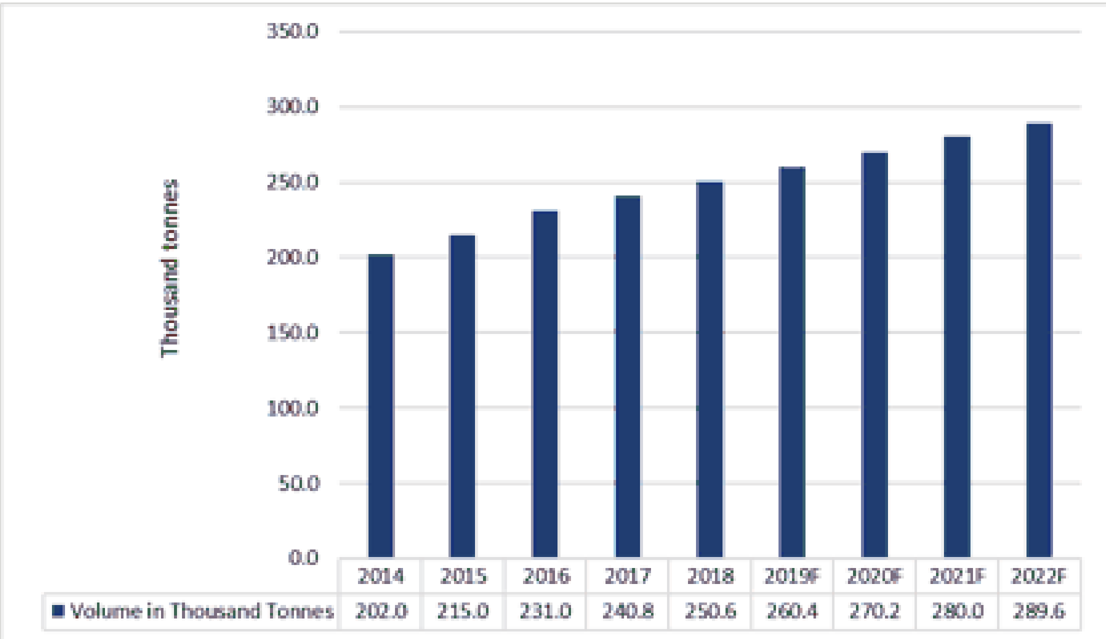
- In accordance with the International Air Transport Association, Vietnam is an attractive low cost location for manufacturers, thus boosting demand for air freight for the nation.

- The main logistics hubs can be found in the North (Ha Noi — Hai Phong area) and in the South (the wider Ho Chi Minh City) area, including Dong Nai province, Binh Duong province and Ba Rai / Vung Tau.
- Air freight volume in Vietnam include domestic as well as international air freight volume, which are both on upward trend.
- Domestic air freight in Vietnam in terms of volume increased from 129 thousand tonnes in 2011 to 134 thousand tonnes by 2017, registering a six year CAGR of 0.7%.

2018-2022

- In total, Vietnam has 23 airports and in the Master Plan, by 2020, the Government intends to upgrade most of these existing airports and develop new airports with a total investment of 13.4 billion USD; thus driving the volume for domestic air freight in the country.
- Air freight volumes in Vietnam are expected to reach 289.6 thousand tonnes by 2022, thus displaying a CAGR of 3.7% in the forecast period from 2018 to 2022.

Figure 33: Volume of Air Freight



Source: The General Statistics Office of Vietnam, Colliers International

Note: F refers to Forecast

SUPERMARKETS

2011-2017

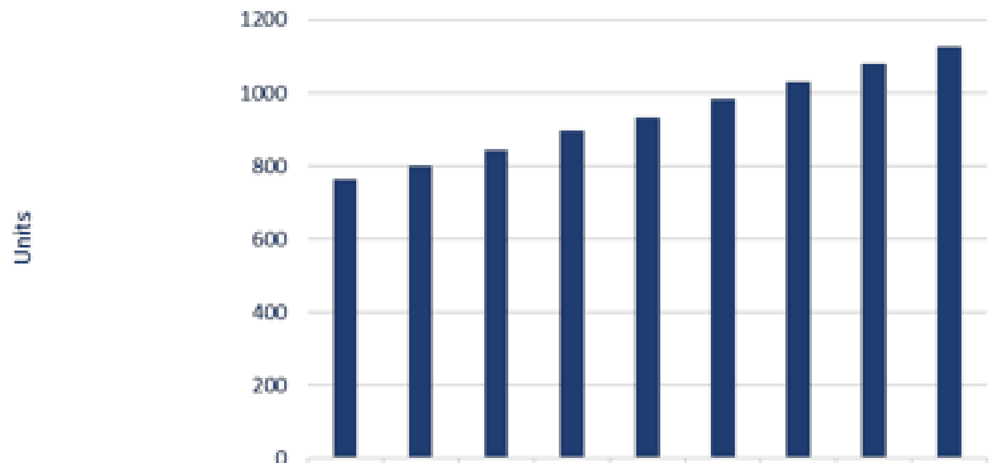
- The number of supermarkets in Vietnam increased from 638 in 2011 to 898 in 2017, growing at a six-year CAGR of 5.9% in the review period 2011 to 2017.
- Vietnam saw a boom in mini-marts and convenience stores as Vietnamese consumers are increasingly willing to pay higher prices for products in those stores because they open for longer hours and are easily accessible with closer proximity to the residential areas.

- Increase in the number of supermarkets in Vietnam has supported demand for transportation services of refrigerated goods as well as storage in the country. Furthermore, the trend of young Vietnamese preferring to purchase from supermarkets rather than wet fish markets has been on the rise owing to consumer preference for good quality and cleanliness in the supermarkets.

2018-2022

- Rise in the number of supermarkets in the long-term drives demand for warehouse space and freight forwarding services in Vietnam.
- In order to attract the attention of consumers and target the younger generation, convenience stores will constantly try to expand the range of product categories such as ice cream, snacks and fast food.
- The number of supermarkets in Vietnam are estimated to increase to 1,128 by 2022, thus growing at a CAGR of 4.8% in the forecast period 2018 to 2022.

Figure 34: Number of Supermarkets



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
■ Number of Supermarkets in Vietnam	762	799	845	898	935	983	1,031	1,079	1,128

Source: The General Statistics Office of Vietnam, Colliers International

Note: A supermarket is defined as a self-service retail facility whose retail price is a bit higher compared with a hypermarket and is better fitted for weekly shopper. Some of the most famous supermarkets in Vietnam include Intimex, Co-opmart, Fivimart and Citimart. Supermarkets in Vietnam offer more or less similar goods and services such as frequent buyer cards with which any consumer can earn points to get deduction on their following purchase. F refers to Forecast.

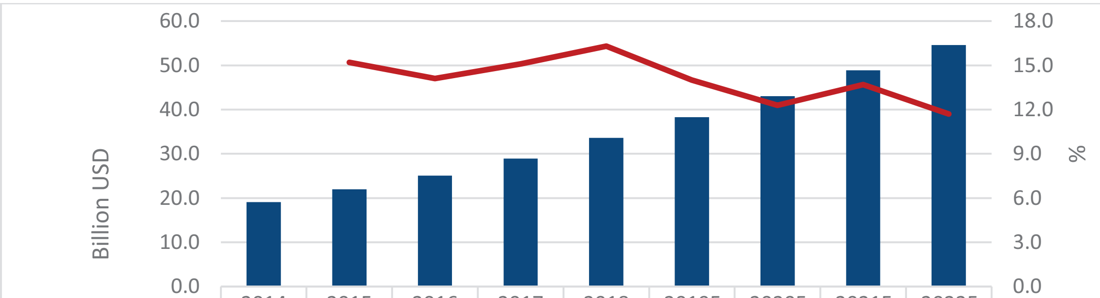
CHINA-US TRADE WAR

Since March 2018, US has raised tariffs on many Chinese goods in the name of preventing anti-competitive trade practices and thieving of intellectual property. With the on-going situation between China and US, Vietnam is emerging as the next major trading partner of the US. Vietnam has recorded an increase in the amount of exported goods to the US. Additionally, foreign manufacturers who may or may not be planning their Vietnam expansion are rushing to relocate production from China to Vietnam to mitigate the extra tax imposed by the US on Chinese goods. Chinese manufacturers are also eyeing Vietnam as their contingency plans making Vietnam a sought after destination. For example, Samsung suspended production at their Chinese factory in 2018 and Sharp, a giant Japanese electric firm, is eyeing to shift its computer production to Vietnam. Against this backdrop, demand for industrial land and subsequently logistics for moving goods have risen significantly.

4. 2.2 Growth of Third-Party Logistics (3PL) Market

- 80% of the 3PL service providers in Vietnam are domestic companies which only account for 20% to 25% of total 3PL logistics market share, while smaller number of foreign companies commands a larger market share of 75% to 80%. Notable foreign companies include APL Logistics, Maersk Logistics, NYK Logistics, Schenker, Birkart, BJ, Errmey, Sunil Mezario, Hapag Lloyd, Zim and Sun Express.
- In 2014, Gemadept corporation successfully established eight logistics centers throughout the country offering 3PL services to over 40 large clients including both foreign (Samsung) and domestic (Vinamilk, Masan and Kinh Do) firms.

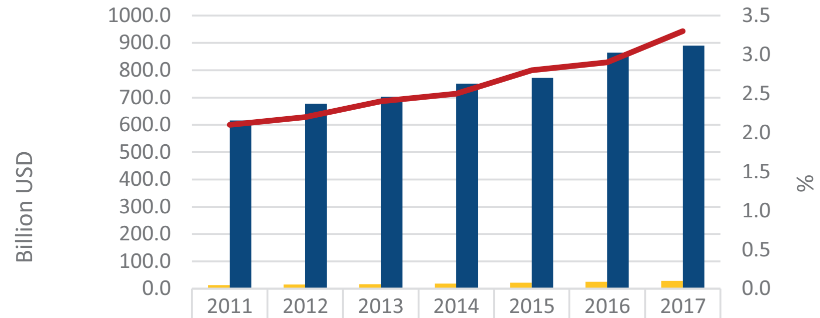
Figure 35: Vietnam 3PL Market Size and Growth Rate



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Revenue	19.1	22.0	25.1	28.9	33.6	38.3	43.0	48.9	54.6
Growth Rate		15.2	14.1	15.1	16.3	14.0	12.3	13.7	11.7

Source: Interviews with Vietnam Logistics and Warehousing Market Experts, Ken Research Analysis, Colliers International

Figure 36: Cross Comparison of 3PL Market in Vietnam against Global 3PL Market



	2011	2012	2013	2014	2015	2016	2017
Vietnam 3PL Market	13.2	14.8	16.7	19.1	22.0	25.1	28.9
Global 3PL Market	616.2	676.8	703.2	750.8	772.0	864.6	890.1
Proportion of Vietnam 3PL Market over Global	2.1	2.2	2.4	2.5	2.8	2.9	3.3

Source: Interviews with Vietnam Logistics and Warehousing Market Experts, Ken Research Analysis, Colliers International

- Most of the foreign firms operating in Vietnam such as Maersk Logistics, APL Logistics, NYK Logistics and MOL Logistics were observed to offer 3PL or 4PL services whereas, Vietnamese domestic firms can only offer 2PL services. In Vietnam, large companies such as DHL, Kuehne + Nagel or DB Schenker are the leading 3PL service providers.
- From 2018 to 2022, revenue of Vietnam's 3PL market is expected to grow at a CAGR of 13.6% to 54.6 billion USD. The growth is driven by a rising trend of both local and multinational enterprises outsourcing their logistics functions to 3PL service providers.

4. 2.3 Growth of E-commerce

In accordance with Vietnam E-commerce Association, Vietnam is the 4th largest country in terms of e-commerce development in Asia-Pacific and is estimated to reach a market size of 13.0 billion USD in 2020. E-commerce in Vietnam is further anticipated to grow at a good pace due to the proliferation of broadband internet and technology services. Additionally, cashless payment technologies coupled with increasing volume of cross-border sales have positive impacts on Vietnam's e-commerce industry.

Vietnam E-Commerce Logistics Market Size, 2015 – 2017

E-commerce market

- In accordance with a survey done by the e-commerce and Information Technology Agency, under the Ministry of Industry and Trade, one of the major obstacles to the growth of e-commerce is the quality of delivery services.
- Vietnam's e-commerce logistics market revenue is expected to increase from 282.3 million USD in 2018 to 993 million USD by 2022

Drivers of market

- Surge in cross-border online trading activities is one of the major driving factors of the Vietnam's E-commerce industry. Cross-border shopping in general was for premium-end brands, thereby leading to a higher ticket size.

- Over the forecast period, Vietnam's e-commerce logistics market is expected to benefit from rising e-commerce spending especially by a young, smartphone addicted and incredibly internet-savvy millennial group. This has also prompted e-commerce platforms in Vietnam to alter their strategies to cater to the younger generation.
- Reliable telecom infrastructure coupled with the popularity of smart phones have positioned mobile devices as the main online gateway to access e-commerce sites from any geography, thereby generating traffic from tier 2 and tier 3 cities in Vietnam.

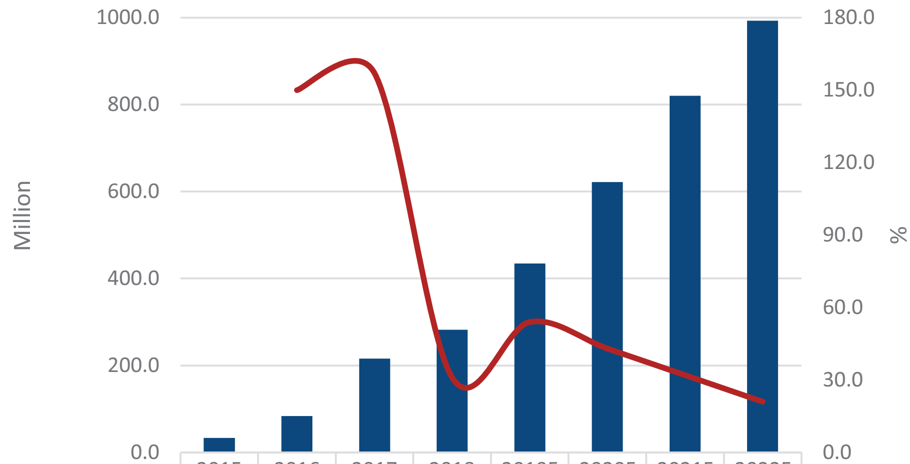
3PLs

- The market is primarily dominated by 3PL service providers such as GHN, Viettel Post, VINI Post and DHL eCommerce; followed by e-commerce merchants such as Lazada, Shopee, Tiki and others.

<u>Example: DHL eCommerce Vietnam</u>

- In 2017, DHL eCommerce Vietnam officially launched its domestic distribution service across Vietnam and has established warehouses in Hanoi and HCMC along with many distribution centers throughout the country.
- To improve last mile delivery, DHL eCommerce Vietnam has started rolling out service points across the country. The company is establishing these service points in conjunction with retail partners such as cafes, small shops and convenience stores. DHL service points will provide alternative pick-up and delivery points to customers as well as offer local partners an alternative source of income.
- The leading brand of Vietnam's e-commerce industry will continue to expand its delivery network by opening five new warehouses to handle large orders as well as shorten the delivery time to two to three days.

Figure 37: Vietnam E-Commerce Logistics Market Size and Growth Rate



	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Number of Orders	33.5	83.9	215.5	282.3	434.7	621.7	820.6	993.0
Growth Rate		150.0	157.0	31.0	54.0	43.0	32.0	21.0

Source: Interview with Vietnam Logistics and Warehousing Market Experts, Ken Research, Colliers International Vietnam

4. 2.4 Growth of Express Delivery Firms

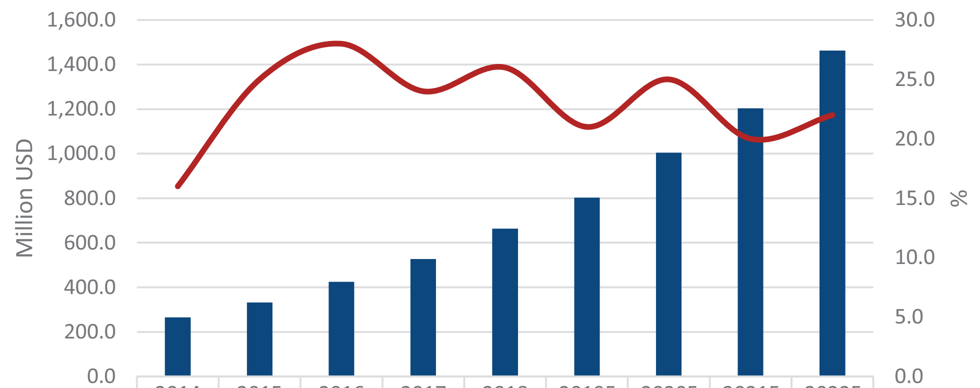
Vietnamese express delivery firms such as Hop Nhat, Viettel Post and VNPost operate alongside foreign giants such as DHL, FedEx and UPS. These foreign giants mostly deliver documents, mails and cargos in small quantities. Air express is the most popular mode of express delivery as compared to ground express delivery.

Following the rise of e-commerce, popular e-commerce websites in Vietnam such as Lazada Vietnam, Chotot.com, Shopee, Tiki, Rongbay and others, are providing express mail options for faster delivery of goods to customers. In 2012, Lazada entered the Vietnamese market. And then over the past 3 years, Lazada Vietnam has separated its delivery department into an independent company called "Lazada Express".

The trend of online shopping for perishable items such as fruits and vegetables, meat, fish and others has been rising. Changing consumer shopping behavior coupled with the growth of e-commerce have led to a rise in express delivery services in the country.

Vietnam's express logistics market was observed to generate revenues worth 663.8 million USD in the year 2018, growing at a CAGR of 25.7% in the review period 2014 to 2018.

Figure 38: Vietnam Express Logistics Market Size and Growth Rate



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Revenue	265.5	331.9	424.9	526.8	663.8	803.2	1,004.0	1,204.8	1,469.9
Growth Rate	16.0	25.0	28.0	24.0	26.0	21.0	25.0	20.0	22.0

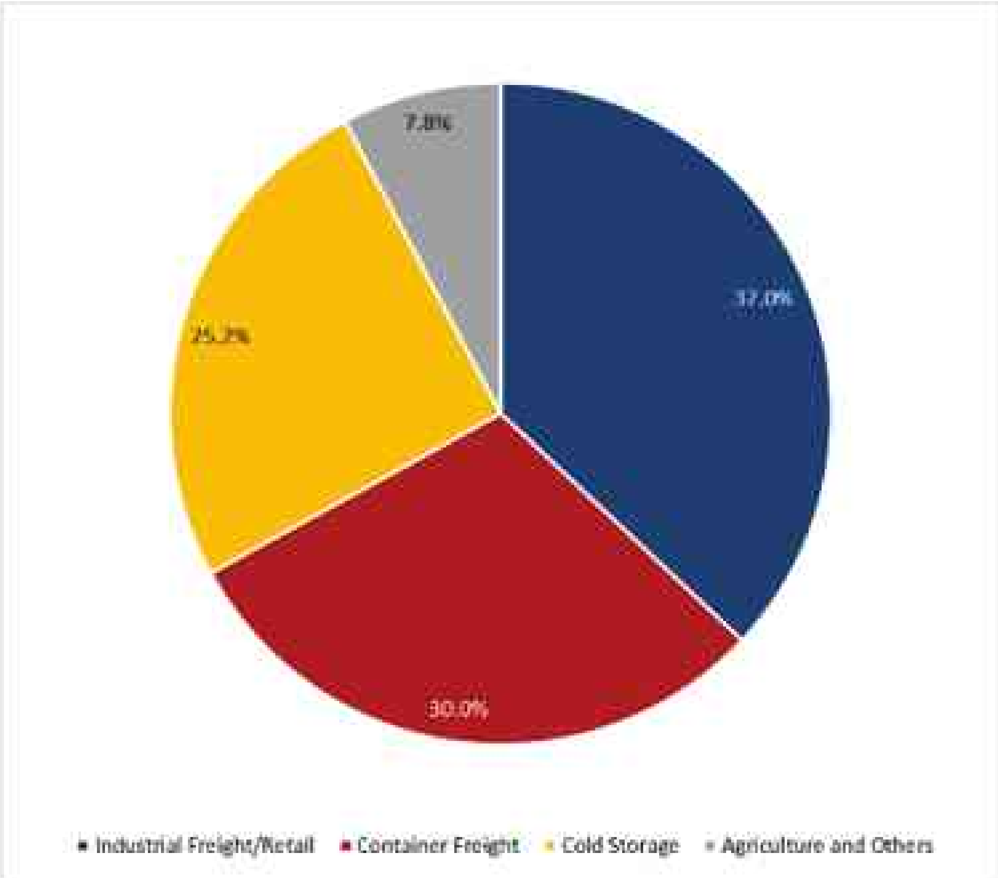
Source: Ken Research Analysis, Colliers International

- UPS Express Vietnam is making efforts to launch its latest technological application "data cloud" with an investment of 1.0 billion USD in order to gain a competitive edge in Vietnam's logistics industry. This technology will aid the company in sourcing accurate information of enterprises' shipments at any point in time, forecasting delivery schedules and reducing inventory redundancy. The company's investment will play a major role in transforming Vietnam's logistics industry to its next phase.
- Vietnam's express logistics market is estimated to grow at a CAGR of 22% between the period 2018 to 2022 to be worth 1,469.9 million USD. The high growth rate can be attributed to the growth in e-commerce, higher demand for perishable goods and the increased use of express delivery for personal and corporate documents by consumers.

4.3. Vietnam's Logistics Market

4. 3.1 Segmentation of Vietnam Warehouse Market

Figure 39: Vietnam Warehouse Market by Business Model on Basis of Revenue (2017)



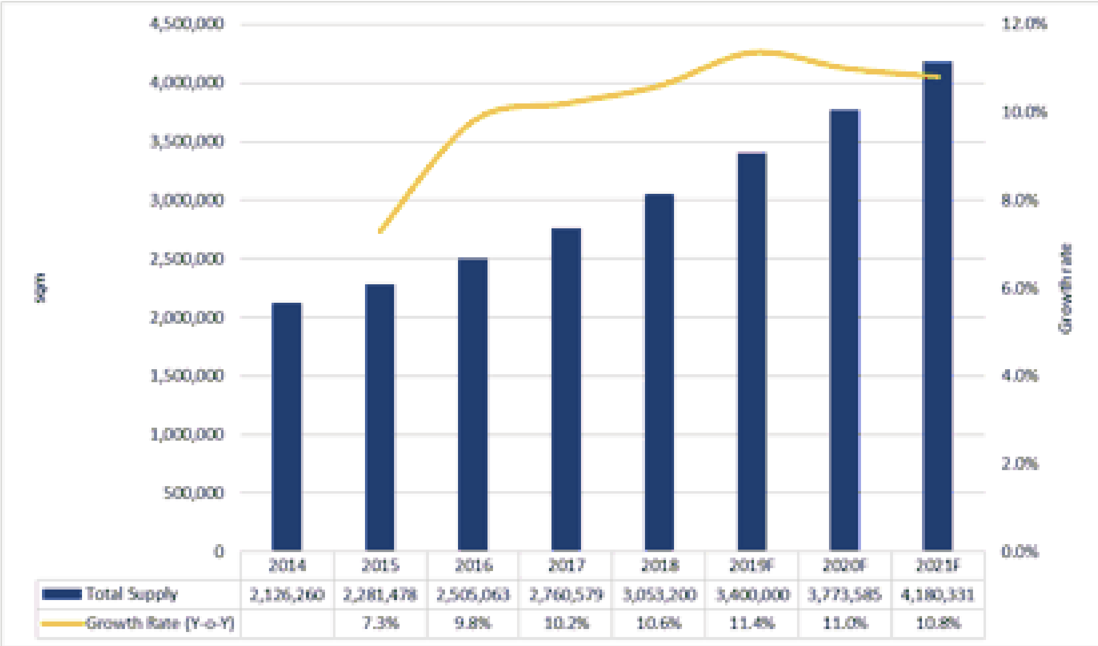
Source: Ken Research, Colliers International

Business Model	Rationale
Industrial / Retail Freight	• The industrial/retail freight segment is the largest revenue contributor to Vietnam's warehouse market, accounting for 37.0% of revenue in the year 2017. The rising industrial / retail sector in Vietnam have led to higher requirements of warehouses in the country due to greater demand for storage of processed packaged foods and beverages, as modern food retailing businesses expands their operations to meet consumers' requirements. • Industrial warehouses, as per different requirements, have more complex infrastructure designs which can handle greater loads, larger volume and higher bays with greater use of robotics and high-tech picking system. • Recent retail trends have also led to the development of warehouse style retail stores in Vietnam which constitutes high ceiling buildings displaying retail goods on tall, heavy duty industrial racks rather than conventional retail shelving. Essentially, the same building serves as both a warehouse and retail store. • Moreover, rising internet and smartphone penetration in Vietnam have strengthened the e-commerce market. These retail companies require warehouses for storing goods and are one of the growth factors for warehouse space in Vietnam.
Container Freight	• Container freight accounted for 30.0% of Vietnam's warehouse market revenue in 2017. The use of containers in export shipments makes the transportation and goods handling easier and faster. Additionally, the containers are designed to facilitate the carriage of goods without intermediate reloading.
Cold Storage	• The cold storage segment in Vietnam's warehousing market accounted for 25.2% of revenue in 2017 due to an increase in products requiring cold storage. The growing tech savvy population has led to more online food orders which drives demand for cold storage systems as most foods and drinks require cold storage. • Major sales of cold storage products in Vietnam include pharmaceutical products such as vaccines and infections which are required to be stored in a temperature controlled environment.
Agriculture and Others	• The agriculture and other segments collectively accounted for the remaining revenue share worth 7.8% in 2017. • General warehouses contain agriculture products for exports mainly to Laos and Cambodia. There are two general warehouses at Long Sap and Tay Trang border gates and 1 general warehouse at Tinh Bien border gate to efficiently store products.

4. 3.2 Supply

Total Supply

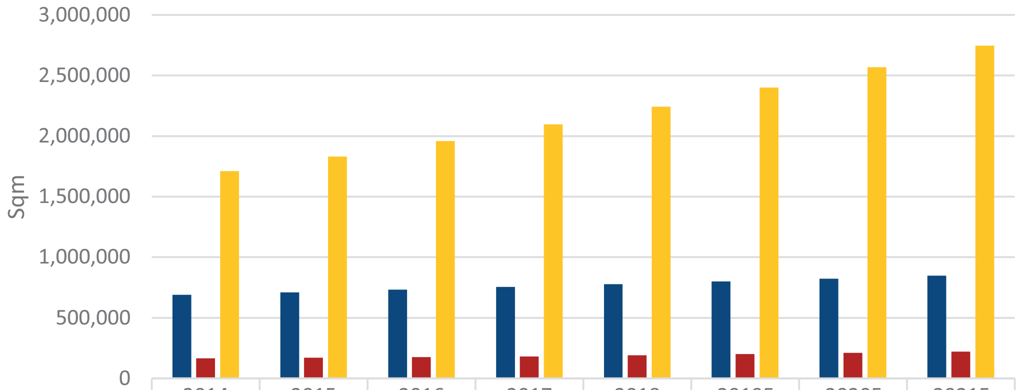
Figure 40: Warehouse Supply and Y-o-Y Growth Rate (2018)



Source: Ken Research, Colliers International

By the end of 2018, Vietnam had approximately 3 million sqm of warehouse stock in the market, an increase of 10.6% as compared to 2017. Driven by the e-commerce boom during the period 2016 to 2019, demand for warehouse space is increasing. Total supply is expected to increase by approximately 1.1 million sqm from 2018 to 2021 with a CAGR of 11.0%.

Figure 41: Warehouse Supply by Region



	2014	2015	2016	2017	2018	2019F	2020F	2021F
North	690,087	710,790	732,113	754,077	776,699	800,000	824,000	848,720
Central	166,012	170,993	176,123	181,406	190,476	200,000	210,000	220,500
South	1,711,160	1,830,940	1,959,110	2,096,110	2,242,990	2,400,000	2,568,000	2,747,760

Source: Ken Research, Colliers International

Southern Vietnam

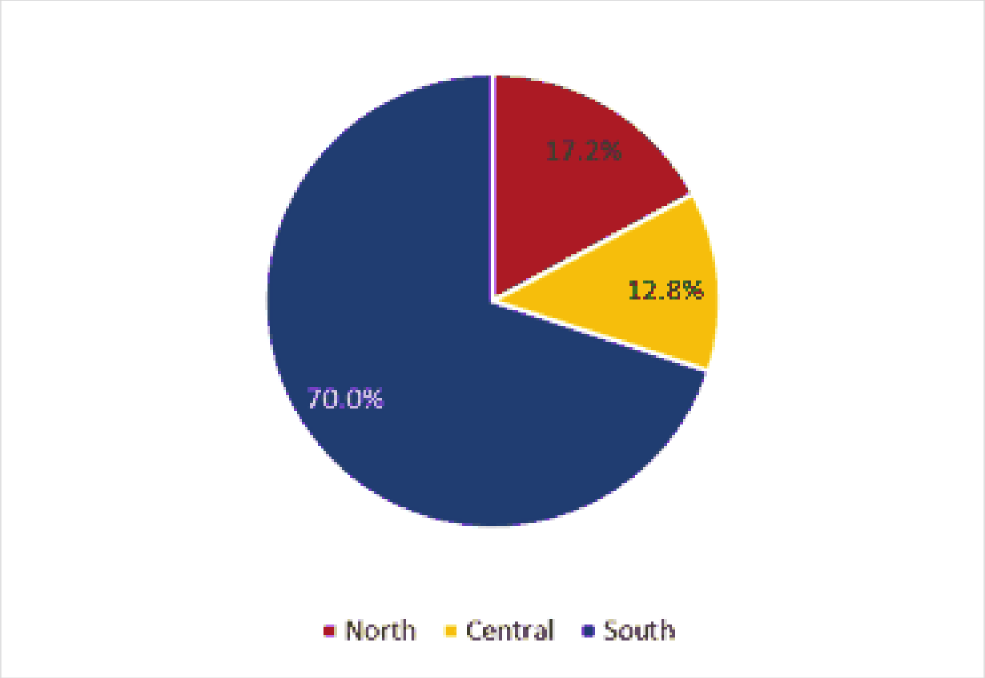
- Southern Vietnam is the largest warehousing market in Vietnam accounting for 70.0% of warehouse stock in 2018. This is due to proximity towards key destinations such as airports, seaports, major cities, main highways and borders. There has also been an increase in the number of industrial parks established in the southern region of Vietnam such as Linh Trung Export Processing Zone and Industrial Park III, My Phuoc Industrial Park, Sai Gon Hi TechPark and others. These have also created a positive impact on Vietnam's warehousing market.
- The southern key economic zone is dedicated to the development of commerce, exports, technology, services and telecommunications. Its areas include HCMC and the provinces of Binh Duong, Ba Ria-Vung Tau, Dong Nai, Tay Ninh and Binh Phuoc.
- Major export sectors in Vietnam such as garment and textile manufacturing were observed to be more concentrated in both Southern and Northern regions of Vietnam whereas, footwear and furniture manufacturing are highly concentrated in the South.
- Saigon Newport, Mapletree, SOTRANS, Gemadept, Vinafco and DHL are some of the major companies situated in Southern Vietnam.

Others (Northern and Central Vietnam)

- Other regions such as Northern and Central Vietnam account for 30.0% of warehouse stock in the country.
- Vinafco, Saigon, Newport, Mappletree, Draco and Indo-Trans are some of the major players situated in North Vietnam whereas PSCH, Thanh Hoa, Vinafco and Transimex are some of the major players situated in Central Vietnam.
- Quang Tri, Quang Binh and Dien Bien have only one warehouse per border gate.

- Noi Bai international airport (Hanoi) and Danang international airport are major international airports in North and Central Vietnam respectively.

Figure 42: 2017 Vietnam Warehouse Market by Region (Southern Vietnam and Others)



Source: Interviews with Vietnam's Logistics and Warehousing Market Experts, Ken Research Analysis, Colliers International

Supply by Grade

Warehouses in Vietnam are classified into Grade A, Grade B, and Grade C based on the following criteria:

	Grade A	Grade B	Grade C
Building Eave Clear Height (m)	≥ 8	≥ 6	Any category lower than Grade B
Floor Loading (ton)	≥ 3	≥ 2	
Fire Safety	Full Sprinkler System	Fire safety without Sprinkle System	
Internal Driving Range Width (m)	≥ 40	≥ 30	
Raised Floor (m)	≥ 1.3	≥ 0.7	
Floor Plate (sqm)	≥ 10,000	≥ 5,000	

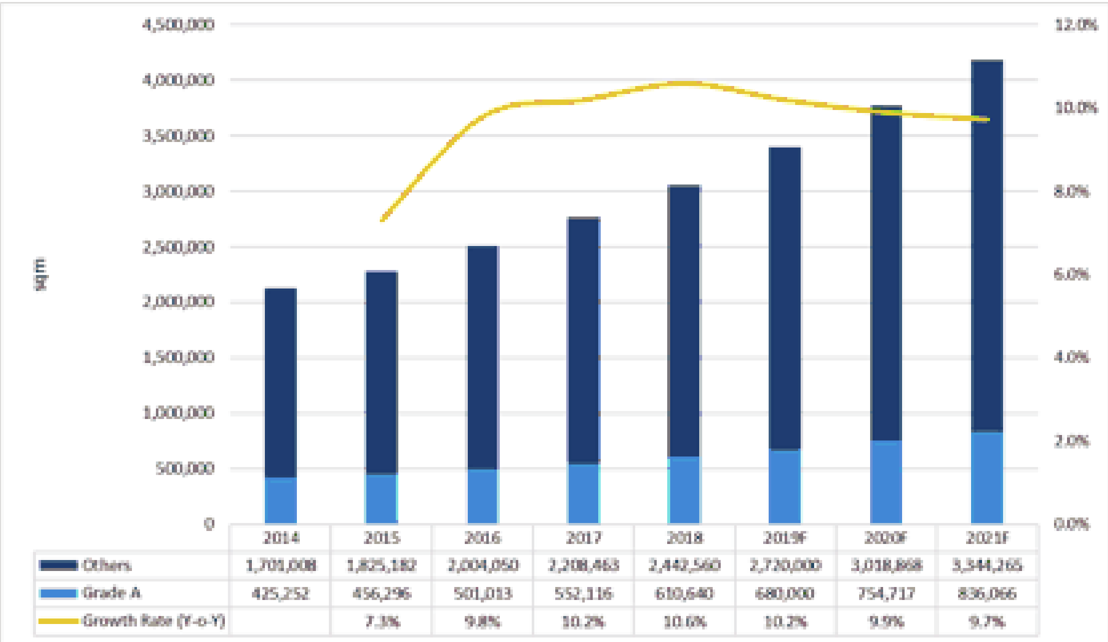
Table 4: List of Significant Warehouses by Grade

#	Logistics Companies	Type	Location
	North		
1	Mapletree	Grade A	Bac Ninh
2	Logis Valley	Grade A	Bac Ninh
3	Bac Ky Logistics	Grade A	Bac Ninh
4	Daiwa House	Grade B	Ha Noi
5	Logistic Valley	Grade B	Bac Ninh
6	BWI Hai Duong	Grade B	Hai Duong

South			
1	Mapletree	Grade A	Binh Duong
2	Saigon New Port	Grade A	HCMC, Binh Duong, Dong Nai, Ba Ria - Vung Tau
3	U&I Logistics	Grade A	Binh Duong
4	Unidepot	Grade B	HCMC
5	Amata	Grade B	Dong Nai
6	Gia Thuy	Grade B	Long An
7	Nhon Trach	Grade B	Dong Nai
8	Kizuna	Grade B	Long An
9	BWI Bau Bang	Grade B	Binh Duong
10	Long Hau	Grade B	Long An
11	Sonadezi	Grade B	Dong Nai
12	Dong Xoai III	Grade B	Binh Phuoc
13	Phu My 3	Grade B	Ba Ria-Vung Tau
14	Tuan Thuan	Grade C	HCMC
15	Tan Do	Grade C	Long An

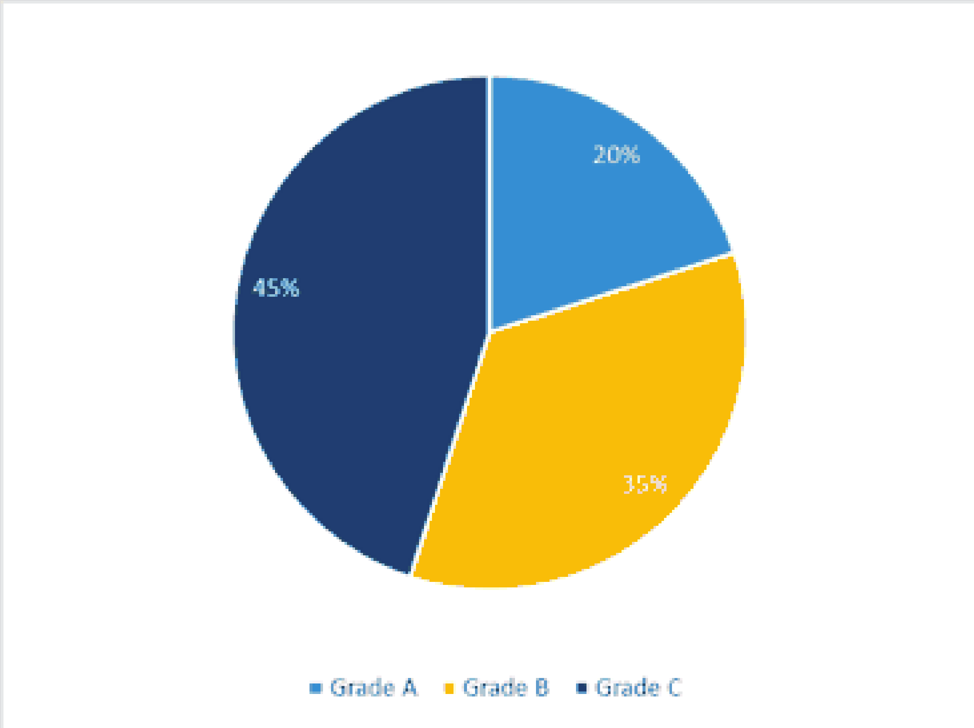
Source: Colliers International Vietnam

Figure 43: Vietnam Warehouse Supply by Grade and Y-o-Y Growth Rate



Source: Colliers International Vietnam

Figure 44: Percentage of Warehouses by Grade

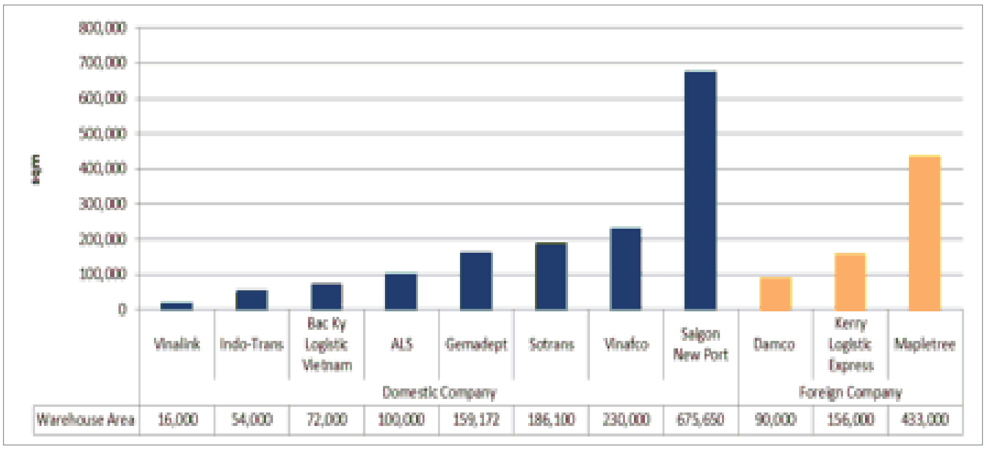


Source: Colliers International Vietnam

Since 2014, the number of Grade A supply has increased from 425,252 sqm to 610,640 sqm in 2018. This is expected to increase further to 680,000 sqm in 2019 due to the positive economy as well as other positive factors affecting the logistic market. As more and more big enterprises enter the market and with big companies such as Mapletree having expansion plans, Grade A supply is estimated to increase to 836,066 sqm in 2021. Overall, Grade A warehouse stock accounts for 20% of total logistics space. Grade A warehouse space is able to command a rental premium of approximately 15% - 20%.

4. 3.3 Major Players/Providers

Figure 45: Warehouse Area of Major Logistics Players in Vietnam



Source: Ken Research, Colliers International Vietnam

Foreign enterprises mainly focus on the southern provinces, especially HCMC, Binh Duong and Dong Nai. These enterprises also occupy a very large warehouse area, in which Mapletree is the foreign enterprise with the largest storage area of 433,000 sqm.

Domestic enterprises have strong differentiation in the market they operate in and are concentrated near large ports of the country. Saigon New Port is one of the leading companies with facilities located along Vietnam including the South (Ho Chi Minh, An Giang, Dong Nai, Binh Duong) and the North (Hai Phong).

The smallest business is Vinalink which occupies a warehouse space of 16,000 sqm. In general, domestic enterprises take advantage of leased factory area and there is still a big gap in the area of warehouse leasing requirements between domestic enterprises when compared with foreign enterprises. The difference is mostly driven by warehouse quality, scale, and brand reliability.

To increase competitiveness, warehouses of major domestic and foreign players are equipped with modern equipment, cold storage facilities, 24/7 CCTV and alarms for all situations.

Logistics Hub

Location preferences for setting up a Logistics Hub:

- The companies setting up these logistics facilities generally choose a location which provides them with better accessibility to roadways, railways and waterways. For instance, freight-forwarding companies dealing with sea freight must locate their facilities near to major seaports.
- Various factors such as highway accessibility, proximity to the market, land availability, infrastructure facilities, labor supply and the degree of government's support must be carefully evaluated beforehand to assess location alternatives.

In fact, national and international logistics hubs which function as companies' headquarters (HQs) are located in cities such as Hanoi, Da Nang and Northeast Ho Chi Minh City. Beyond their HQs, companies develop smaller scale logistics hubs in regional, sub-regional and economic corridors.

The main logistics hubs located in the North are situated in Ha Noi, Hai Phong and Bac Ninh. These three provinces/cities are strong in logistics because they are home to many large logistics enterprises such as ALS, Sotrans, Vinfco, Kerry, Mapletree, etc. FM Logistics is expected to complete Phase 1 of its Bac Ninh distribution center in 1Q2020 with an area of 52,000 sqm. In addition, there are heavy investments in infrastructure in the three provinces/cities with many highways/national highways connecting provinces together such as national highways 1A, national highways 5A, 5B, and national highways 17, 18, etc. The development of Hai Phong's logistics industry is being facilitated with its advantage of being a port-city, leading to an increase in demand for warehouses and transportation services.

Logistics activities in the Central region is not as active as the other two regions, most of which are concentrated in Da Nang which is the main logistics hub in this region. With the presence of some big names in the industry such as Vinfco, ALS, Kerry, along with the continuous growth of import and export, the outlook of the logistics industry in Da Nang is quite positive.

The South is considered the most active logistics area in the country. Besides HCMC, Binh Duong is also a bright spot in the logistics industry due to the concentration of many large industrial parks such as VSIP 1, 2, etc. Being a strong industrial city, and also adjacent to HCMC, Binh Duong is attracting the attention of many logistics businesses. Most major players are present and have built large-scale warehouses in Binh Duong's industrial parks such as Kerry's Song Than Logistics Center (73,000 sqm), Mapletree Logistics Park at VSIP 1

(23,050 sqm), etc. In addition, Dong Nai and Ba Ria - Vung Tau are also considered logistics hubs due to the presence of some major players such as Sotrans Phu My and Saigon New Port Cai Mep Thi Vai.

Vietnam is one of those six countries in the Greater Mekong Sub-region trying to strengthen its transportation linkages to other members' countries so as to improve cross-border transportation connectivity. Additionally, the country's direct access to the Eastern Sea shipping route can further aid Vietnam to transform into a logistics hub where goods can be transported not only to Southeast Asia, but also to Northeast Asia, America and Oceania.

The country continues to focus on attracting investments in logistics infrastructure development, constructing regional and international logistics service centers, improving the efficiency of connection between Vietnam and other countries, to become a modern logistics hub in near future.

Figure 46: Significant Major Players by Region (North, South and Middle)

Source: Colliers International Vietnam

5 Bac Ninh Logistics Market Study

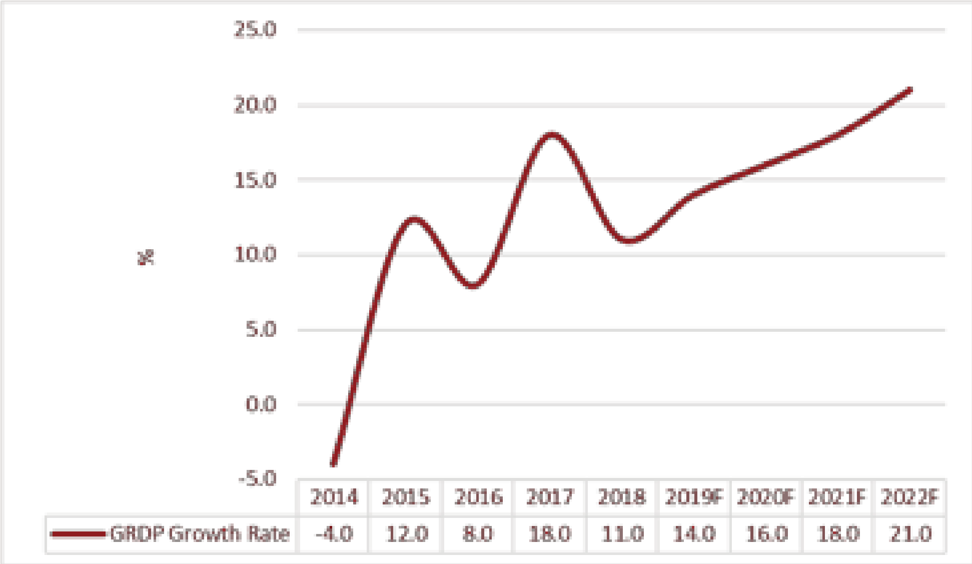
5.1. Economic Overview

Gross Regional Domestic Product (GRDP)

The GRDP compared to the price level in 2010 is estimated at 1.6 billion USD, down 5.6% from the same period last year and also the highest decline since 2015.

In particular, the agriculture, forestry and fishery sector increased by 1.3%. Industry-construction sector decreased by 8.8% and reduced the growth rate by 6.95 percentage points. In the service sector, growth rate in the first quarter of 2019 was also low (+ 7%) and contributed 1.33 percentage points to growth.

Figure 47: Bac Ninh - GRDP Growth Rate

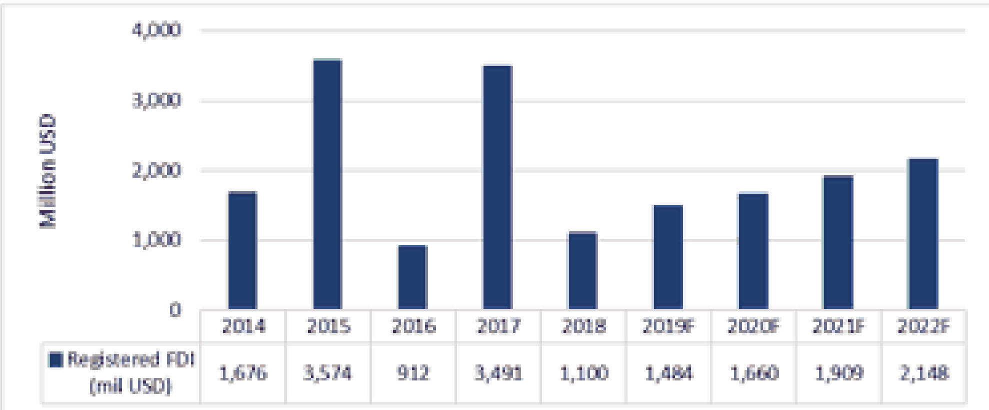


Source: bacninh.gov.vn

Foreign Direct Investment (FDI)

FDI in the first half of 2018 was 375 million USD, down 2.1% with registered capital accounting for 455.7 million USD. It is forecasted that investment capital will increase in the second quarter due to a number of new FDI enterprises licensed from January to build construction plants and production lines with an estimated total investment of more than 200 million USD. At the end of 2019, total FDI capital is expected to reach 1,484 million USD and may exceed 2,000 million USD in the next three years due to strong investments by foreign businesses.

Figure 48: Bac Ninh – Registered FDI

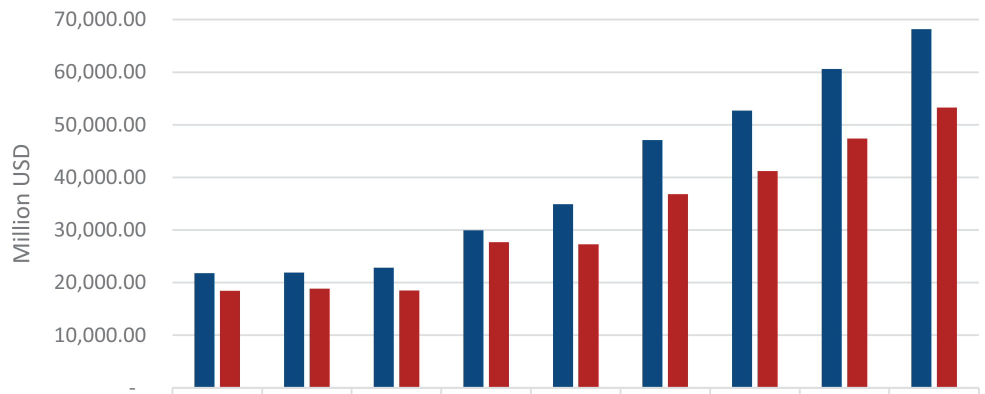


Source: Ministry of Planning and Investment

Export and Import

Export and import value increased significantly from 2014 to 2018. Export value rose from 21,818 million USD in 2014 to 34,915 million USD in 2018, while import value increased from 18,443 million USD to 27,286 million USD in the same period. In the first quarter of 2019, total export turnover was down 16.6% in comparison to the same period last year. However, based on the export trend in March 2019 (36.6% higher than the previous month), it is predicted that in the second quarter, total export turnover for 2019 will be higher because Samsung Galaxy S10 phones will be sold widely in the market. Therefore, by the end of 2019, the export value is predicted to reach 47,102 million USD while import value may be 36,810 million USD.

Figure 49: Bac Ninh - Export and Import Value



	2014	2,015	2016	2017	2018	2019F	2020F	2021F	2022F
Export Value	21,818	21,903	22,839	29,921	34,915	47,102	52,701	60,607	68,183
Import Value	18,443	18,832	18,499	27,701	27,286	36,810	41,186	47,364	53,284

Source: *bacninh.gov.vn*

5.2. Government Planning and Policies

Decision 200/QD-TTg dated February 14, 2017 is an action plan to improve the competitiveness and development of logistics services. Accordingly, by 2025, Vietnam hopes to become an important logistics hub in the region; with the industry accounting for 8-10% of GDP and a LPI raking of 50 or higher. In 2018, the country achieved an LPI ranking of 39 in 2018.

Decision No. 1831/QD-TTg was approved in relation to the master plan on socio-economic development of Bac Ninh province through 2020, with orientations toward 2030 which includes the following principal contents: to bring into the fullest play the potential and advantages of its gateway position and human resources for fast and sustainable socio-economic development and to intensively develop highly competitive sectors. Several specific economic goals were outlined: by 2020 GDP per capita to reach about 6,560 USD; proportion of industry, service, agriculture in GDP to account for 73.2%, 23.0%, 3.8% respectively; total export turnover to reach about 20 billion USD.

The main objective is the planning of urban construction and development in Bac Ninh to achieve the standard of Grade I urban center under the central government, as a premise to establish Bac Ninh province as a municipality by 2022. In addition, the decision also mentioned the development of inter-regional key infrastructure systems such as clean water supply, electricity supply, communication, wastewater treatment, solid waste and environmental protection, as well as the requirement to study the possibility of developing underground traffic.

5.3. Infrastructure Development

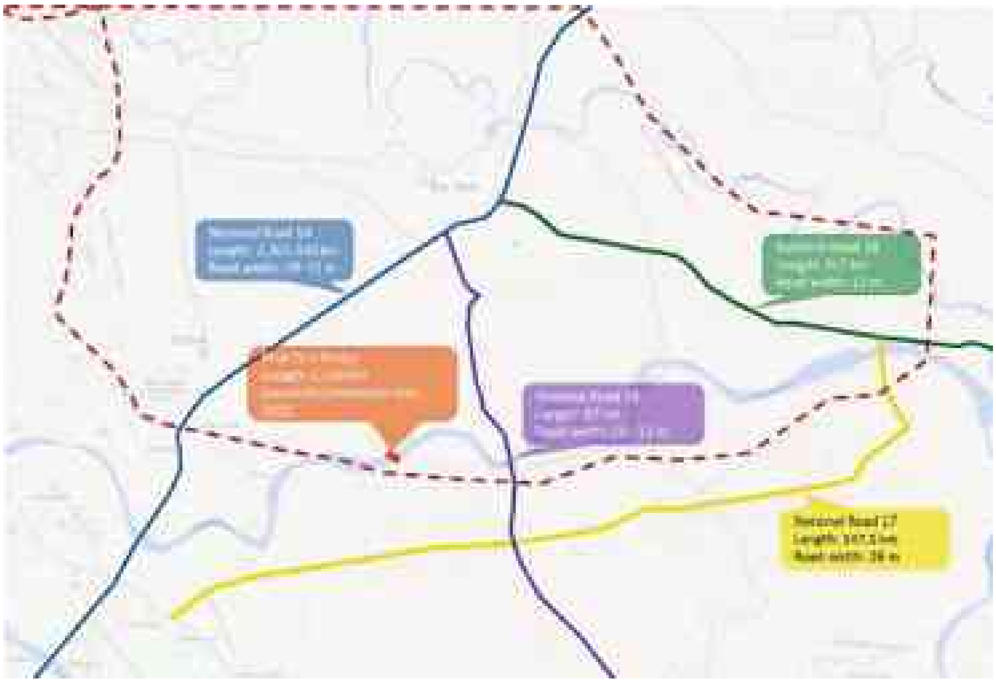
Bac Ninh borders three provinces to the north, east and south and is also a gateway to the capital, Hanoi, to the west. Not only does it lie in the key economic triangle area of Hanoi – Haiphong – Quang Ninh, it also links the key cities on the economic corridors of Nanning – Lang Son – Hanoi – Hai Phong. Currently, the provincial road network spans over 3,810 km, in which there are four key national roads namely National Highway 1, National Highway 18, National Highway 38 and Hanoi - Bac Ninh - Lang Son railway route.

Recognising its strategic location and potential economic advantages, the local government has invested strongly in infrastructure. Modern and continuous improvement in road networks have played a favourable role to the investment scene in Bac Ninh. Along National Highway 38, which passes through Bac Ninh City, Yen Phong and Que Vo District, modern and large scale industrial parks such as Yen Phong and Que Vo have been developed. Additionally, there are other inter-provincial roads such as National Highway 17 (formerly Provincial Highway 282) passing through Thanh District, Gia Binh District where Thanh 1 Industrial Park and Thanh 2 Industrial Park are sited. These industrial activities in and outside of the industrial parks have rapidly contributed to the shift of the local economy towards an industrial economy.

Figure 50: Distance Between Bac Ninh and Majors Cities

Source: Colliers International

Figure 51: Detailed Map of Bac Ninh’s Main Expressways



Source: Colliers International

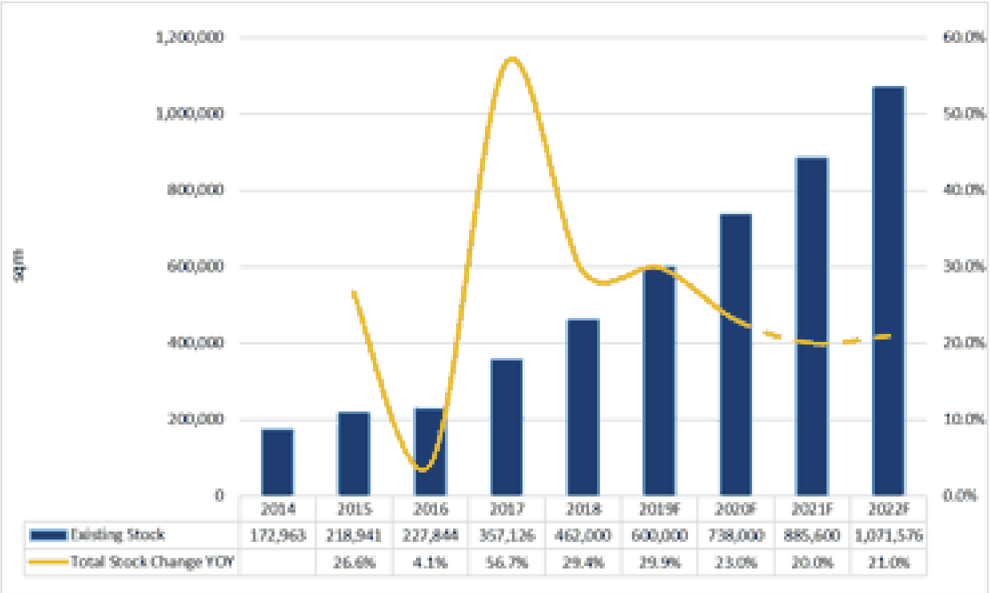
In recent years, the local authority has also focused on renovating and upgrading transportation network to further promote trading between Bac Ninh, Hanoi and neighboring provinces. An example is the renovation and upgrading of Provincial Highway 282 (now termed National Highway 17), or Binh Than bridge which commenced operations in 2012 and 2015, respectively. Another notable project aimed at attracting investment to Tien Son Industrial Park in Dai Dong – Hoan Son is the upgrade of more than 12 km in length of a highway from Bac Ninh City to Tu Son Town, linking the capital of Hanoi and Bac Giang province. In addition, more than VND 250 billion has been invested into the intersection of Yen Phong 1 Industrial Park and National Highway 18, facilitating transportation of goods and workers, consequently easing up traffic congestion in the area during rush hour.

Bac Ninh is of close proximity to China, facilitating access to the China market. Currently, there are many logistics companies in Bac Ninh that transport goods to China. In particular, DHL has the largest market share in this segment. Other players include TNT, VNP, FedEx, and Vinh Cat Logistics, etc. These businesses all support two-way transportation with low costs, and create opportunities for growth in the logistics market in Bac Ninh as well as the Northern region of Vietnam.

5.4. Bac Ninh Logistics Property Market

5. 4.1 Supply and Demand

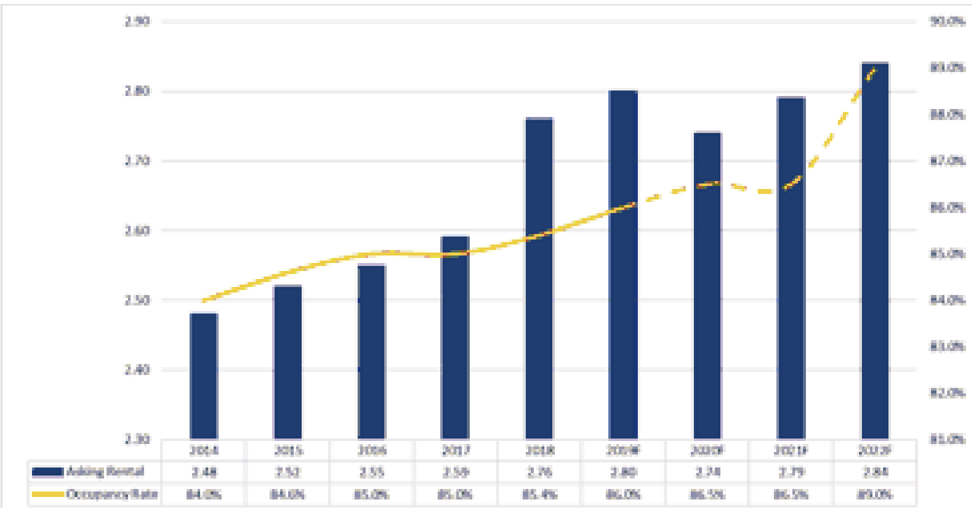
Figure 52: Bac Ninh - Total Warehouse Supply



Source: Ken Research, Colliers International

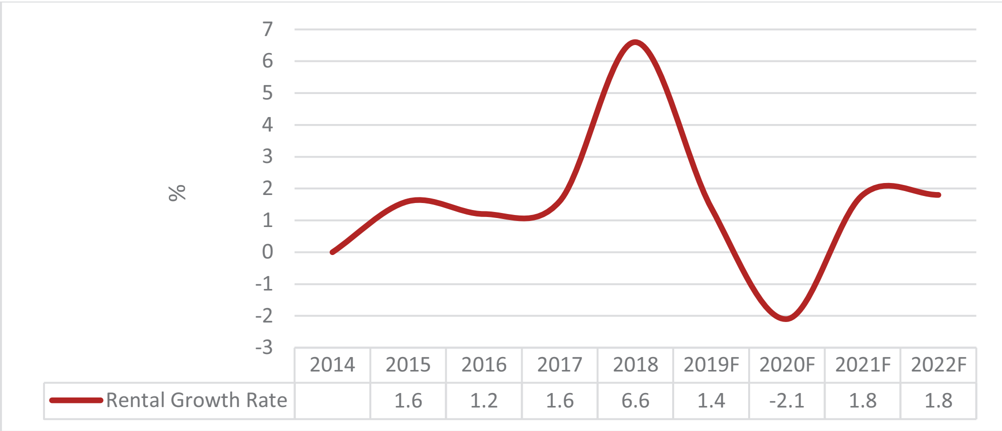
Total supply of warehouses in Bac Ninh increased from 172,963 sqm in 2014 to 462,000 sqm in 2018 with a CGAR of 27.8%. In the next three years, supply in Bac Ninh is expected to increase by approximately 471,576 sqm from 2019 to 2022, concentrated mainly in the southern area.

Figure 53: Bac Ninh - Warehouse Average Rent and Occupancy Rate



Source: Ken Research, Colliers International

Figure 54: Bac Ninh - Warehouse Rental Growth Rate

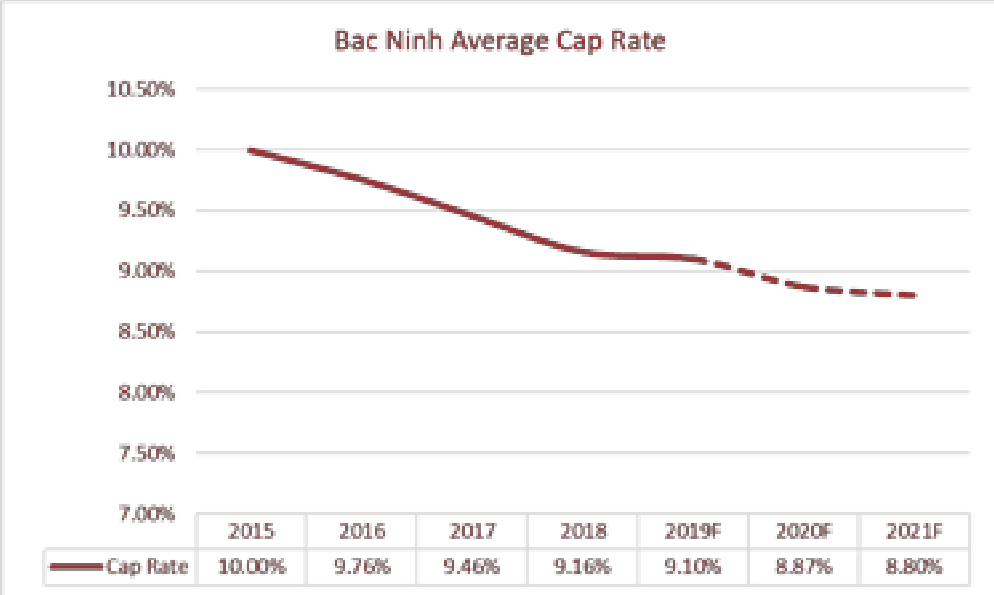


Source: Ken Research, Colliers International

Rental growth remained stable in Bac Ninh between 2014 to 2017. From 2017 onwards, the import and export industry in Bac Ninh have seen many positive changes with higher growth rates than previous years (about 15-30%) reinforcing occupancy rates for warehouse in this area. With a limited supply of warehouse space, rents have increased by 6.6% in 2018 and will continue to increase by 1.4% in 2019 and 2020. The vacancy rate is expected to decrease from 14.6% in 2018 down to 11% in 2020. While the rental growth rate of Bac Ninh is quite low comparable to the South region (Binh Duong at 2.8%), it being a new emerging logistics market offers strong potential for growth. With the upcoming completion of warehouses by logistics enterprises such as Mapletree, FM logistics, the Bac Ninh market is expected to become more active and rentals are expected to increase slightly during the period 2020 to 2022.

5. 4.2 Capitalisation rate and transactions

Figure 55: Bac Ninh - Average Cap Rate



Source: Colliers International

The latest warehouse transaction in Bac Ninh is a 3.8ha warehouse in Yen Phong Industrial park sold for 46.6 million USD. Bac Ninh's cap rate for sale and leaseback transactions with international tenants in the past five years are in the range of 9% - 10%. The cap rate in Bac Ninh is expected to be 8.8% in 2021.

Below are some of warehouse / industrial transactions in Bac Ninh Province from 2017 – 2019:

Table 5: Warehouse / Industrial Transactions in Bac Ninh

No.	Property Name	Location	Transaction date	Property Type	Scale	Selling Price (Million USD)	Buyer	Seller
1	Land at Quang Chau	Quang Chau Industrial Park	Dec 2018	Commercial - Industrial	504,423 sf	$3.40	Bon Fame Co Ltd	Saigon - Bac Giang Industrial Park
2	Logisvalley Vina	Lot CN7-8 CN8-5, Yen Phong, Bac Ninh	Nov 2018	Warehouse/ distribution property	408,563 sf	$46.60	Mirae Asset JV Naver Corporation	N/A
3	Swire Australia Cold Storage Warehouse 2018	30-32 Street No.5, VS IP, Tu Son, Bac Ninh	Dec 2017	Warehouse	236,808 sf	NA	Emergent Cold from	John Swire & Sons

Source: Real Capital Analytics

5. 4.3 Investors and Investment Trend

With access to Hanoi, the largest consumer market and business centre of the North, Bac Ninh has the potential to serve as a regional industrial hub as industrial parks and facilities are moving out of the capital. The province is also well-connected to Hai Phong port and Noi Bai airport through newly developed infrastructure. Logistics is a major demand driver for the warehouse market in Bac Ninh. The market has welcomed some of the biggest names in the industry such as DB Schenker, DHL, Linfox logistics, ALS, Vinafco and large numbers of Korean and Japanese logistics companies.

5. 4.4 Overview of Subject Property - Mapletree Logistics Park Bac Ninh Phase 2

Key attractiveness of Bac Ninh:

- Close proximity to Hanoi, the largest consumption market in the North
  Well-connected to key transportation infrastructure (major highways, Hai Phong Port and Noi Bai Airport)
- Beneficiary of strong inflow of FDI with second highest new FDI registered in 2018
- Strong demand for warehouse space is driven by growth in retail and e-commerce and growing presence of 3PLs

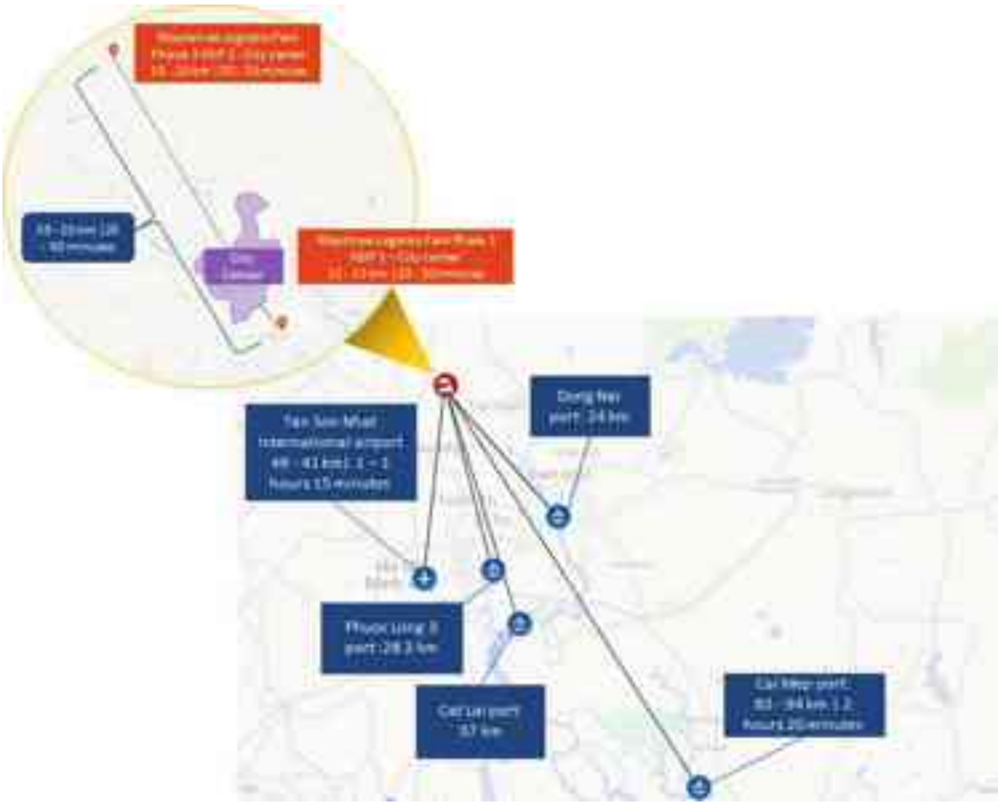
Mapletree Logistics Park Bac Ninh Phase 2 is located in Vietnam-Singapore Industrial Park Bac Ninh, Tu Son Town, Bac Ninh Province. It was completed in November 2016 with a total site area of 99,707 sqm, and a GFA of 50,147 sqm. Mapletree Bac Ninh Logistics Park Phase 2 comprises four single-storey blocks with a ceiling height of 6.5m and floor loading of 2 tonnes.

Table 6: Travel Time from Mapletree Bac Ninh Logistics Park Phase 2

Destination (major structure)	Estimated driving time
Noi Bai International Airport	40 minutes
Hai Phong Seaport	1 hour 40 minutes
Nearest Highway entrance	7 minutes
Hanoi City enter	30 minutes

Source: Colliers International Vietnam

Figure 56: Distance from Mapletree Logistics Park Bac Ninh Phase 2 to Key Locations



Source: Colliers International

Situated in Tu Son Town of Bac Ninh Province, Mapletree Bac Ninh Logistics Park Phase 2 is conveniently located, with access to major transportation facilities such as Noi Bai International Airport (40 minutes away); Hai Phong Seaport (1 hour 40 minutes away); Hanoi city (30 minutes away); nearest highway entrance (7 minutes away). Furthermore, this location is supported by a well-developed infrastructure network of major highways 1 and 5, which connect the capital city of Hanoi to the surrounding regions.

Figure 57: SWOT Analysis of Mapletree Bac Ninh Logistics Park Phase 2

Strengths:

- Strategic location – accessible to airport, sea ports, city centre and conveniently linked to major highways
- Located within international standard logistics park
- Good building quality and well maintained

Weaknesses:

- Not suitable for customers who require high-level racking

Opportunities:

- Strong demand for warehouse space due to growing domestic consumption coupled with the e-commerce boom, increasing manufacturing for export and robust FDI inflows resulting from US-China Trade war.

Threats:

- Competition from future new supply in locations further away from Hanoi city

Source: Colliers International Vietnam

Mapletree Bac Ninh Logistics Park Phase 2 Performance Outlook

There are several competitors' warehouse situated in other industrial parks in Tu Son town. In comparison, Mapletree Bac Ninh Logistics Park Phase 2 is located within Vietnam-Singapore Industrial Park, which has the advantage of being the closest in proximity to Hanoi city. Additionally, the industrial park is one of the most well-maintained and developed parks in Northern Vietnam, which allows tenants to enjoy international standard infrastructure and service.

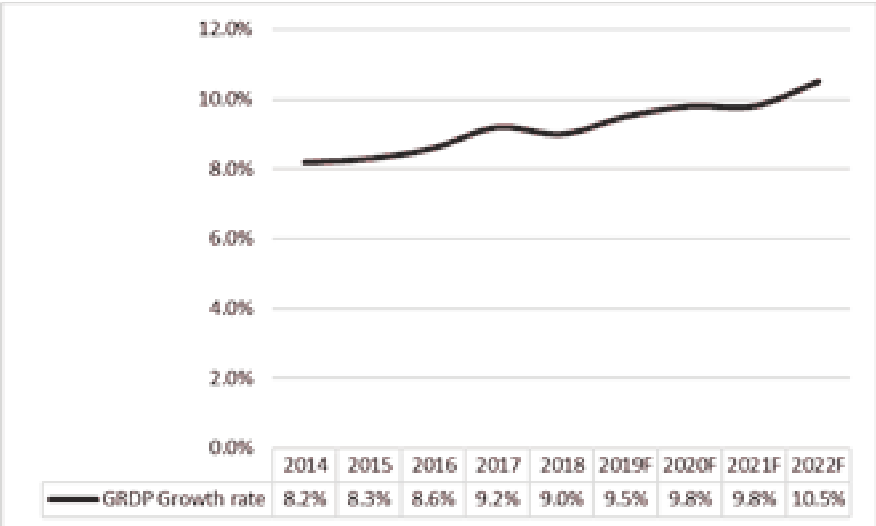
6. Binh Duong Logistics Market Study

6.1. Economic Overview

Gross Regional Domestic Product (GRDP)

In recent years, Binh Duong has delivered positive growth. In 2017, GRDP increased 9.15% (compared to its target of 8.3%). In 2018, the GRDP went up by 9.01%, higher than the initial expectation of 8.5%, to reach 5,627 USD. In the first half of 2019, GRDP increased by 6.76%; even though it is lower than the first six months of 2018, it is much higher than the number in 2011-2017. It is predicted that in 2019, the GRDP of Binh Duong- one of the top economies of Vietnam, will continue to grow to meet the target of more than 9% by the end of the year.

Figure 58: Binh Duong - GRDP Growth Rate

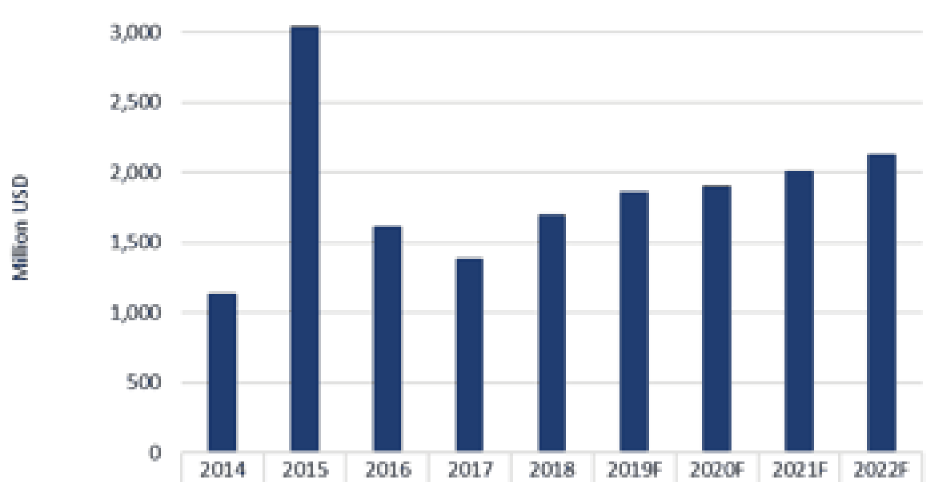


Source: binhduong.gov.vn

Foreign Direct Investment (FDI)

Binh Duong historically enjoyed strong inflow of foreign capital with FDI increasing at CAGR of 10.6% from 1.1 billion USD in 2014 to 1.7 billion USD in 2018. Particularly in 2015, Binh Duong recorded highest ever FDI of 3.0 billion USD. Continuing this trend, Binh Duong attracted 464.1 million USD of FDI in Q1 2019, up by 10.9% in the same period, representing 8.6% of the total capital of the country. Of which, 48 new projects with investment certificates were registered with a total capital of 310.6 million USD, an increase of 16.7% over the same period and 26 adjusted capital projects with a total capital of 153.5 million USD, up 0.8% over the same period. Binh Duong is on track to become the biggest industrial state in Vietnam. It is expected that FDI for Binh Duong will reach 2.1 billion USD by 2022.

Figure 59: Binh Duong – Registered Capital



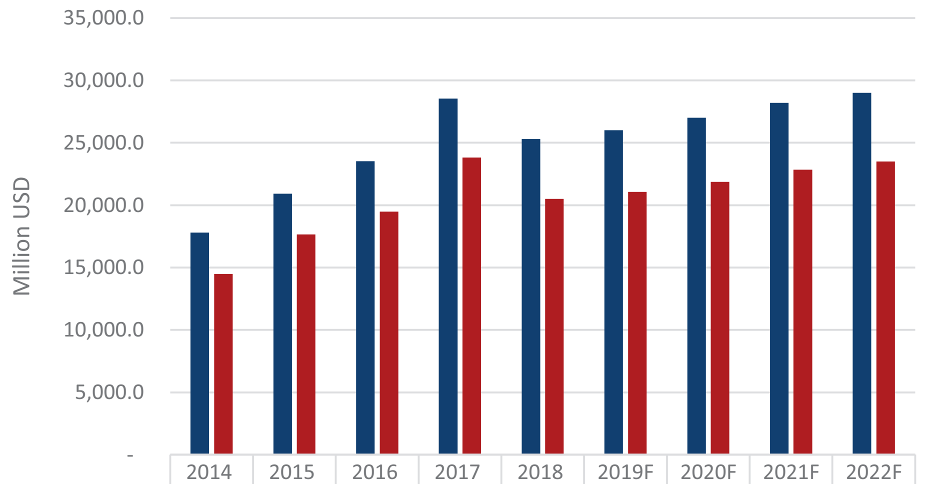
	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Registered FDI (mil USD)	1,131	3,034	1,612	1,376	1,694	1,855	1,900	2,000	2,120

Source: Ministry of Planning and Investment

Export and Import

During the period of 2014 to 2017, exports and imports have increased significantly. Export value increased from 17,796 million USD to 28,534 million USD while import value increased from 14,482 million USD to 23,819 million USD. While export value decreased from 28,534 in 2017 to 25,300 in 2018 and import value fell from 23,819 in 2017 to 20,500 in 2018, it is expected to pick up from 2018 to 2019 due to the on-going trade war as well as positive economic growth.

Figure 60: Binh Duong - Export and Import Value



	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Export Value	17,796	20,907	23,512	28,534	25,300	26,000	27,000	28,200	29,000
Import Value	14,482	17,652	19,484	23,819	20,500	21,067	21,877	22,849	23,498

Source: binhduong.gov.vn

6.2. Government Planning and Policies

Government Planning

Government planning is focused on investment and development of logistics infrastructure in order to maximize the advantages of the geographical location of Binh Duong. The building of regional and international logistics centers aims to establish Binh Duong to be the leader in supply chain logistics of Southern Vietnam.

- **Port system:**

Stage 2017-2020: completing construction and commencing operations in three ports:

- An Son Port: complete upgrade of the port with the aim to become logistics center for Inland Container Depots (ICD).
- Container Port – warehouse of Nguyen Ngoc Private Enterprise: 10 ha area located on Thi Tinh river, Tan An Ward, Thu Dau Mot City, estimated to complete by 2020.
- Thai Hoa Port (Thai Hoa Ward, Tan Uyen Commune): located nearby Dong Nai river with 300 ha area by Becamex IDC with 6,000 billion dong capita, completed construction in 2018.

Stage 2020-2030: planning to develop 5 more ports:

- Ben Suc Port (Dau Tieng District): with an area of 30 ha, capacity of one million tonnes/year, able to accommodate marine vehicles up to 1,000 tonnes.
- Rach Bap Port (Tay An Commune, Ben Cat Town): capacity of 500 thousand tonnes/year, able to accommodate marine vehicles up to 1,000 tons.
- An Tay Port (An Tay Commune, Ben Cat Town): with an area of 30 ha, capacity of 700 thousand tonnes/year, able to accommodate marine vehicles up to 1,000 tonens.
- Thanh An Port (Thanh An Commune, Dau Tieng District) and Phu An Port (Phu An Commune, Ben Cat Town) with an area of 10 ha, capacity of 500 thousand tonnes/year, able to accommodate marine vehicles up to 1,000 tonnes.

- **Warehouse and ICD system:**

Continue to build stage two of Di An Logistics Center project and 70 ha of warehouse system in Town 9, Phu Hoa Ward, Thu Dau Mot city, invested by Becamex IDC.

Stage 2017-2020: expected to develop three ICDs: Bau Bang ICD (20 ha), Hoa Phu ICD (25 ha), Tan Binh ICD (20 ha).

Stage 2020-2030: depending on the demand and logistics market development in the region, three ICDs are planned in advance: Vinh Tan ICD (25 ha), An Dien ICD (30 ha), Thanh Phuoc ICD (20 ha).

Policies

Decision No 200/QD-TTg dated February 14, 2017 is an action plan to improve competitiveness and development of logistics services up to 2025.

Decision No 3242/QD-UBND dated November 24, 2016 on the implementation plan of Program No 24-CTr/TU dated August 16, 2016 on the continued development of high quality services to serve industrial production and urban Binh Duong in the period 2016-2022, in which seeks to "To increase the proportion of intellectual content in export products by over 10% in the period 2016-2020" and "To increase the proportion of technological content of main products and services of the province by over 20% in period 2016-2020".

In order to create favorable conditions for promoting development of logistics services in a synchronous and modern way, on December 28, 2012 the Provincial Party Committee of Binh Duong promulgated Planning No 3905/KH-UBND to develop logistics services of Binh Duong province stage 2011-2015, with a vision to 2020. The planning orientation and development of Road transportation system, Waterway and Inland Container Depot (ICD) will be based on development situation of districts, communes, towns, cities.

6.3. Infrastructure Development

Existing

- The traffic system along the North-South direction such as Binh Duong Boulevard (National Highway 13), My Phuoc Road - Tan Van, Duong DT741, and along the East - West direction, Road 7A or roads along bridges such as Thoi An and Thu Bien have been completed. These will be connected to the river port system. These roads are planned and built to promote potential effectiveness in the region, reducing traffic congestion on the road.
- In the province, there are over 7,421 km of roads which contain three national highways including 1A, 1K and 13 which are 77 km long. National roads have been completed and upgraded. The province also has 14 provincial roads with a length of 449 km; district roads and asphalted urban roads accounted for 80% to 94% of total road distance.

Figure 61: Distance between Binh Duong and Major Cities

Source: Colliers International

Figure 62: Detailed Map of Binh Duong's Main Expressways

Source: Colliers International

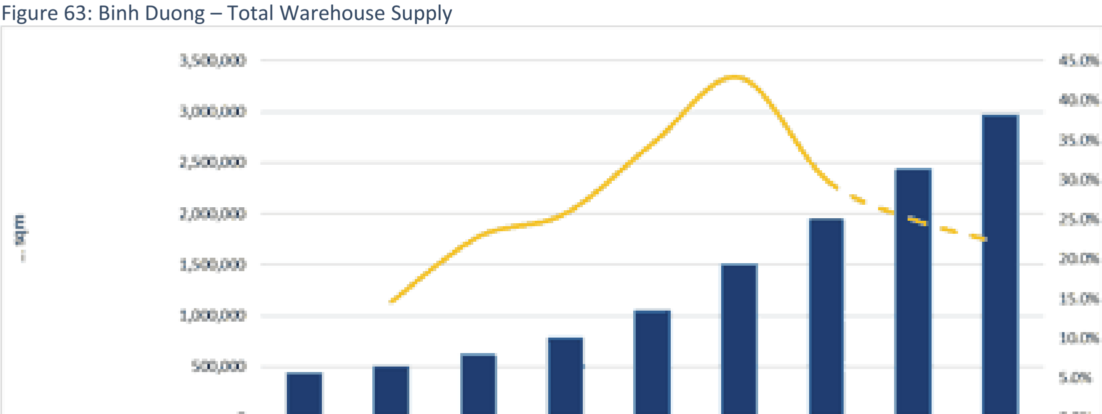
Future

- Future plans include establishing a transportation network for railway goods, forming an intelligent logistics system, expanding river ports and shallow ports to meet the demand of comprehensive socio-economic development of the province.
- HCMC – Thu Dau Mot City – Chon Thanh District Expressway: This is the connection route to transport goods from HCMC seaports to Dong Nai, Binh Duong and Binh Phuoc. The expressway has a total length of 69km with a total of 1 billion USD capital investment. Planning is underway for this project and is expected to complete in 2020.

6.4. Binh Duong Logistics Property Market

6. 4.1 Supply and Demand

Figure 63: Binh Duong – Total Warehouse Supply

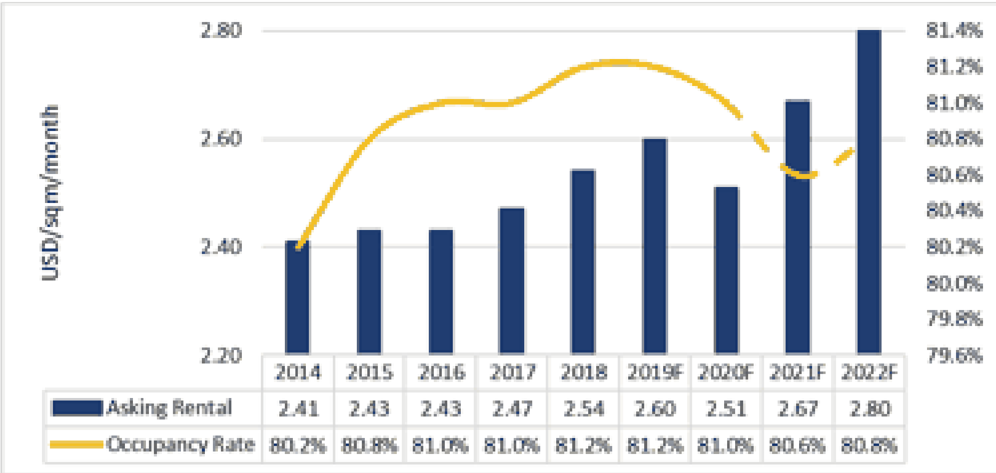


	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Existing Stock	440,237	504,858	620,219	780,150	1,050,000	1,500,000	1,950,000	2,437,500	2,973,750
Total Stock Change YOY		14.7%	22.9%	25.8%	34.6%	42.9%	30.0%	25.0%	22.0%

Source: Ken Research, Colliers International

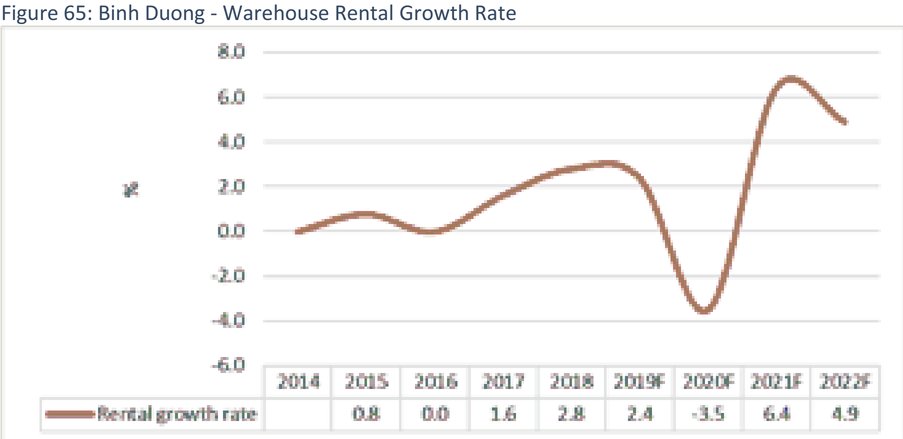
Warehouse supply in Binh Duong has increased significantly from 2014 to 2019. It is estimated that 450,000 sqm of new supply will enter the market in 2019, pushing up the total stock up to more than 1,500,000 sqm. In the next three years, warehouse supply in Binh Duong is expected to increase by nearly 3 million sqm with the completion of VSIP III spanning across 1,000 ha.

Figure 64: Binh Duong - Warehouse Asking Rent and Occupancy rate



Source: Ken Research, Colliers International

Figure 65: Binh Duong - Warehouse Rental Growth Rate

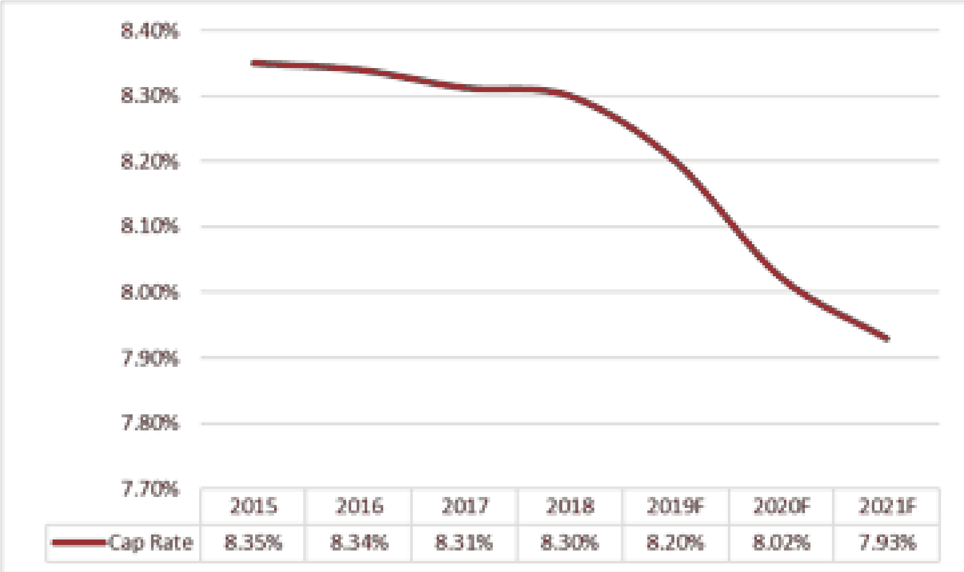


Source: Ken Research, Colliers International

Binh Duong Province continues to attract high interest from investors due to its advantageous location and developed infrastructure. The average rent in Binh Duong is expected to increase gradually to approximately 2.35 USD/sqm/month by the end of 2019. The Binh Duong warehouse market has also benefited from the rising demand of logistics space. Song Than ICD - a warehousing site of Saigon Newport - has the largest warehouse space in Binh Duong, with a total area of 200,000 sqm. The average occupancy rate in Binh Duong has increased slowly by 1% in the past five years but is projected to decrease slightly due to large number of supply in the near future.

6. 4.2 Capitalization Rate and Transactions

Figure 66: Binh Duong - Average Cap Rate



Source: Ken Research, Colliers International

In January 2019, there was a warehouse transaction in Binh Duong - Unilever sold 6 ha of warehouse in VSIP I to Mapletree at 31 million USD. Cap rate in Binh Duong is estimated to be 8.2% as at end of 2019 and 8% in 2021. Cap rate in the future is expected to decrease steadily from 0.2 - 0.3%.

Below are some of warehouse / industrial transactions in Binh Duong Province from 2017 – 2019:

Table 7: Warehouse / Industrial Transactions in Binh Duong

No.	Property Name	Location	Transaction date	Property Type	Scale	Selling Price (Million USD)	Buyer	Seller
1	Unilever Warehouse VSIP	41 Vsip Independence Blvd, Thuan An, Binh Duong	Jan 2019	Warehouse/mfg property	719,035 sf	$31.30	Mapletree Logistics Trust	Unilever
2	fmr Dexter Vietnam Manufacturing	Tan Uyen, Binh Duong	Aug 2018	Warehouse/mfg property	21,214 sf	$0.80	Glaxo SmithKline	Dexter Vietnam Co Ltd
3	Auction of old govt agencies buildings: Government Agencies Offices	Thuan An, Binh Duong	Jul 2017	Office - Sub property; part of 4 property portfolio		$11.30	NA	NA

Source: Real Capital Analytics

6. 4.3 Investors and Investment Trend

Binh Duong province aims to attract more high tech and sustainable industries. However, with a reasonable supply and competitive rents, this province is still attractive to conventional industries such as garments and FMCG. The ready-build warehouse model in Binh Duong has much potential, appealing to tenants who want to design and build the warehouse in accordance with their intended use. The ready-build warehouse trend is expected to dominate areas near Ho Chi Minh City and Dong Nai province.

6. 5.3 Overview of Subject Property - Mapletree Logistics Park Phase 1

Key attractiveness of Binh Duong:

- Largest logistics hub with 48 industrial parks in South Vietnam and of close proximity to HCMC, the largest consumption market in Vietnam
- A major manufacturing province in South Vietnam, home to the largest southern industrial zones
- Beneficiary of strong inflow of FDI with highest new FDI registered in 2018
- Demand for warehouse space is driven by rising local consumption, growth in e-commerce and expansion of retailers and 3PLs

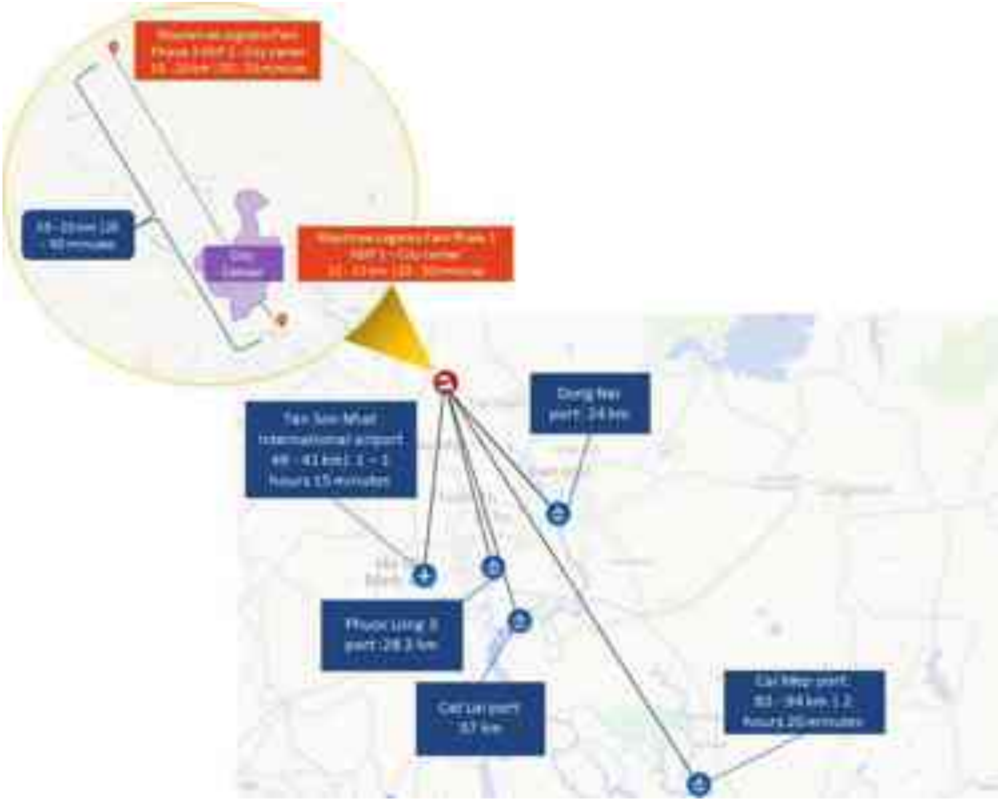
Mapletree Logistics Park Phase 1 is located in Vietnam-Singapore Industrial Park II, Thu Dau Mot City in Binh Duong Province. It was completed in December 2010 with a total site area of 117,963 sqm and GFA of 73,809 sqm. Mapletree Logistics Park Phase 1 is a Premium warehouse comprising four single-storey warehouse blocks and 1 administrative office blocks, with a warehouse ceiling height of 8m and floor loading of 3 tons.

Table 8: Travel Time from Mapletree Logistics Park Phase 1

Destination (major structure)	Estimated driving time
Tan Son Nhat International Airport	1 hour 30 minutes
Cat Lai Seaport	1 hour 30 minutes
Nearest Highway entrance	7 minutes
Ho Chi Minh City center	1 hour 30 minutes

Source: Colliers International

Figure 67: Distance from Mapletree Logistics Park Phase 1 to Main Locations



Source: Colliers International

Mapletree Logistics Park Phase 1 is situated in Binh Duong Province, a manufacturing hub. The location is of close proximity to the city center as well as to major seaport and airport (1 hour 30 minutes away) and major highway (7 minutes) which is linked to the other Southern Vietnam provinces. The surrounding area is home to international manufacturers, especially in the furniture and commodity trading business, who have huge space requirements to accommodate their characteristically large volume of goods.

Figure 68: SWOT Analysis of Mapletree Logistics Park Phase 1


Strengths:
-Strategic location – accessible to airport, seaport, city center and conveniently linked to major highways
Located within international standard logistics park
High building quality and well maintained
Grade A specifications to meet higher requirements of international warehouse occupiers
Weaknesses:
Location is not yet established for local distribution and e-commerce
Opportunities:
Strong demand for large warehouse space due to growing manufacturing for both local consumption and export, especially in furniture and commodity trading business.
Threats:
Competition from large current and new supply in the surrounding area

Source: Colliers International

Mapletree Logistics Park Phase 1 Performance Outlook

While Mapletree Logistics Park Phase 1 faces competition from the large warehouse supply in the area, the property has a strong advantage of being a high-quality, international standard warehouse located within the well-developed and maintained Vietnam-Singapore Industrial Park II.

Appendix

APPENDIX I

LIST OF PRIORITIZED LOGISTICS CENTER PROJECTS BY 2020

(Promulgated together with the Prime Minister's Decision No. 1012/QD-TTg dated July 03, 2015)

No.	Name of project	Class	Area
1	North Hanoi logistics center	I	20 – 30 hectares
2	Logistics center along the coastal economic corridor of Northeast of the North.	II	20 hectares
3	Logistics center of Da Nang city	I	30 – 40 hectares
4	Logistics center along the economic corridor of Road 19 and the south central coast	II	20 hectares
5	Logistics center of economic sub-region of Northeast provinces of Ho Chi Minh City (in the Southeast)	I	60 – 70 hectares
6	Logistics center of economic sub-region of the Mekong Delta	II	30 hectares
7	Aviation logistics center of the Red River Delta (associated with Noi Bai International Airport)	Special class	5 – 7 hectares

PLANNING FOR LOGISTICS CENTERS NATIONWIDE BY 2020 AND ORIENTATION TOWARDS 2030

(promulgated together with the Prime Minister's Decision No. 1012/QD-TTg dated July 03, 2015)

No.	Name of project	Class	Area
I	**RED RIVER DELTA**		
1	North Hanoi logistics center	I	20 – 30 hectares (stage I) and over 50 hectares (stage II)

2	South Hanoi logistics center	II	15 – 20 hectares (stage I) and over 30 hectares (stage II)
3	Logistics center along the coastal economic corridor of Southeast of the North.	II	10 hectares (stage I) and 30 hectares (stage II)
4	Logistics center along the coastal economic corridor of Northeast of the North.	II	20 hectares (stage I) and 40 hectares (stage II)
5	Special class aviation logistics center of the Red River Delta (associated with Noi Bai International Airport)	Special class	5 – 7 hectares (stage I) and over 7 hectares (stage II)
II	**Northern midlands and highlands**		
1	Logistics center along Hanoi - Lang Son economic corridor	II	10 hectares (stage I) and 20 hectares (stage II)
2	Logistics center along Hanoi – Lao Cai economic corridor	II	20 hectares (stage I) and 30 hectares (stage II)
3	Logistics center along the Northwest economic corridor of the North	II	10 hectares (stage I) and 20 hectares (stage II)
III	**ALONG THE NORTH CENTRAL COAST AND CENTRAL COAST**		
1	Logistics center of Da Nang city	I	30 – 40 hectares (stage I) and over 70 hectares (stage II)
2	Logistics center along the economic corridor of Road 8, Road 12A and the north central coast	II	20 hectares (stage I) and 40 hectares (stage II)
3	Logistics center along the economic corridor of Road 9	II	10 hectares (stage I) and 20 hectares (stage II)
4	Logistics center along the economic corridor of Road 14B	II	10 hectares (stage I) and 20 hectares (stage II)
5	Logistics center along the economic corridor of Road 19 and the south central coast	II	20 hectares (stage I) and 30 hectares (stage II)
6	Special class aviation logistics center of Da Nang city (associated with Da Nang International Airport)	Special class	3 - 4 hectares (stage I) and 7 – 8 hectares (stage II)
IV	**TAY NGUYEN REGION (CENTRAL HIGHLANDS)**		

	Logistics center along East Truong Son economic corridor	II	10 hectares (stage I) and 20 hectares (stage II)
V	**THE SOUTHEAST**		
1	Logistics center of Ho Chi Minh City and adjacent provinces (to the North of the city)	II	40 - 50 hectares (stage I) and 70 hectares (stage II)
2	Logistics center of Ho Chi Minh City and adjacent provinces (to the South of the city)	II	40 - 50 hectares (stage I) and 70 hectares (stage II)
3	Logistics center of economic sub-region of Northeast provinces of Ho Chi Minh City (in the Southeast)	I	60 – 70 hectares (stage I) and over 100 hectares (stage II)
4	Special class aviation logistics center of Ho Chi Minh City (associated with Tan Son Nhat – Long Thanh International Airport)	Special class	3 - 4 hectares (stage I) and 7 – 8 hectares (stage II)
VI	**MEKONG DELTA**		
1	Logistics center of economic sub-region of Southwest provinces of Ho Chi Minh City (in the Mekong Delta)	II	20 hectares (stage I) and 50 hectares (stage II)
2	Logistics center of economic sub-region of the Mekong Delta	II	30 hectares (stage I) and 70 hectares (stage II)

China Logistics
Market Research Report

Cities of Chengdu, Shenyang,
Jinan and Changsha in
The People's Republic of China

Prepared on behalf of
HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Mapletree Logistics Trust);
and

Mapletree Logistics Trust Management Limited
(in its capacity as manager of Mapletree Logistics Trust)

30 September 2019

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KF ref: GV/TL/CF/ck/06-0738/10687(4)

Content

1 Instructions

1.1 Engagement of Knight Frank

1.1.1 Instructions

We refer to the instruction from Mapletree Logistics Trust Management Limited to us to prepare a report in regard to the market research for the cities of Chengdu, Shenyang, Jinan and Changsha in The People's Republic of China ("The PRC" or "China"). This study has been carried out by Knight Frank Petty Limited ("Knight Frank").

1.1.2 Client

Our client for the instructions is HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Mapletree Logistics Trust) and Mapletree Logistics Trust Management Limited (the "Client").

1.1.3 Purpose of Study

You have confirmed that this market research report is required for public circular.

1.1.4 Conflict of Interest

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased study.

1.1.5 Responsibility to Third Parties

Our study report is only for the use of the Client and no liability is accepted to any third party for the whole or any part of its contents.

1.1.6 Disclosure & Publication

Neither the whole nor any part of this report nor any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

1.1.7 Limitations on Liability

No claim arising out of or in connection with this market research report may be brought against any member, employee, partner, director or consultant of Knight Frank. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

Knight Frank's total liability for any direct loss or damage caused by negligence or breach of contract in relation to the instructions and study report is limited to the amount specified in the Terms of Engagement letter. We do not accept liability for any indirect or consequential loss (such as loss of profits).

The above provisions shall not exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

1.2 Scope of Enquiries & Investigations

1.2.1 Inspection

We have carried out inspections between 1st to 5th July 2019.

1.2.2 Information Source

In this report, we have been provided with information by the Client and other third parties. We have relied upon this information as being materially correct in all aspects.

No documents with respect to current title ownership have been provided to us.

In case of the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

Whilst every care is given to ensure information accuracy and authenticity, Knight Frank does not warrant or represent that such information is free from errors. Whenever possible, the analysis is based on data available to us as at 30 September 2019.

1.3 Exclusions and Remarks

1.3.1 Key Exclusion

We have only carried out visual inspection and have not undertaken on-site measurement and have assumed that the property information available to us are up to date and accurate, or preliminary information released by developers, operators is up to date. They are subject to changes upon further investigation, if necessary, at a later stage.

1.3.2 Remarks

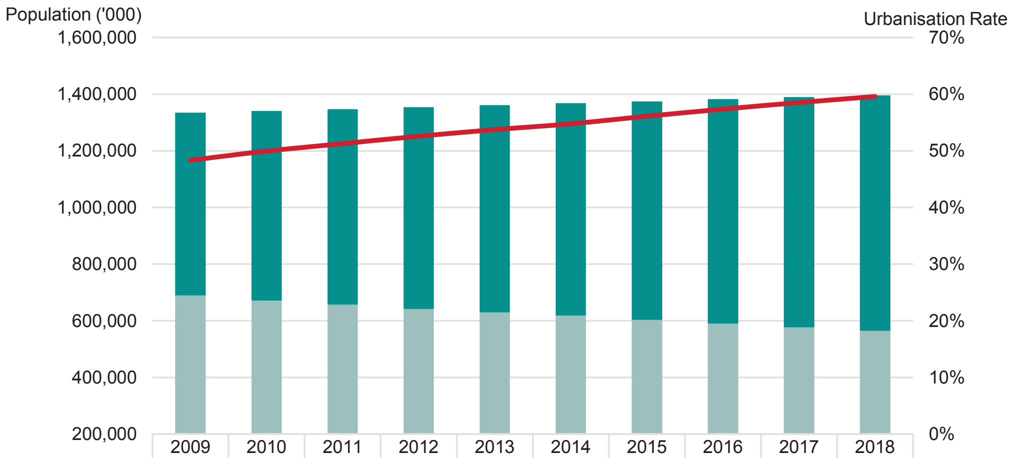
The findings at this stage are non-exhaustive and on high-level basis. They are intended to provide an overall picture of the logistics market in the relevant cities. As such the detailed information (such as floor area) is for reference only.

2 Macroeconomic Overview

2.1 Country Overview

In 2018, the population of The PRC stood at 1.395 billion, which made The PRC the most populous country in the world. Since the abolition of one-child policy in 2015, the population of The PRC had been growing steadily as evinced by the compound annual growth rate ("CAGR") of 0.5% between 2015 and 2018. As a result of rapid economic development and significant infrastructure improvement, the urbanisation rate grew by 11.3%, from 48.3% in 2009 to 59.6% in 2018. It is expected to exceed 60.0% by 2020 amid the continuous economic development in urban areas.

Exhibit 1 Population and Urbanisation Rate of The PRC

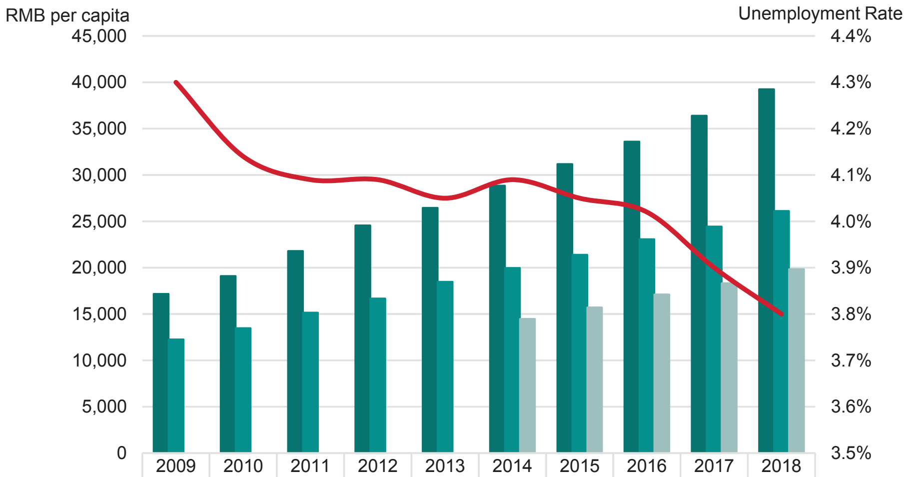


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Urban Population	645,120	669,780	690,790	711,820	731,110	749,160	771,160	792,980	813,470	831,370
Rural Population	689,380	671,130	656,560	642,220	629,610	618,660	603,460	589,730	576,610	564,010
Urbanisation Rate	48.3%	49.9%	51.3%	52.6%	53.7%	54.8%	56.1%	57.3%	58.5%	59.6%

Source: National Bureau of Statistics of China

In 2018, the urban disposable income and urban consumption expenditure of The PRC grew at a 10-year CAGR of 9.6% and 8.8% to record highs of RMB39,251 per capita and RMB26,112 per capita respectively. The unemployment rate stayed at a low level of 3.8% at the same period. The prominent growth of urban disposable income and urban consumption expenditure coupled with a low unemployment rate are positive signals of the economy of The PRC. In 2015, The PRC's middle class represented 12% of global consumption and this proportion is projected to reach 22% in 2030. With that, The PRC is expected to maintain her position as one of the fastest growing economy in the coming years.

Exhibit 2 Urban Disposable Income, Urban Consumption Expenditure, Consumption Expenditure and Unemployment Rate of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Urban Disposable Income	17,175	19,109	21,810	24,565	26,467	28,844	31,195	33,616	36,396	39,251
Urban Consumption Expenditure	12,265	13,471	15,161	16,674	18,488	19,968	21,392	23,079	24,445	26,112
Consumption Expenditure						14,491	15,712	17,111	18,322	19,853
Unemployment Rate	4.3%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.0%	3.9%	3.8%

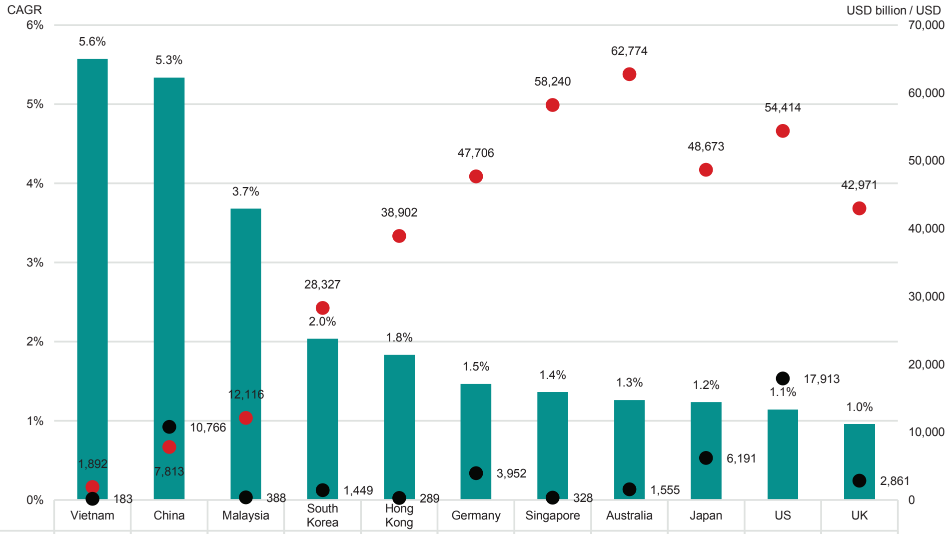
Source: National Bureau of Statistics of China
Remarks: The consumption expenditure prior to 2014 has a different basis and has been excluded.

2.2 Economic Overview

2.2.1 Gross Domestic Product

The PRC witnessed another year of expansion of economy in 2018 amid the trade dispute with the United States of America (the "US") with a 6.6% year-on-year ("YOY") real gross domestic product ("GDP") growth to a record high of RMB90,031 billion. Being the 2nd largest economy in the world, The PRC outperformed most developed economies and was the one of the most promising emerging markets as the GDP of The PRC grew at a 10-year CAGR of 11.1%. The GDP per capita rose from RMB26,222 per capita in 2009 to RMB64,644 per capita in 2018, recording a 10-year CAGR of 10.5%. The growth of the economy was driven by the robust domestic consumption coupled with the continuous expansion of tertiary industry in the past decade. With the continuous economic development and urbanisation, the economy of The PRC has been restructuring as the tertiary industry recorded a 10-year CAGR of 13.1% and accounted for approximately 52.2% of the total GDP in 2018. In the coming years, it is expected that The PRC, alongside Vietnam and Malaysia, will continue to be one of the most rapidly developing countries. In terms of the real GDP per capita, The PRC is forecasted to grow at a CAGR of 5.3% from 2018 to 2023; while in terms of the consumption expenditure per capita, The PRC is expected to increase at a CAGR of 6.3%.

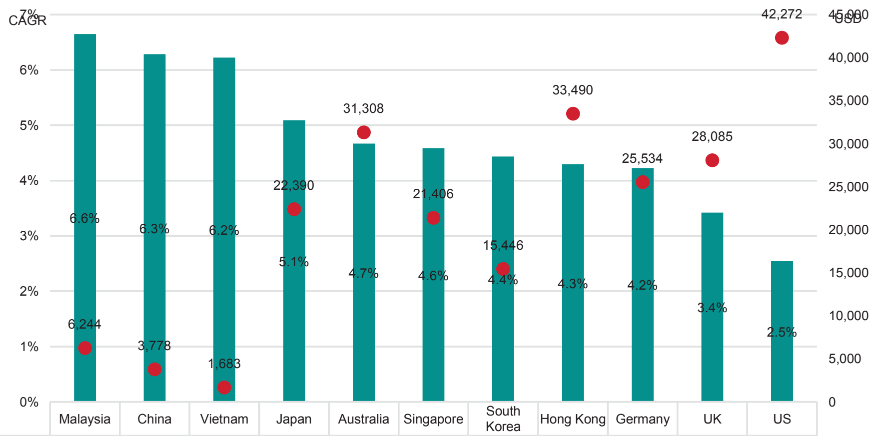
Exhibit 3 Real GDP, Real GDP per Capita in 2018 and Growth by Countries



	Vietnam	China	Malaysia	South Korea	Hong Kong	Germany	Singapore	Australia	Japan	US	UK
■2018-2023F CAGR	5.6%	5.3%	3.7%	2.0%	1.8%	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%
●2018 Real GDP (USD billion)	183	10,766	388	1,449	289	3,952	328	1,555	6,191	17,913	2,861
●2018 Real GDP per Capita (USD)	1,892	7,813	12,116	28,327	38,902	47,706	58,240	62,774	48,673	54,414	42,971

Source: Economist Intelligence Unit
Remarks: The reference year of real GDP and real GDP per capita is 2010.

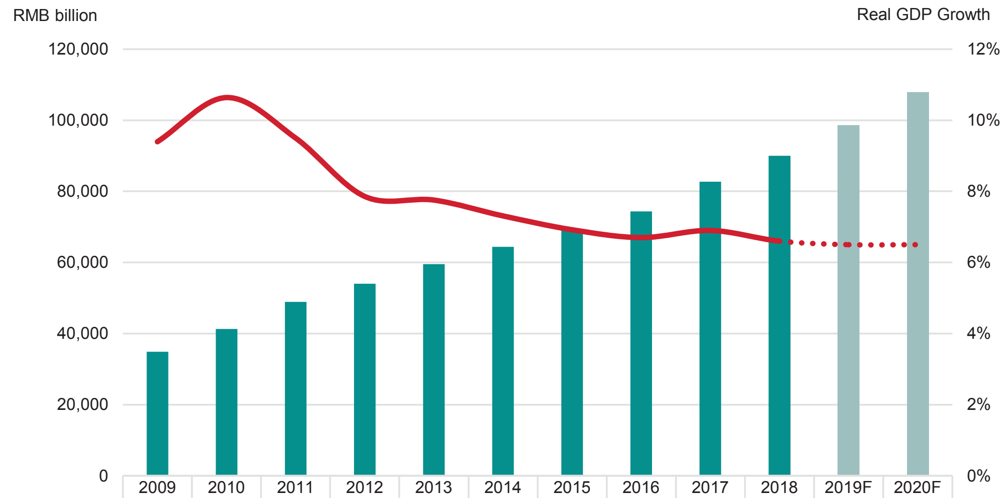
Exhibit 4 Consumption Expenditure per Capita in 2018 and Growth by Countries



	Malaysia	China	Vietnam	Japan	Australia	Singapore	South Korea	Hong Kong	Germany	UK	US
■2018-2023F CAGR	6.6%	6.3%	6.2%	5.1%	4.7%	4.6%	4.4%	4.3%	4.2%	3.4%	2.5%
●2018 Consumption Expenditure per Capita	6,244	3,778	1,683	22,390	31,308	21,406	15,446	33,490	25,534	28,085	42,272

Source: Economist Intelligence Unit

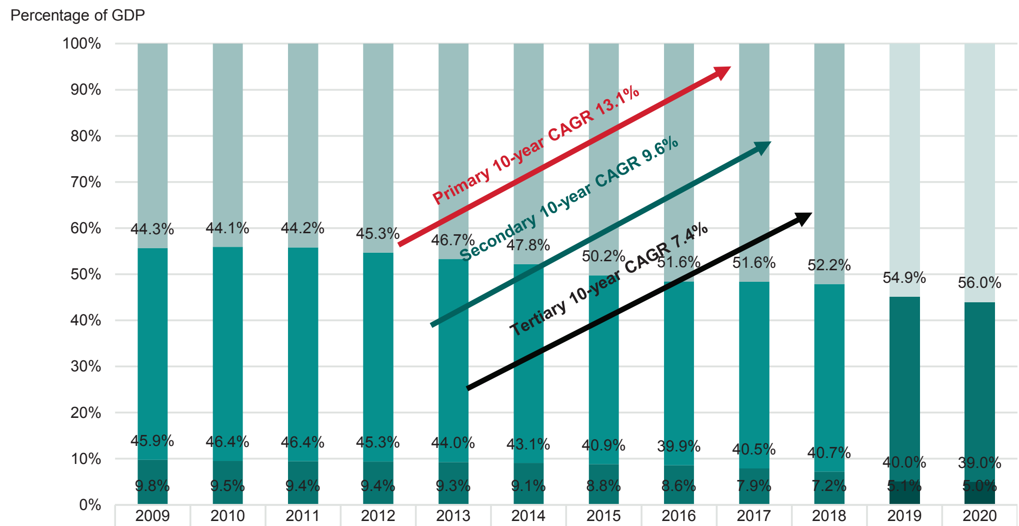
Exhibit 5 GDP and Real GDP Growth of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F
GDP	34,908	41,303	48,930	54,037	59,524	64,397	68,905	74,359	82,712	90,031	98,584	107,949
Real GDP Growth	9.4%	10.6%	9.5%	7.9%	7.8%	7.3%	6.9%	6.7%	6.9%	6.6%	6.5%	6.5%

Source: National Bureau of Statistics of China

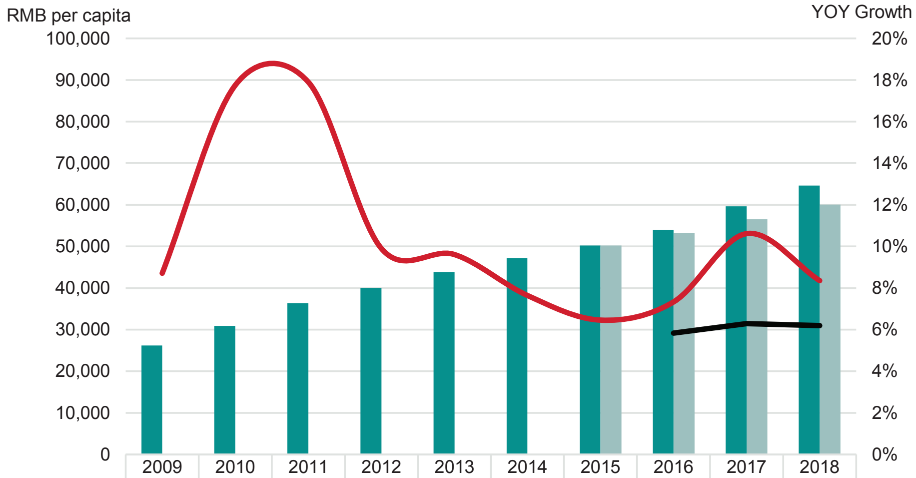
Exhibit 6 GDP by Industry of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tertiary (RMB billion)	15,475	18,204	21,610	24,482	27,796	30,806	34,615	38,337	42,703	46,957	54,123	60,452
Secondary (RMB billion)	16,017	19,163	22,704	24,464	26,196	27,757	28,204	29,655	33,462	36,600	39,434	42,100
Primary (RMB billion)	3,416	3,936	4,616	5,090	5,533	5,834	6,086	6,367	6,547	6,473	5,028	5,397

Source: National Bureau of Statistics of China

Exhibit 7 GDP per Capita, Real GDP per Capita, GDP per Capita Growth and Real GDP per Capita Growth of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP per Capita	26,222	30,876	36,403	40,007	43,852	47,203	50,251	53,935	59,660	64,644
Real GDP per Capita							50,251	53,182	56,527	60,029
YOY Growth	8.7%	17.7%	17.9%	9.9%	9.6%	7.6%	6.5%	7.3%	10.6%	8.4%
Real GDP per Capita Growth								5.8%	6.3%	6.2%

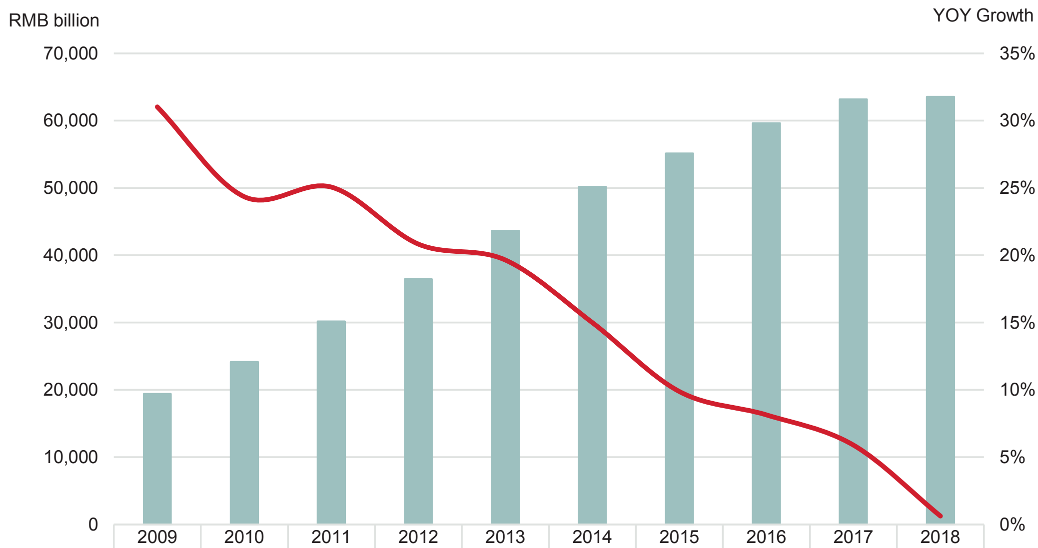
Source: National Bureau of Statistics of China
Remarks: The reference year of real GDP per capita is 2015. Data from 2009 to 2014 has been excluded since the reference year is either 2005 or 2010.

The GDP of The PRC is expected to maintain a noticeable growth of 6.0% to 6.5% in 2019 and 2020 despite the uncertainties brought by the US-China trade dispute. Looking ahead, the economy of The PRC remains bright. The sustainable economic development and urbanisation will continue to stimulate domestic consumption and expansion of tertiary industry. According to the 13th Five-Year Plan (2016 - 2020), the GDP of The PRC is expected to grow 6.5% per annum while the tertiary industry is anticipated to contribute approximately 56.0% of the total GDP in 2020.

2.2.2 Fixed Asset Investment

The fixed asset investment ("FAI") of The PRC surged to RMB63,564 billion in 2018 with a promising 10-year CAGR of 14.1%. After a significant growth between 2009 and 2014, the YOY growth of the FAI has been decelerating to a gentle pace. The growth of FAI in the past decade was driven by the tertiary industry. The tertiary industry of FAI recorded a 10-year CAGR of 14.8% and accounted for approximately 59.0% of the total FAI in 2018.

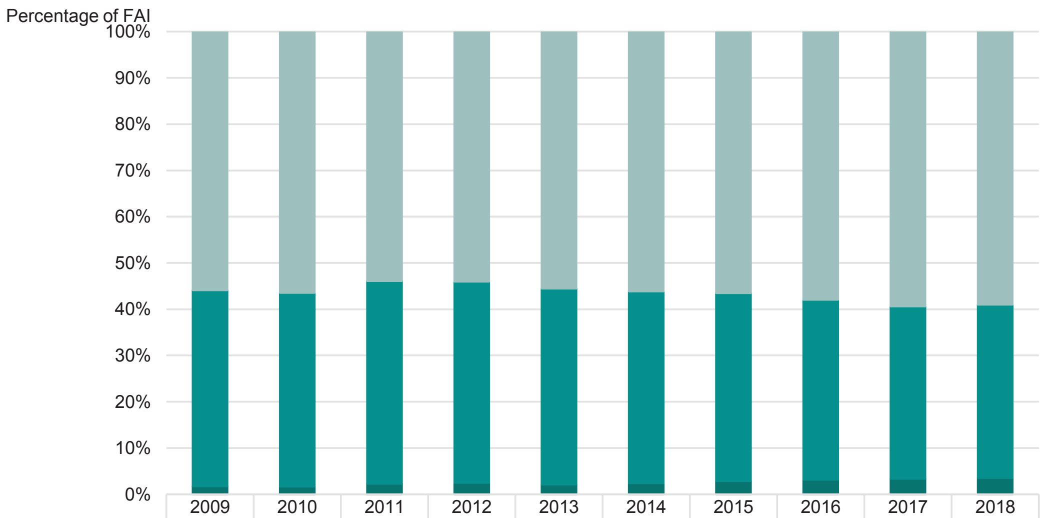
Exhibit 8 Total FAI of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total FAI	19,414	24,141	30,193	36,484	43,653	50,200	55,159	59,650	63,168	63,564
YOY Growth	31.0%	24.4%	25.1%	20.8%	19.7%	15.0%	9.9%	8.1%	5.9%	0.6%

Source: National Bureau of Statistics of China

Exhibit 9 FAI by Industry of The PRC



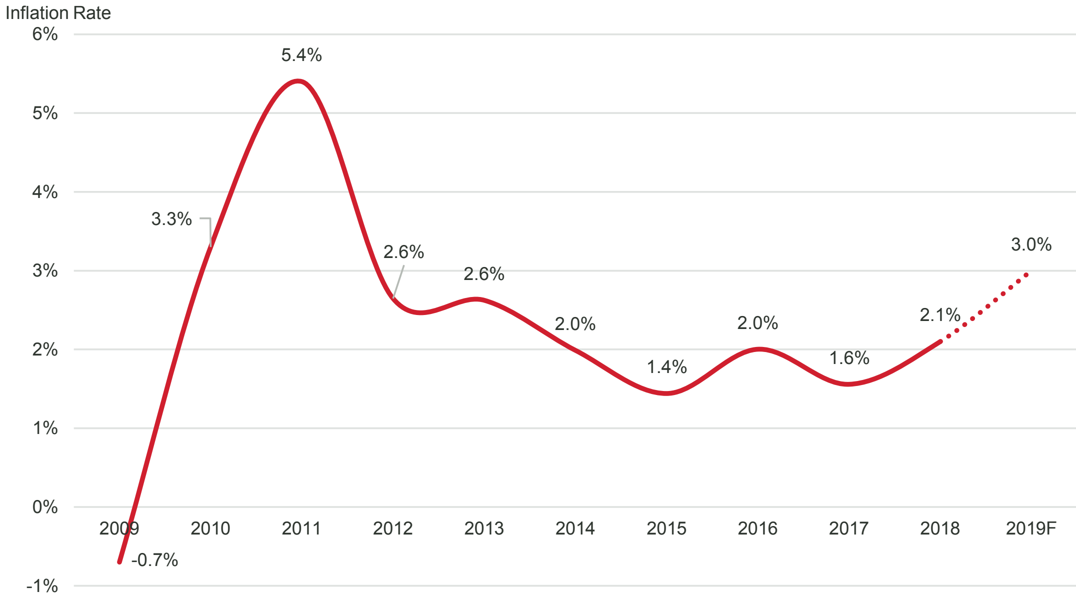
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tertiary (RMB billion)	10,849	13,640	16,288	19,716	24,248	28,191	31,194	34,584	37,504	37,532
Seconday (RMB billion)	8,228	10,105	13,226	15,867	18,480	20,811	22,409	23,183	23,575	23,790
Primary (RMB billion)	337	397	679	900	924	1,198	1,556	1,884	2,089	2,241

Source: National Bureau of Statistics of China

2.2.3 Consumer Price Index

The consumer price inflation of The PRC has maintained at a moderate level ranging from 1.4% to 2.6% since 2012 amid a rapid economic expansion. In 2018, the inflation went up to a still-healthy level of 2.1% from 1.6% in 2017. The inflation is forecasted to increase by 2.0% to 3.0% in 2019 with consideration of the impact of the US-China trade dispute.

Exhibit 10 Inflation Rate of The PRC

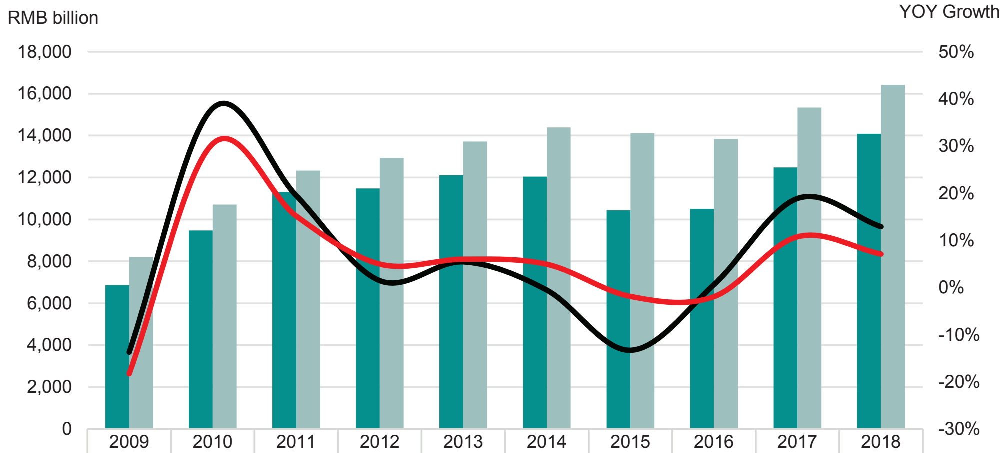


Source: National Bureau of Statistics of China

2.2.4 Imports and Exports

After the global financial crisis in 2009, the imports and exports of The PRC have generally been growing in the past decade despite a slight downturn in 2015 due to the economic slowdown throughout the world. In 2018, against the backdrop of the trade dispute with the US, the growth of imports and exports decelerated but were still encouraging. The imports and exports of The PRC grew by 12.9% YOY and 7.1% YOY to RMB14,087 billion and RMB16,418 billion respectively. Trade surplus has dropped for the third consecutive year, from RMB3,683 billion in 2015 to RMB2,330 billion in 2018.

Exhibit 11 Imports and Exports of The PRC



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Imports	6,862	9,470	11,316	11,480	12,104	12,036	10,434	10,497	12,479	14,087
Exports	8,203	10,702	12,324	12,936	13,713	14,388	14,117	13,842	15,331	16,418
Imports YOY Growth	-13.7%	38.0%	19.5%	1.4%	5.4%	-0.6%	-13.3%	0.6%	18.9%	12.9%
Exports YOY Growth	-18.3%	30.5%	15.2%	5.0%	6.0%	4.9%	-1.9%	-1.9%	10.8%	7.1%

Source: National Bureau of Statistics of China

Despite the ongoing negotiation between the US and Chinese governments in relation to the trade disputes, it is anticipated that an agreement would not be reached in the short run and the US-China trade dispute would continue to impact the imports, exports, financial and monetary markets for a certain period of time. Having considered the current capital market changes, we notice that the market is factoring the renewed US-China trade dispute impact. Also, the corresponding market volatility against the US-China trade dispute will slow down. As such, looking forward, the market may be less responsive to the news of US-China trade dispute.

While the trade volume between The PRC and the US dropped by 9.0% YOY as of 2019H1 amid the US-China trade dispute, the imports and exports of The PRC still recorded YOY growth of 1.4% and 6.1% respectively. The escalating conflict casts a shadow over the trading activities with the US, but the impact on logistics is anticipated to be limited. In 2019H1, the trade volume of The PRC with the countries in the European Union ("EU") and the Association of Southeast Asian Nations ("ASEAN") grew by 11.2% YOY and 10.5% YOY respectively, while the GDP and consumption expenditure recorded a real growth of 6.3% YOY and 5.2% YOY respectively. The trading opportunities with other regions over the world together with the rising domestic consumption supported by the continuous economic development and urbanisation will still create a keen demand for logistics.

2.3 Government Planning and Policies

2.3.1 The 13th Five-Year Plan

At the 5th Session of the 12th National People's Congress from 5 March 2017 to 15 March 2017, Premier Li Keqiang listed out nine key tasks to be executed in 2017 in The Report on the Work of the Government. One of the key tasks was to expand effective investment so as to unleash the potential of domestic demand and to boost the economy of The PRC. For instance, under the Belt and Road Initiative, the government will invest RMB800 billion in railway construction and RMB1.8 trillion in highway and waterway projects, and the progress of infrastructure projects on major rail transport, aviation, and telecommunications will be expedited. Another key task was to promote the sustainable growth of the real estate field. Measures will be implemented to regulate the real estate market, such as the increase of supply of residential land and putting restrictions on speculations of housing units in popular cities, while cutting excess housing inventories in 3rd- and 4th-tier cities.

2.3.2 19th Party Congress

The theme of the 19th National Congress of the Communist Party of China held on 18 October 2017 was to build a moderately prosperous society and strive for the great success of socialism with Chinese characteristics for a new era, a political theory consisting of a 14-point basic policy including taking a people-centric approach for the public interest, governing The PRC with rule of law and improving people's livelihood and well-being through development. During the congress, President Xi Jinping delivered a report which set out the directions of the future development of The PRC. For the sake of developing a modernised economy to realise the Chinese dream of national rejuvenation and to improve the lives of the people, the government proposed different strategies, which included reforming the structure of supply system, promoting innovation industries, vitalising rural territories, enhancing the coordination between different regions, expediting the development of socialist market economy and pursuing opening up on all fronts in relation to international trade.

2.3.3 13th National People's Congress

The 2nd Session of the 13th National People's Congress was held on 5 March 2019. Premier Li Keqiang announced different economic initiatives during the congress. With respect to the real estate market, the government will continue to cling on to the principle that houses are for accommodation, not for speculation. The government will take various measures to keep the housing prices stable, such as maintaining adequate housing supply and providing assistance to medium- and low-income urban residents and new urban residents. Besides, the new Foreign Investment Law coming into effect in 2020, will remove certain restrictions to foreign investors' activities in The PRC. The new law is expected to offer greater incentives for foreign investors to step into the property market of The PRC.

2.4 Infrastructure Developments

2.4.1 Significant Infrastructure Projects

The significant infrastructure projects to be launched in the near future in The PRC include Beijing Daxing International Airport, Chengdu Tianfu International Airport and Jiangsu Province Intercity Railway.

Beijing Daxing International Airport

Scheduled to be completed in late 2019, Beijing Daxing International Airport will be one of the biggest and busiest airports in the world. With a total investment of approximately RMB80 billion, the 4-runway airport will be a major airport in North China. According to the local government, it is expected to handle approximately 72 million passengers and 2 million tonnes of cargo annually by 2025. Together with Beijing Capital International Airport, the two airports in Beijing will become the key transportation and logistics hubs in North China and will be able to handle over 4 million tonnes of cargo annually.

Chengdu Tianfu International Airport

Chengdu Tianfu International Airport, the 2nd international airport of Chengdu, is scheduled to be completed in 2021 with a total investment of approximately RMB70 billion. According to the 13th Five-Year Plan, the 3-runway airport is strategically positioned as the most important airport in the Silk Road Economic Belt under the Belt and Road Initiative. Upon completion, it is expected to handle approximately 40 million passengers and 0.7 million tonnes of cargo annually by 2025, easing the rising demand of freight in Midwest China.

Jiangsu Province Intercity Railway

The 980-kilometre railway network running along the metropolitan cluster along Yangtze River in Jiangsu Province is scheduled to be completed in 2025. With a total investment of approximately RMB230 billion, the railway network is expected to shorten the commuting time between metropolis in the region including Nanjing, Zhenjiang, Changzhou, Wuxi, Suzhou, Yangzhou, Taizhou and Nantong within 1.5 hours, serving a population of 50 million.

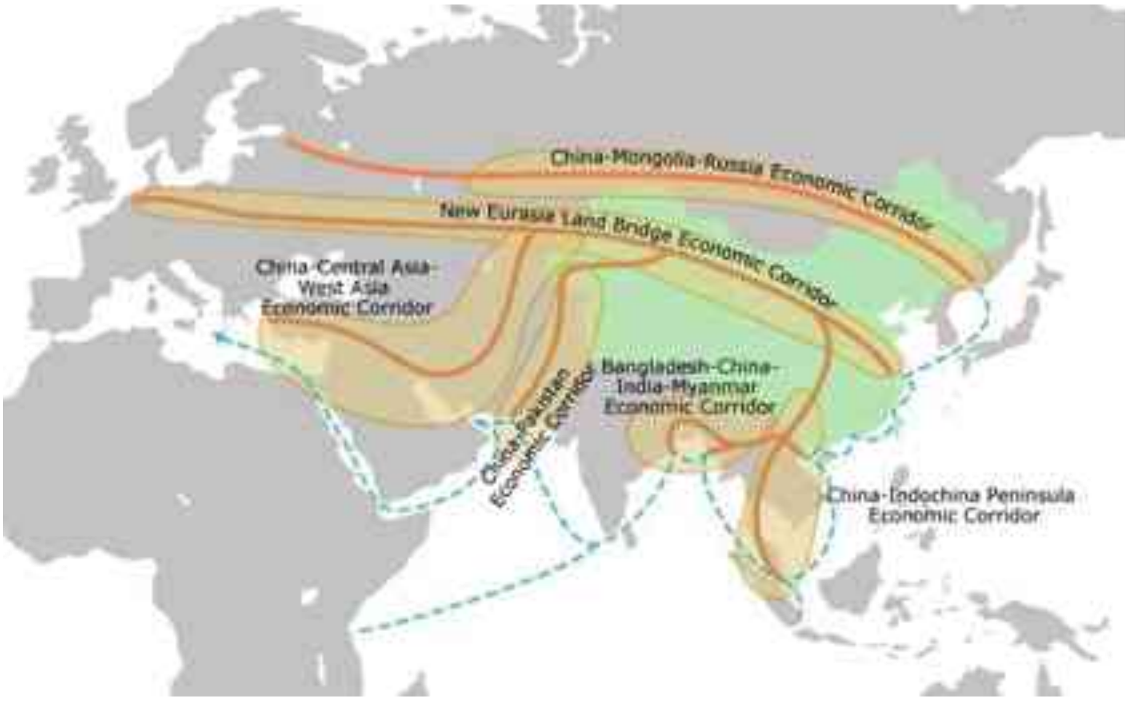
2.4.2 Belt and Road Initiative

The Belt and Road Initiative promulgated in 2013 consists of two routes, namely Silk Road Economic Belt linking The PRC to Europe via Central Asia, and 21st-Century Maritime Silk Road linking The PRC to Europe via South East Asia, the Middle East and East Africa. They generate an interlinked economic zone by exploiting the individual advantages of each country. The two routes at the same time originate six economic corridors, known as China-Mongolia-Russia Economic Corridor, New Eurasia Land Bridge Economic Corridor, China-Central Asia-West Asia Economic Corridor, China-Pakistan Economic Corridor, Bangladesh-China-India-Myanmar Economic Corridor and China-Indochina Peninsula Economic Corridor.

Exhibit 12 Map of the Belt and Road Initiative

Source: NBC News

Exhibit 13 Map of the Six Economic Corridors



Source: Hong Kong Trade Development Council

The development of the Belt and Road Initiative aims at growing the economies of the countries along the routes, which is primarily driven by executing strategic interaction plans and constructing major infrastructure projects that benefiting both parties. With the aid of the establishment of new infrastructure projects, more private sector investment opportunities are created. When it comes to the internal advancement of The PRC, the initiative reinforces the linkages between different regions within the country by connecting cities with the improved transportation medium. As a result, the logistics connectivity within The PRC will be significantly enhanced, which in turn adds value to logistics market.

In the Second Belt and Road Forum for International Cooperation held on 25 April 2019, President Xi Jinping defined the next step of the Belt and Road Initiative. The PRC will be reformed, and more opening-up measures will be implemented so as to increase her international collaboration with other countries that are currently not a member of the initiative.

3 Logistics Market Overview

3.1 Key Logistics Hubs

Having considered the geographic attributes and levels of development of different cities in The PRC, the country is categorised into four key logistics hubs namely North China, East China, Midwest China and South China.

Exhibit 14 Key Logistics Hubs in The PRC

Source: Knight Frank

North China

North China is one of the most densely populated regions in The PRC. With a highly developed and extensive transportation and logistics network, Beijing and Tianjin, the two core cities in the region, are well connected to outlying areas such as Hebei, Shandong and Liaoning Provinces. Shenyang, strategically located in between the two core cities and Jilin and Heilongjiang Provinces, and Jinan, the logistics hub of Shandong Province, play a vital role in the logistics network in the region.

East China

East China is one of the most urbanised and economically developed regions in The PRC. With a well-established infrastructure and transportation network, logistics demand in the region mainly originates from cities along Yangtze River. Nantong, strategically located at the edge of Yangtze River and in the north of Shanghai, the financial centre of The PRC, is one of the satellite logistics hubs in the region.

Midwest China

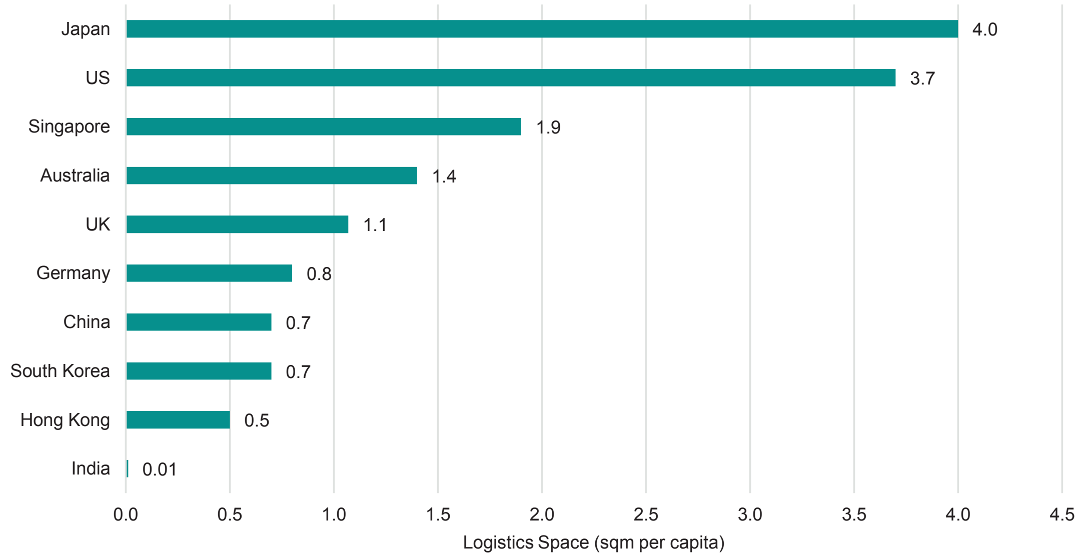
Midwest China is a fast-growing region in The PRC. Under the Belt and Road Initiative, the region is an essential connecting point between The PRC and other countries. The rapid economic development and urbanisation in the region further drives the logistics demand. Chengdu and Changsha are the key logistics hubs in Midwest China connecting to Xi'an, the starting point of the Silk Road Economic Belt under the Belt and Road Initiative.

South China

South China is an economic driver in The PRC under the Guangdong-Hong Kong-Macau Greater Bay Area ("GBA") Initiative. Shenzhen and Guangzhou, two of the four 1st-tier cities of the country, are located within the region. It also benefits from its close proximity to Hong Kong, one of the global financial centres. Under the GBA Initiative, a strong logistics demand in the region is expected amid increasing cross-city and cross-border economic activities.

3.2 Market Landscape

Exhibit 15 Logistics Space by Countries in 2018



Source: Oxford Economics

The logistics market of The PRC is still developing compared to developed logistics markets in Asia Pacific such as Japan and Singapore. The logistics space per capita of The PRC was approximately 0.7 square metre ("sqm") per capita in 2018, which was only about one-third of Singapore. As The PRC has the largest population in the world, the logistics demand is expected to surge when the economy continues to develop.

Amid the developing logistics market of The PRC, logistics space is leased or sold subject to the following market conventions.

Leasing Conventions

- Amid the robust demand for quality logistics space, landlords generally have a higher bargaining power over the terms and conditions of tenancies.
- A lease term of 2 to 4 years with a rent-free period of 0.5 to 1 month per year is usually offered.
- Rents are usually agreed on a basis of excluding management fees and outgoings but including value-added taxes.

Sales Conventions

- Institutional investors are actively participating in the capital market of logistics space.
- Logistics space can be transferred either by the way of asset deal or by the way of equity deal.
- Portfolio-scale disposal is commonly observed in the current market.
- When a developer or an investor is trying to enter the developing logistics market of The PRC, the following market obstacles are commonly recognised.
    - Local governments have stringent requirements on capital investment and tax contribution.
    - Logistics land supply is relatively limited and corresponding land prices are rising at a fast pace.

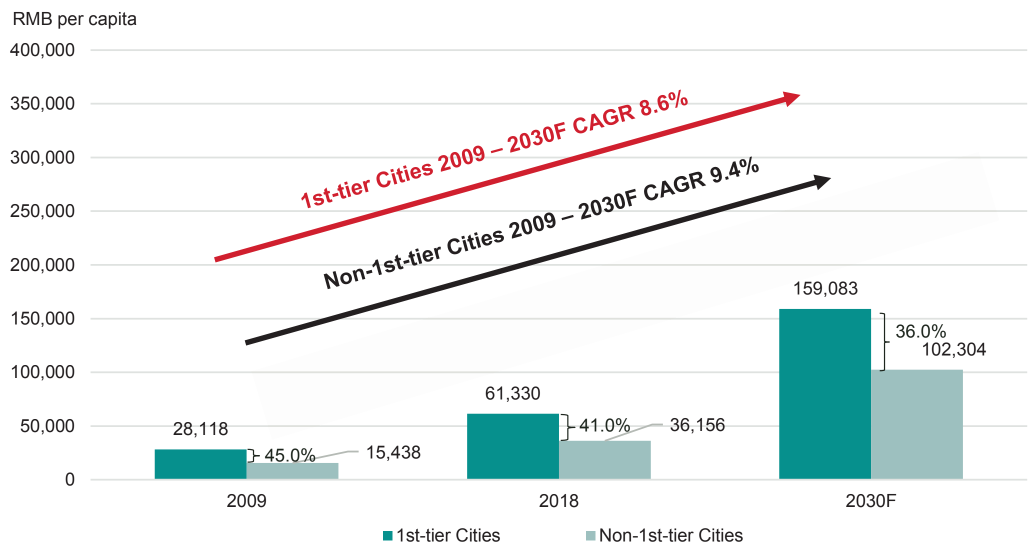
3.3 Demand Drivers

Surging Disposable Income and Consumption Expenditure

As mentioned in Section 2.1, the urban disposable income of The PRC was growing in the last decade at a 10-year CAGR of approximately 9.6%. When looking into cities of different tiers, the urban disposable income of non-1st-tier cities experienced a more promising growth at a 10-year CAGR of approximately 9.8%, while that of 1st-tier cities grew at a 10-year CAGR of approximately 9.1%. Consequently, the gap of urban disposable income of 1st-tier and non-1st-tier cities narrowed from 45.0% in 2009 to 41.0% in 2018. Such growth implies a stronger spending power of the general population, which becomes one of the key engines for growing logistics demand. Amid the ongoing economic development, the urban disposable income, especially in non-1st-tier cities, will further grow in the coming years and the gap is expected to narrow down to 36.0% by 2030. Considering about

95.0% of the overall population of The PRC are from non-1st-tier cities, the logistics demand will remain strong in the medium term.

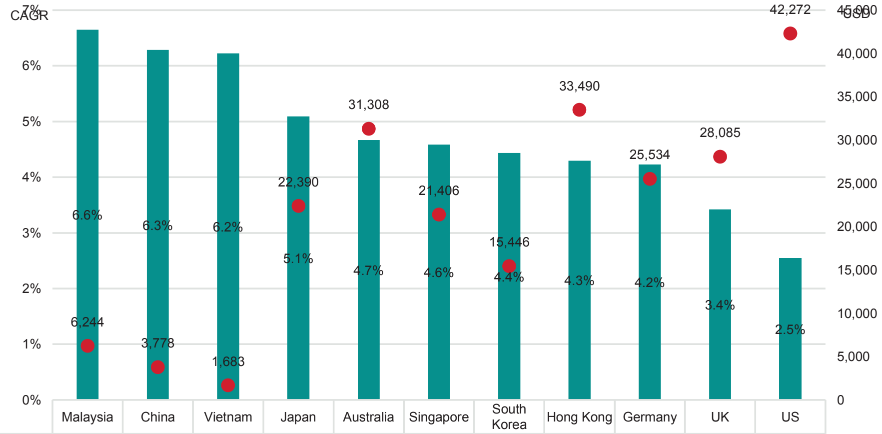
Exhibit 16 Disposable Income by Cities in The PRC



Source: National Bureau of Statistics of China

In line with the uprising trend of disposable income, the urban consumption expenditure of The PRC recorded at RMB26,112 (USD3,778) per capita in 2018. As mentioned in Section 2.2, The PRC has outperformed most developed economies in terms of economic growth and is one of the most promising emerging markets. However, in comparison with the developed economies, the consumption expenditure of The PRC still lags far behind, which is only about one-tenth of that of The US or one-eighth of that of Australia. In view of the pace of economic growth, urbanisation and rising disposable income, the consumption expenditure of The PRC has a high growth potential, and it will be one of the key drivers of logistics demand in the country. It is anticipated to grow at a CAGR of 6.3% between 2018 and 2023, outpacing other developed economies.

Exhibit 17 Consumption Expenditure per Capita in 2018 and Growth by Countries



	Malaysia	China	Vietnam	Japan	Australia	Singapore	South Korea	Hong Kong	Germany	UK	US
2018-2023F CAGR	6.6%	6.3%	6.2%	5.1%	4.7%	4.6%	4.4%	4.3%	4.2%	3.4%	2.5%
2018 Consumption Expenditure per Capita	6,244	3,778	1,683	22,390	31,308	21,406	15,446	33,490	25,534	28,085	42,272

Source: Economist Intelligence Unit

Development of Inland Cities

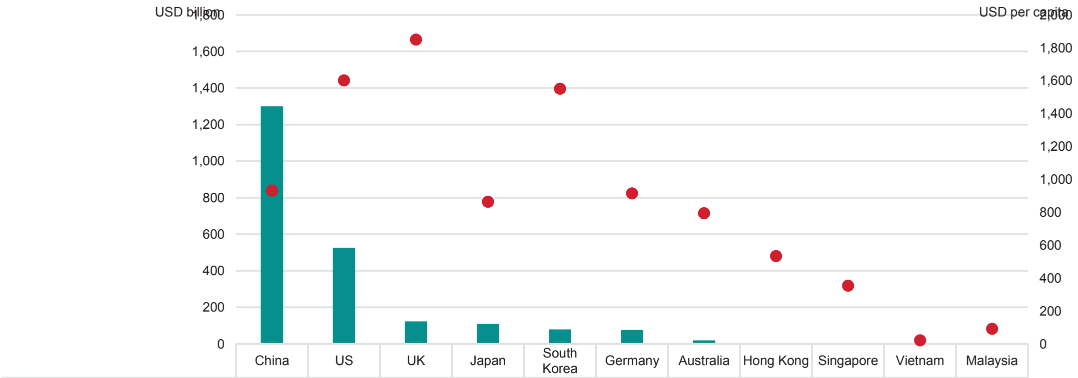
As mentioned above, the economy of non-1st-tier cities in The PRC has been rapidly developing. One of the reasons is that the Chinese government has been implementing measures to foster the development of inland cities, especially in Midwest China, which were less urbanised traditionally. As the economic and employment prospects in inland cities become better, the consumption power in the region will grow and will consequently lead to a strong logistics demand.

3.4 E-commerce and Third-Party Logistics

Rapid Expansion of E-commerce

The rise of e-commerce is the consequence of a series of a few key factors including economic development, internet penetration, change in consumption patterns and technology advancement. The growth in e-commerce sales has been stunning in The PRC. In 2018, The PRC was the largest e-commerce market in the world with a total e-commerce sales of USD1,300 billion, approximately 2.5 times of that of the US. Yet, due to a relatively lower internet penetration rate, the e-commerce sales per capita in The PRC still has a high growing potential.

Exhibit 18 E-commerce Sales by Countries in 2018

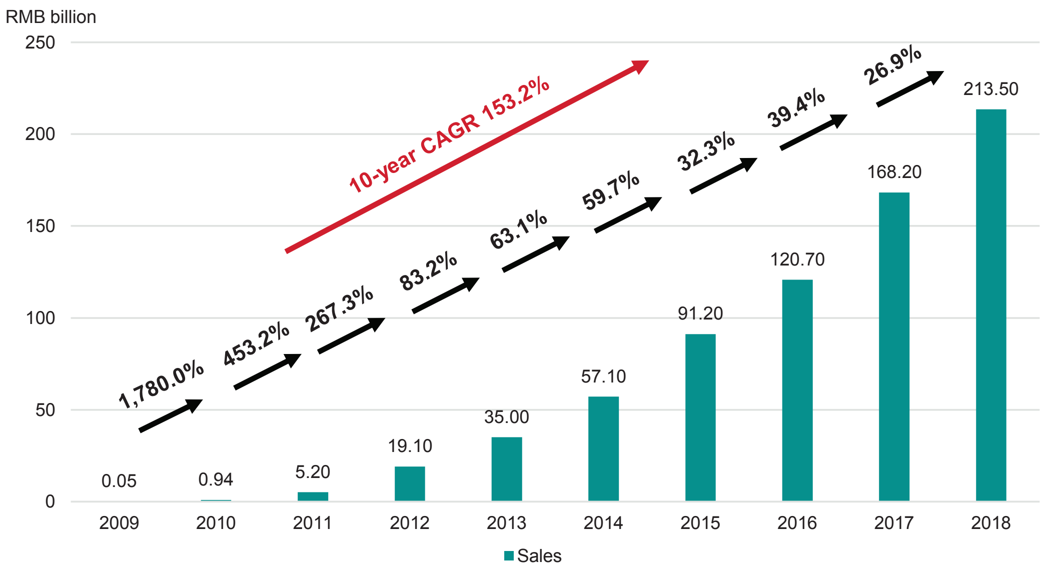


	China	US	UK	Japan	South Korea	Germany	Australia	Hong Kong	Singapore	Vietnam	Malaysia
E-commerce Sales (USD billion)	1,300	526	124	109	80	76	20	4	2	2	3
E-commerce Sales (USD per capita)	932	1,602	1,851	864	1,550	915	794	535	355	21	92

Source: China E-business Research Centre and Statista

In particular, Double 11 Festival, the biggest online sales festival in The PRC, has always been one of the highlights of the e-commerce industry. Since the 1st Double 11 Festival in 2009, the retail sales of Alibaba Group at the festival grew tremendously at a 10-year CAGR of 153.2% from RMB0.05 billion in 2009 to RMB213.50 billion in 2018. Such growth benefits not only the e-commerce sector, but also the logistics industry, which creates a big demand for logistics services.

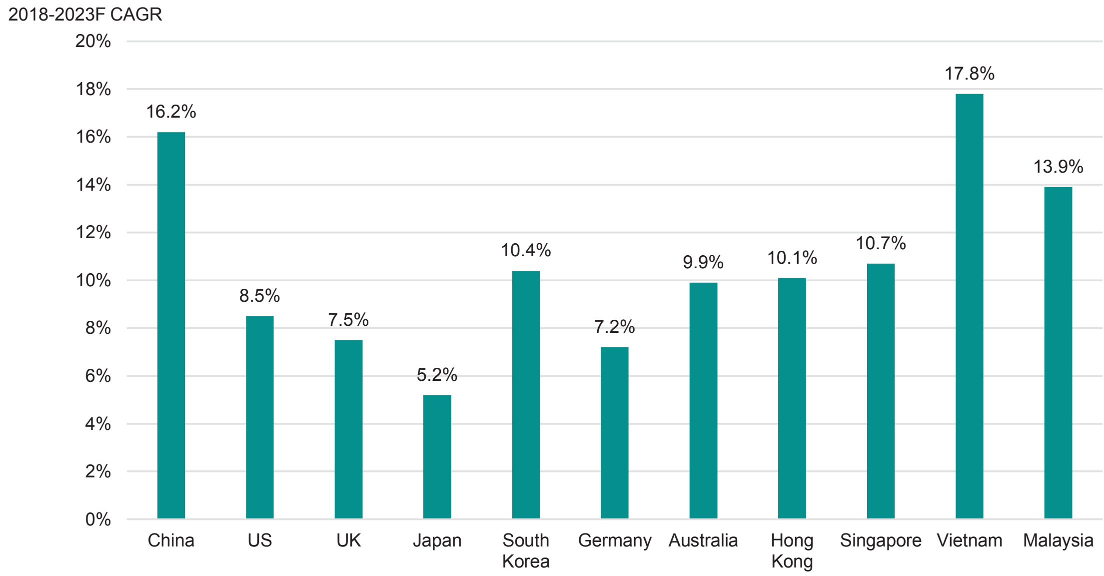
Exhibit 19 Alibaba Group's Double 11 Sales



Source: Alibaba Group

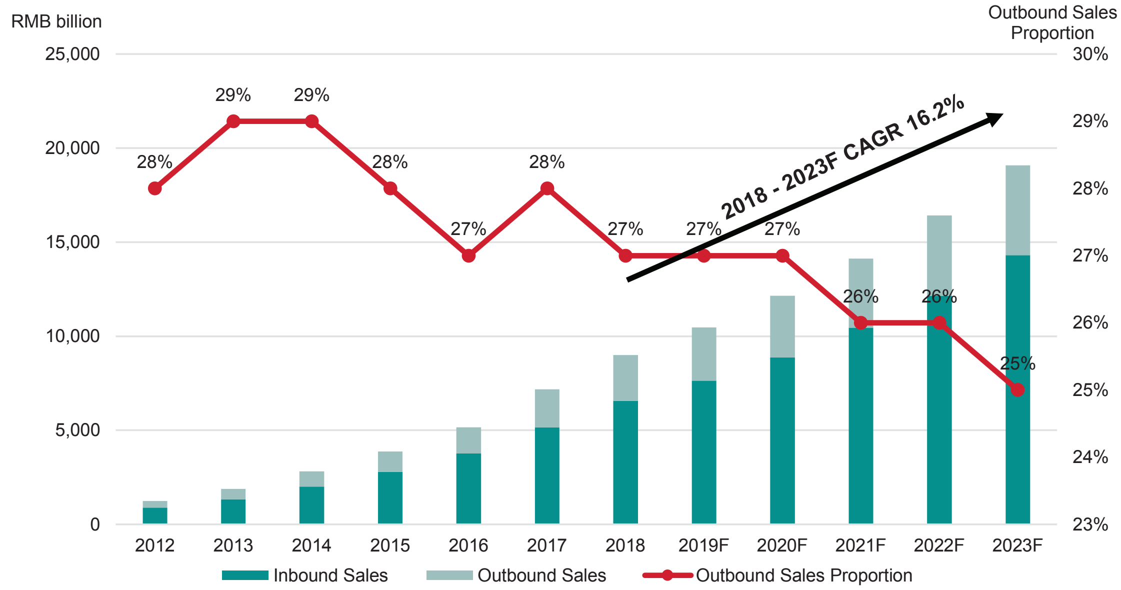
Looking ahead, the e-commerce sales of The PRC is expected to grow at a CAGR of approximately 16.2% during 2018 and 2023, which is slightly lower than that of Vietnam, but still outpacing the rest of the markets such as the US, Japan and South Korea. In 2018, the outbound e-commerce sales contributed about 27% of the total e-commerce sales and the proportion is forecasted to be further decreased to 25% in 2023 due to the progression of e-commerce platform in cities of lower tiers, which favours more general public and companies to consider the e-commerce option. While the US-China trade dispute may not be eased in the short run, domestic e-commerce demand continues to be one of the key drivers for logistics properties and it is expected that the domestic demand will be unaffected by the trade issue. Furthermore, the majority of sales of inland cities are brought by domestic customers, which supports further growth of the e-commerce business.

Exhibit 20 E-commerce Sales Growth by Countries



Source: China E-business Research Centre and Statista and Transport Intelligence

Exhibit 21 E-commerce Sales in The PRC

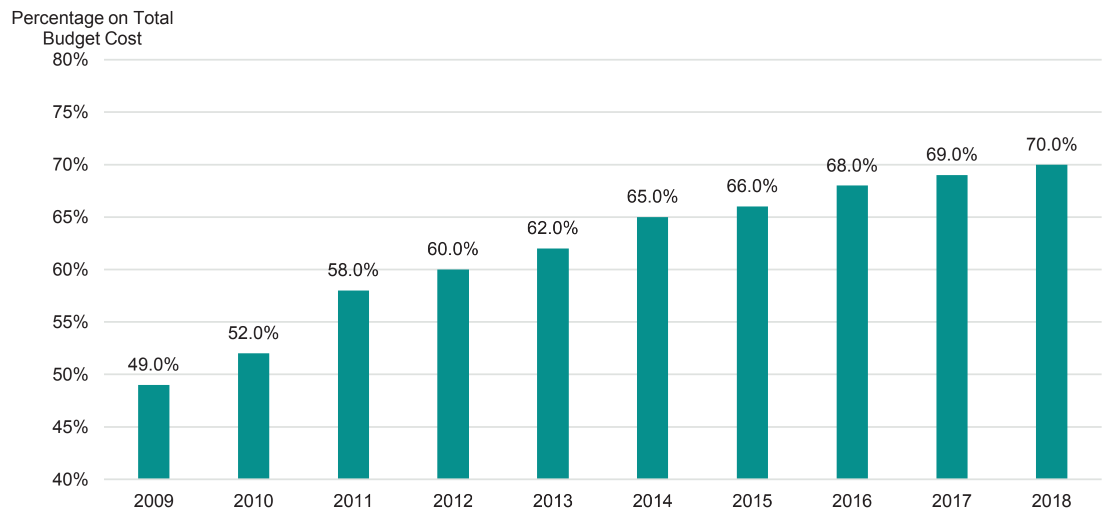


Source: China E-business Research Centre

Rise of 3rd-party Logistics

While some e-commerce companies have their own logistics arms, the majority outsources logistics operations to 3rd party logistics ("3PL") service providers as it is more cost-effective. E-commerce retailers can therefore focus on their core businesses. The revenue of 3PL service providers has been growing as evidenced from the increasing budget of e-commerce retailers for 3PL services, which grew from 49.0% in 2009 to 70.0% in 2018.

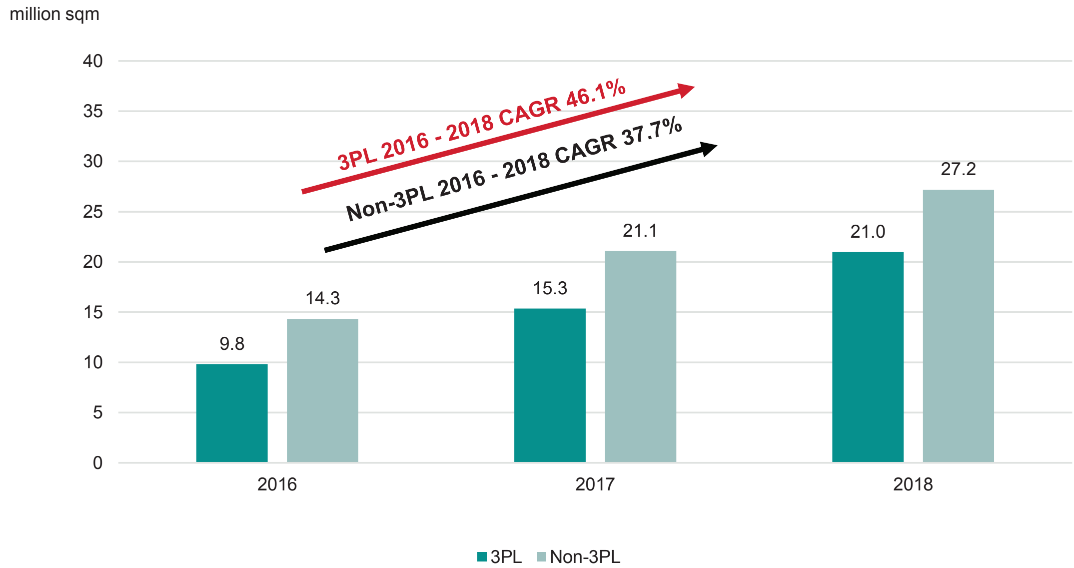
Exhibit 22 E-commerce Retailers' Budget for 3PL Services in The PRC



Source: Research and Markets - Third Party Logistics Market in China

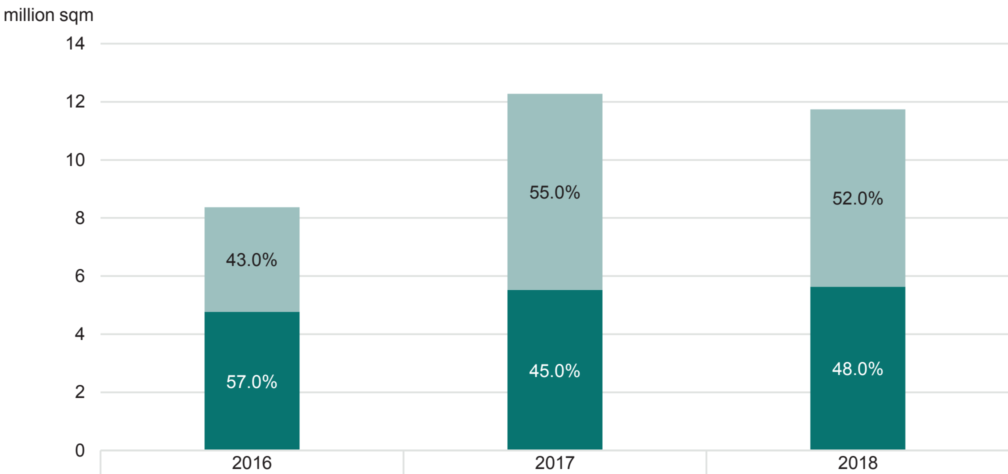
The robust demand of 3PL has led to a strong absorption of logistics space by 3PL service providers. In 2018, approximately 48.0% of the total net absorption of Grade A warehouses of The PRC were from 3PL service providers. The area occupied by 3PL service providers expanded from 9.8 million sqm in 2016 to 21.0 million sqm in 2018, representing a CAGR of approximately 46.1% between 2016 and 2018. According to Global Logistic Properties Pte. Ltd. ("GLP"), 3 of the top 5 tenants of their warehouses are 3PL service providers, which shows their strong demand for Grade A warehouses. The rapid expansion of e-commerce will continue to support the growth of 3PL, creating a strong demand for Grade A warehouses in the coming years.

Exhibit 23 Occupied Area of Grade A Warehouses by Tenant Types in The PRC



Source: Knight Frank

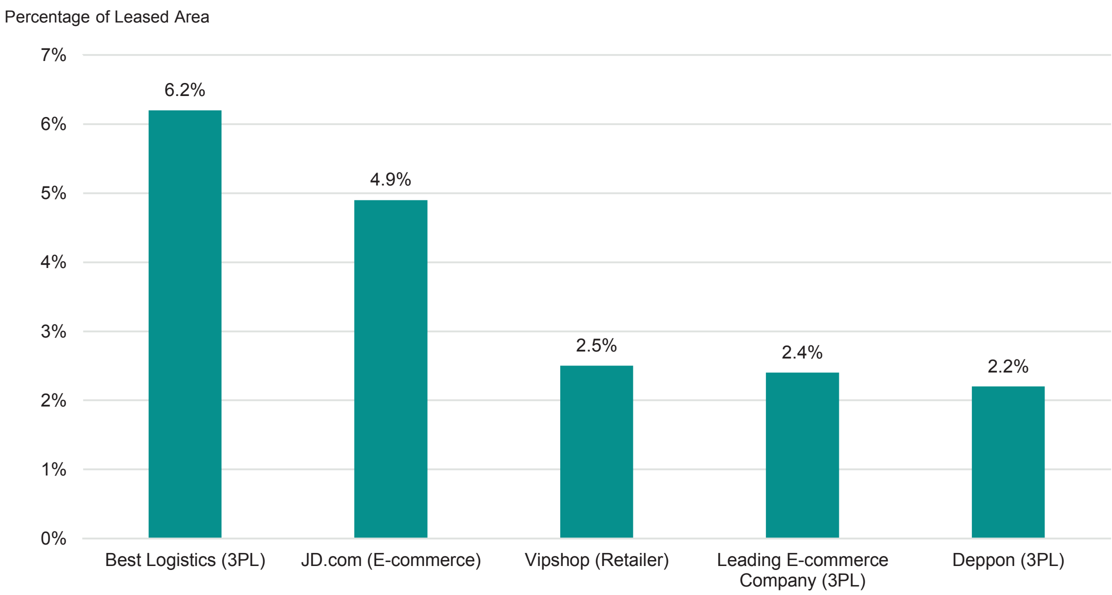
Exhibit 24 Net Absorption of Grade A Warehouses by Tenant Types in The PRC



	2016	2017	2018
Non-3PL	3.6	6.7	6.1
3PL	4.8	5.5	5.6

Source: Knight Frank

Exhibit 25 Top 5 Tenants of Warehouses of GLP in The PRC in 2018



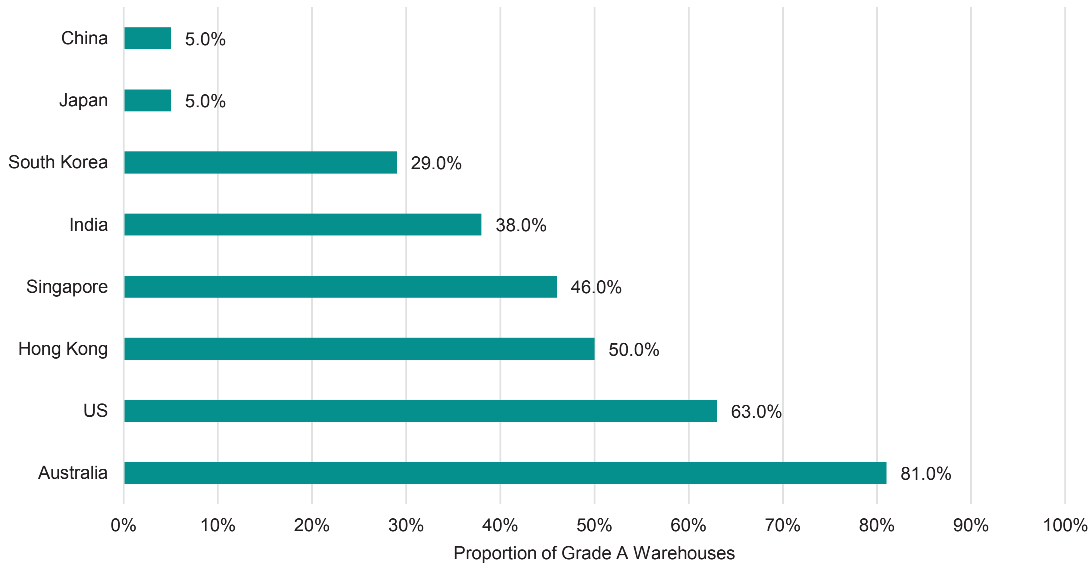
Source: GLP

4 Logistics Property Overview

4.1 Segmentation

In The PRC, there are mainly two kinds of logistics properties namely Grade A and Non-Grade A warehouses which can be clearly distinguished from each other by their building specifications. The proportion of Grade A warehouses in The PRC is significantly low, which accounted for approximately 5.0% of the total warehouse stock as of 2018. With the economy explosion in China, the current proportion of Grade A warehouses is extremely insufficient to cater for the enormous amount of logistics activities. Compared to the US and Australia, the proportion of The PRC is far lower than them by 58% and 76%, showing that there is an utmost need for development of Grade A warehouses in The PRC in the future.

Exhibit 26 Proportion of Grade A Warehouses by Countries in 2018



Source: Knight Frank / Various Sources

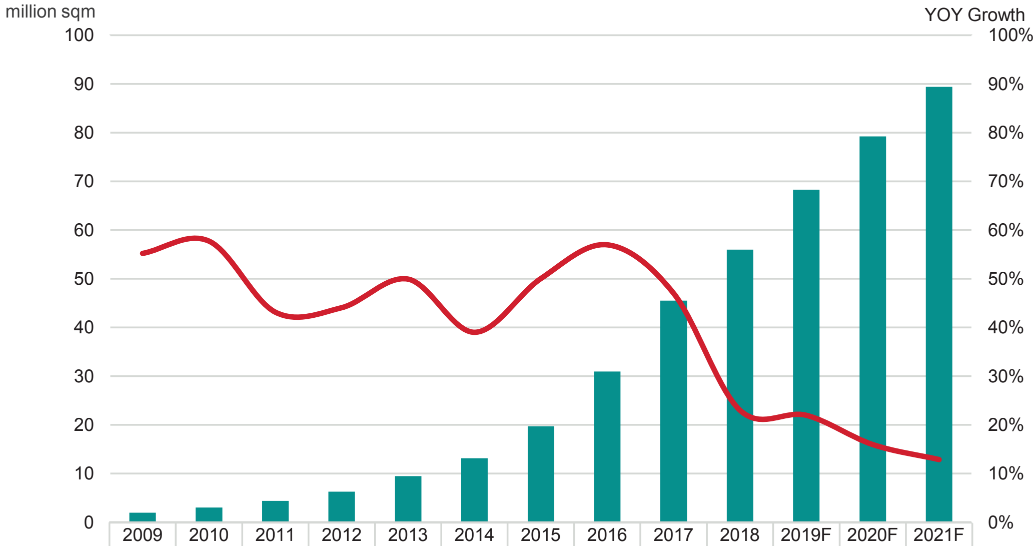
According to the major landlords and tenants, the building specifications of a Grade A and Non-Grade A warehouses in The PRC are summarised below: -

	Non-Grade A Specifications	Grade A Specifications
Clear Ceiling Height	6 metres ("m") – 8 m	More than 8 m
Floor Plate	Typically 5,000 – 10,000 sqm	More than 10,000 sqm
Floor Load	Less than 2 tonnes per sqm	2 tonnes – 4 tonnes per sqm
Structure	Concrete and/or steel structure	Concrete and/or steel structure
Upper Floor Access	Cargo lift	Ramp-up
Fire Fighting	Sprinklers, fire hydrants and fire alarm system	Sprinklers, fire hydrants and fire alarm system
Sky Lighting	Available	Available

4.2 Supply Situation

The development of Grade A warehouses in The PRC started in 2000s. The market has been rapidly developing ever since then with a double-digit annual growth in supply. In 2018, the total stock of Grade A warehouses in The PRC stood at approximately 56.0 million sqm with a 10-year CAGR of 45.3% and a YOY growth of 23.0%. An addition of 12.3 million sqm of Grade A warehouses will enter into the market in 2019, totalling at approximately 68.3 million sqm. Looking ahead, a stable new supply of approximately 10 million sqm per year is expected in the coming years.

Exhibit 27 Supply of Grade A Warehouses in The PRC

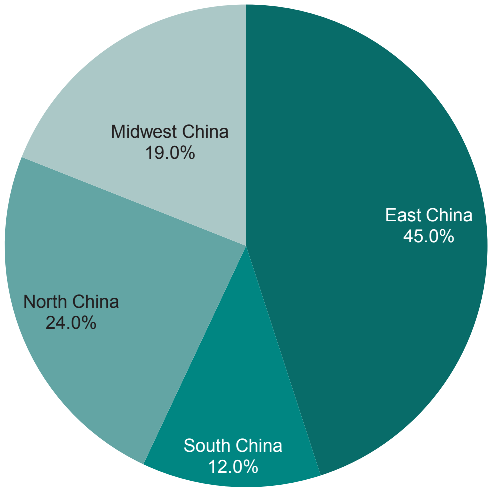


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Supply	1.9	3.1	4.4	6.3	9.5	13.2	19.7	31.0	45.5	56.0	68.3	79.2	89.4
YOY Growth	55.2%	57.7%	43.1%	44.1%	49.9%	39.0%	50.0%	57.0%	47.0%	23.0%	22.0%	16.0%	12.9%

Source: Knight Frank

Among the four key logistics hubs, the majority of the Grade A warehouses is in East China, accounting for approximately 45.0% of the total stock in The PRC in 2018, followed by North China with 24.0%, Midwest China with 19.0% and South China with 12.0%.

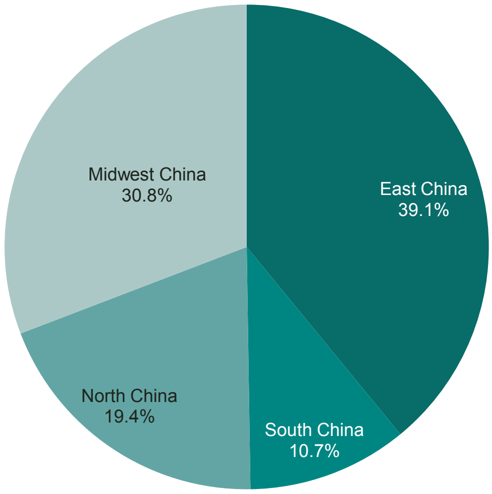
Exhibit 28 Distribution of Completed Grade A Warehouses by Regions in The PRC



Source: Knight Frank

Despite the fact that East China is still the biggest source of Grade A warehouse future supply, accounting for approximately 39.0% of the total future supply in The PRC in 2019, logistics land supply in the region has been decreasing in recent years. Meanwhile, the Grade A warehouse market in other three key logistics hubs has been rapidly developing, especially Midwest China, which ranked 2nd after East China and accounted for approximately 30.8% of the total future supply in The PRC as of 2019. Midwest China is expected to take a larger market share in the coming years considering the pipeline in the region.

Exhibit 29 Distribution of Grade A Warehouses under Development by Regions in The PRC



Source: Knight Frank

4.3 Requirements and Trends

As mentioned in Section 3.4, the demand for Grade A warehouses from 3PL and e-commerce has been surging and they are the key tenant groups. Companies from these sectors are highly sensitive to transportation cost and operational efficiency, and as a result, they have the following requirements:

Location

Grade A warehouses are ideally located in or close to major urban areas where the logistics demand comes from. In order to improve efficiency, it is of great importance for them to be situated close to highways, train stations, ports or airports. For multi-city and regional distribution, Grade A warehouses located out of primary cities would also be welcomed given that they are within a similar distance from other cities in the region. Such locations, which are usually satellite cities, would be able to ease the excess demand in primary cities.

Floor Space

The business of 3PL and e-commerce companies may grow rapidly. Flexibility of floor space is therefore essential as they may modify the existing space configuration to suit their expansion and operations. Also, to cater to their possible expansion plans, it is attractive for them if they are able to take up space adjacent to their existing leased areas. Thus, large contiguous space is highly attractive.

Ceiling Height

To ensure operational efficiency, a high ceiling height is strongly preferred by occupiers. A Grade A warehouse generally has a minimum ceiling height of 9 m.

Ancillary Office

Ancillary office spaces may be necessary as some occupiers would send staff to work on-site to manage the operations.

Technology

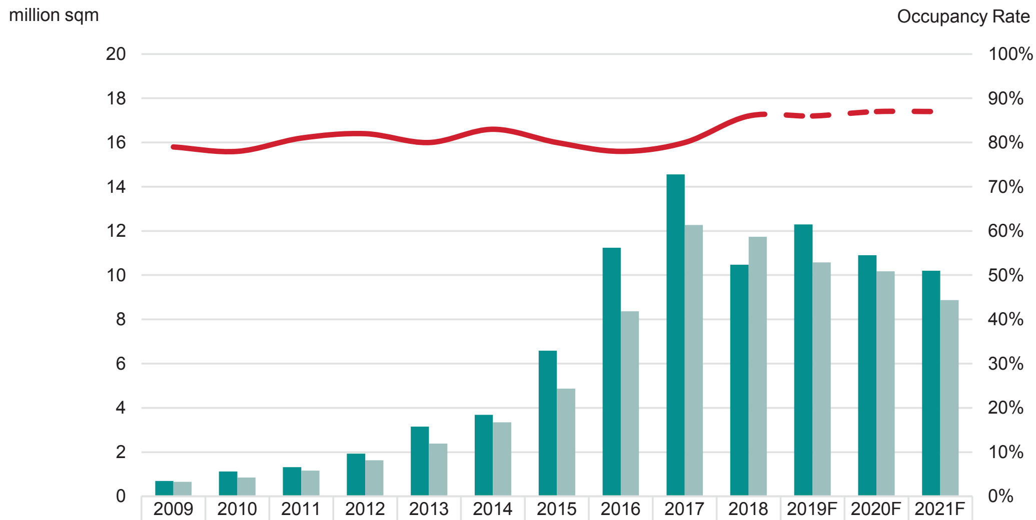
Demand for automated warehouses and advanced logistics equipment has been rising amid high labour costs and shortage of labour. Automated picking system is one of the examples of new technology applicable to the logistics industry.

4.4 Performance and Outlook

As mentioned in Sections 3.3 and 3.4, the demand for Grade A warehouse of The PRC has been rising for various reasons, supporting a strong net absorption in the past few years. In 2018, the net absorption of Grade A warehouses in The PRC was recorded at approximately 11.7 million sqm, which further pushed up the occupancy rate from 80.0% in 2017 to 86.0% in 2018.

With sustainable demand from 3PL and e-commerce sectors, a strong net absorption is expected in the coming few years. While new supply will enter the market steadily, the occupancy rate will increase gradually to approximately 87.0% by 2021.

Exhibit 30 New Supply, Net Absorption and Occupancy Rate of Grade A Warehouses in The PRC

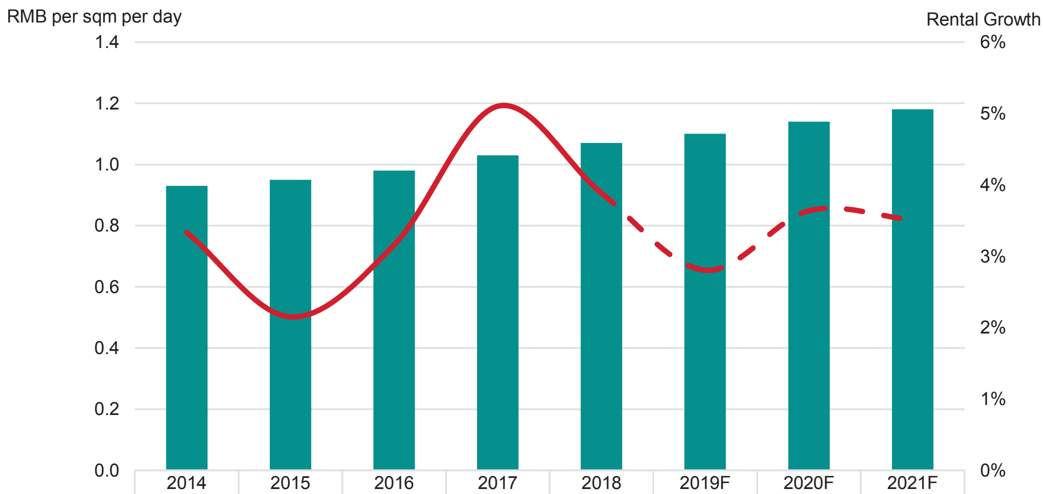


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	0.7	1.1	1.3	1.9	3.2	3.7	6.6	11.2	14.6	10.5	12.3	10.9	10.2
Net Absorption	0.7	0.9	1.2	1.6	2.4	3.4	4.9	8.4	12.3	11.7	10.6	10.2	8.9
Occupancy Rate	79.0%	78.0%	81.0%	82.0%	80.0%	83.0%	80.0%	78.0%	80.0%	86.0%	86.0%	87.0%	87.0%

Source: Knight Frank

In general, Grade A warehouses have a rental premium of 25% to 30% compared to Non-Grade A stock. The average rent of Grade A warehouses in The PRC rose by 3.9% YOY to RMB1.07 per sqm per day in 2018 with a 5-year CAGR of 3.6%. Going forward, the rental level is anticipated to maintain a steady growth of 2.8% to 3.6% annually in the coming three years and reach RMB1.18 per sqm per day in 2021.

Exhibit 31 Rental Level of Grade A Warehouses in The PRC

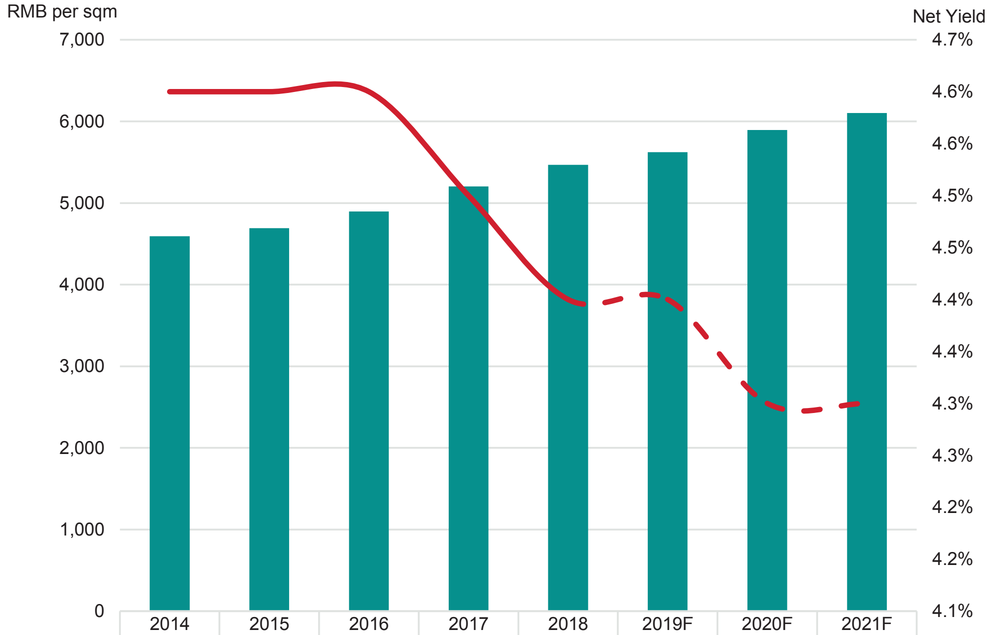


	2014	2015	2016	2017	2018	2019F	2020F	2021F
Average Rent	0.93	0.95	0.98	1.03	1.07	1.10	1.14	1.18
Rental Growth	3.3%	2.2%	3.2%	5.1%	3.9%	2.8%	3.6%	3.5%

Source: Knight Frank

The average capital value of Grade A warehouses in The PRC was recorded at RMB5,469 per sqm in 2018, reflecting a YOY growth of 5.1% and a 5-year CAGR of 4.5%. The overall net yield of Grade A warehouses in The PRC compressed from 4.6% in 2014 to 4.4% in 2018. Looking ahead, the average capital value is expected to gradually increase to RMB6,101 per sqm by 2021, while the overall net yield would be further compressed by 10 basis points to 4.3%.

Exhibit 32 Capital Value and Yield of Grade A Warehouses in The PRC



	2014	2015	2016	2017	2018	2019F	2020F	2021F
Capital Value	4,594	4,693	4,896	5,204	5,469	5,622	5,894	6,101
Net Yield	4.6%	4.6%	4.6%	4.5%	4.4%	4.4%	4.3%	4.3%

Source: Knight Frank

As mentioned in Sections 3.3 and 3.4, the improving economic environment and the development of 3PL and e-commerce are the fundamental drivers of logistics demand in The PRC. With the government planning, policies and infrastructure projects mentioned in Sections 2.3 and 2.4, development of the logistics market is optimistic. A strong net absorption, and a gradual increase in occupancy rate, average rent and capital value of Grade A warehouses in The PRC are expected in the medium term.

4.5 Providers and Players

The Grade A warehouse market in The PRC is dominated by overseas developers and investors. Singapore-based GLP has the biggest existing stock and is the leading developer. Apart from GLP, Singapore-based Mapletree, Australian-based Goodman and LOGOS, and US-based Prologis are other key overseas players in the market.

Since the last decade, the presence of domestic developers in the Grade A warehouse market has been increasing. As of 2018, ESR was the biggest domestic developer in the market, followed by other key players, for example, Blogis, Ping'an, VX, China Logistics Property and Vailog. As the Grade A warehouse market continues to develop, the market share of domestic developers is expected to increase further.

5 City-level Market Overview

5.1 Chengdu Market Overview

5.1.1 Economic Overview

Exhibit 33 Location of Chengdu

Source: Knight Frank

Chengdu is the capital city of Sichuan Province located in Midwest China, bordering Deyang to the northeast, Ziyang to the southeast, Meishan to the south, Ya'an to the southwest and Ngawa Tibetan and Qiang Autonomous Prefecture to the northwest. Its area spans over 14,000 square kilometres ("sqkm"). Chengdu is a major business logistics hub and a high-tech industrial development base.

The population of Chengdu reached 16.3 million in 2018, representing an increase of 1.8% YOY. The GDP of Chengdu in 2018 increased by 8.0% YOY to RMB1,534 billion, which was higher than the average growth rate of all cities in The PRC by 140 basis points. The tertiary industry constituted the largest proportion of the GDP at 54.1% and also saw the largest YOY increase of 12.4%. The FAI in 2018 continued to expand at a double-digit growth rate for three consecutive years at 10.0% YOY to RMB1,034 billion. The inflation rate decreased from 2.0% in 2017 to 1.4% in 2018. Both the imports and exports growth slowed down in 2018 to 22.2% YOY and 35.9% YOY respectively. The urban disposable income and urban consumption expenditure in 2018 steadily grew by 8.2% YOY and 7.9% YOY to RMB42,128 per capita and RMB27,312 per capita respectively.

Exhibit 34 Macroeconomic Indicators of Chengdu

RMB billion (unless otherwise stated)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP	450	555	695	814	911	1,006	1,080	1,217	1,389	1,534
Real GDP Growth	14.7%	15.0%	15.2%	13.0%	10.2%	8.9%	7.9%	7.7%	8.1%	8.0%
GDP of Tertiary Industry	223	279	348	403	457	519	570	649	739	830
GDP of Secondary Industry	200	248	314	377	418	451	472	520	600	652
GDP of Primary Industry	27	29	33	35	35	36	37	47	50	52
GDP per Capita (RMB per capita)	35,215	41,253	49,438	57,624	63,977	70,019	74,273	76,960	86,911	94,782
FAI	401	426	500	589	650	662	701	837	940	1,034
FAI Growth	34.0%	6.1%	17.4%	17.9%	10.4%	1.8%	5.8%	19.5%	12.3%	10.0%
Real Estate Investment	95	128	160	189	211	221	244	264	249	227
Real Estate Investment Growth	3.6%	35.3%	24.9%	18.4%	11.6%	4.6%	10.6%	8.1%	-5.7%	-8.8%
Foreign Direct Investment (USD billion)	2.8	6.4	6.6	8.6	8.8	8.8	7.5	8.6	10.0	12.0
Foreign Direct Investment Growth	24.4%	128.9%	2.2%	31.1%	2.0%	0.0%	-14.2%	14.6%	16.5%	19.8%
Imports (USD billion)	7.4	10.8	15.0	17.2	18.7	22.0	15.5	19.0	27.7	33.8
Imports Growth	17.4%	46.2%	38.9%	15.0%	8.9%	17.4%	-29.5%	22.7%	45.8%	22.2%
Exports (USD billion)	10.5	13.9	23.0	30.4	31.9	33.8	23.8	21.9	30.6	41.6
Exports Growth	15.9%	32.1%	65.5%	32.3%	5.0%	6.1%	-29.7%	-7.9%	39.7%	35.9%
Inflation Rate	0.3%	3.0%	5.4%	3.0%	3.1%	1.3%	1.1%	2.2%	2.0%	1.4%
Permanent Residents (million)	14.0	14.0	14.1	14.2	14.3	14.4	14.7	15.9	16.0	16.3
Permanent Population Growth	-5.1%	0.7%	0.2%	0.8%	0.8%	0.9%	1.6%	8.5%	0.9%	1.8%
Urban Disposable Income (RMB per capita)	18,659	20,835	23,932	27,194	29,968	32,665	33,476	35,902	38,918	42,128
Urban Disposable Income Growth	10.1%	11.7%	14.9%	13.6%	10.2%	9.0%	2.5%	7.2%	8.4%	8.2%
Urban Consumption Expenditure (RMB per capita)	14,088	15,511	17,795	19,054	20,362	21,711	21,825	23,514	25,314	27,312
Urban Consumption Expenditure Growth	9.6%	10.1%	14.7%	7.1%	6.9%	6.6%	0.5%	7.7%	7.7%	7.9%
Consumption Expenditure (RMB per capita)	-	-	-	-	-	18,151	19,225	20,551	22,317	24,265
Consumption Expenditure Growth	-	-	-	-	-	-	5.9%	6.9%	8.6%	8.7%

Source: Chengdu Statistics Bureau
Remarks: The consumption expenditure prior to 2014 has a different basis and has been excluded.

5.1.2 Government Planning and Policies

Chengdu is categorised as one of the 29 1st-tier logistics zones as per the Development Plan of Logistics Park of The PRC (2013 – 2020). According to the Sichuan Province Logistics Mid-to-Long Term Development Plan (2015 – 2020), Chengdu is planned as the core logistics city leading the advancement of the logistics industry in Sichuan Province. Chengdu possesses the advantages of large population and well-established transportation system. The Chengdu Container Centre which opened in 2010 is the largest one in Asia, and Chengdu Tianfu International Airport expected to operate in 2021 will be the 4th largest air cargo centre in The PRC, synergising the function of the existing Chengdu Shuangliu International Airport. With reference to the 13th Five-Year Plan for the Modern Logistics Development of Chengdu, a new logistics network is planned, covering five logistics zones, six logistics centres and numbers of service stations.

5.1.3 Infrastructure Developments

Exhibit 35 Major Infrastructures in Chengdu

Source: Knight Frank

Airport

Chengdu Shuangliu International Airport is situated at the southwestern part of Chengdu, which is 16 kilometres ("km") from the city centre. The airport was developed in 1938 and the 2nd terminal of the airport commenced to operate in 2012. In 2018, the airport recorded 53 million passengers and 0.67 million tonnes of cargo throughput. The 2nd airport in Chengdu, Chengdu Tianfu International Airport, is targeted to be completed in 2021.

Railway

Chengdu has a total of four railway stations, located at the north, east, south and west of the city centre.

Road

There are 13 expressways serving Chengdu, providing extensive access to various parts of The PRC, including Beijing, Shanghai and Chongqing, etc.

5.1.4 Key Sub-markets

Chengdu has five key logistics sub-markets, namely Shuangliu, Xinjin, Xindu, Longquanyi and Qingbaijiang.

Shuangliu, Xindu and Longquanyi are closer to the city centre while Xinjin and Qingbaijiang are decentralised.

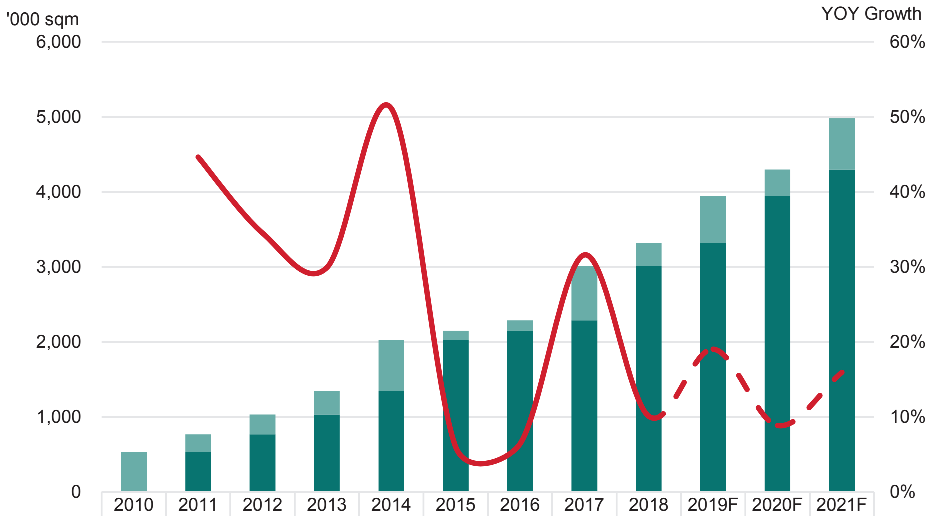
Exhibit 36 Key Sub-markets in Chengdu

Source: Knight Frank

5.1.5 Supply and Demand

The total size of Grade A warehouse has increased to 3.0 million sqm in 2018 at a CAGR of 25.7% between 2010 and 2018. The high growth rate is contributed by the rapid initial expansion. It is expected the increase in future stock will be kept at a level ranging from 8.9% to 19.0% per annum in the coming three years.

Exhibit 37 Existing Stock and New Supply of Grade A Warehouses in Chengdu

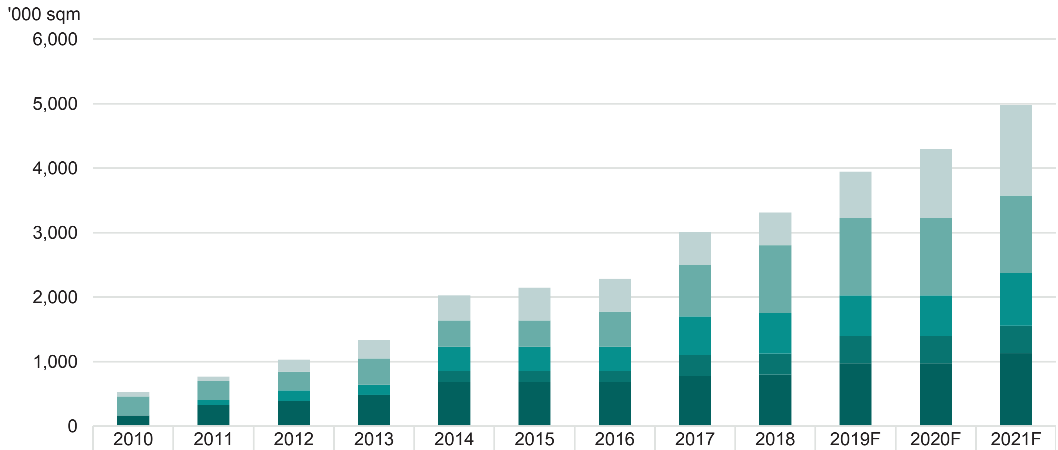


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	531	237	265	309	686	122	138	723	304	631	350	685
Existing Stock		531	768	1,033	1,342	2,028	2,150	2,288	3,011	3,315	3,946	4,296
Total Stock Change YOY		44.6%	34.5%	29.9%	51.1%	6.0%	6.4%	31.6%	10.1%	19.0%	8.9%	15.9%

Source: Knight Frank

In 2010, the largest proportion of Grade A warehouse stock clustered in Longquanyi, accounts for 55.0% of the total supply, followed by Shuangliu with 31.6%. The proportions then decreased gradually to 31.6% and 24.2% in 2018 respectively, due to the development of new warehouses in Xinjin and Xindu, which collectively accounted for 28.8% of stock as of 2018. More than half of the future supply from 2019 to 2021 will be concentrated in Qingbaijiang amounting to a total of 892,000 sqm.

Exhibit 38 Supply of Grade A Warehouses by Sub-markets in Chengdu

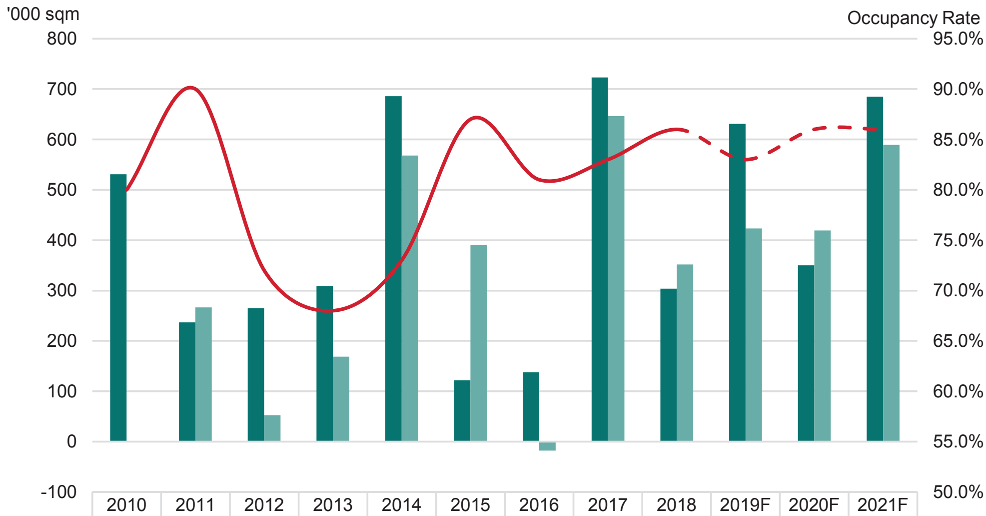


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Qingbaijiang	71	71	186	291	389	511	511	511	511	718	1,068	1,403
Longquanyi	292	292	292	405	405	405	542	799	1,049	1,200	1,200	1,200
Xindu	0	72	158	158	379	379	379	596	629	629	629	819
Xinjin	0	0	0	0	165	165	165	325	325	425	425	425
Shuangliu	168	333	397	488	690	690	690	780	801	973	973	1,133

Source: Knight Frank

Despite the substantial amount of new supply entering into the market in recent years, the net absorption remained positive during the past nine years, except for 2016. The occupancy rate stood at a healthy level ranging from 81.0% to 87.0% after 2014. The strong demand was brought by the surge of exposure of the e-commerce industry. Hence, it is forecasted that the net absorption in the future three years will keep in line with the new supply, supporting the occupancy rate to stay at 86.0% in 2020 and 2021.

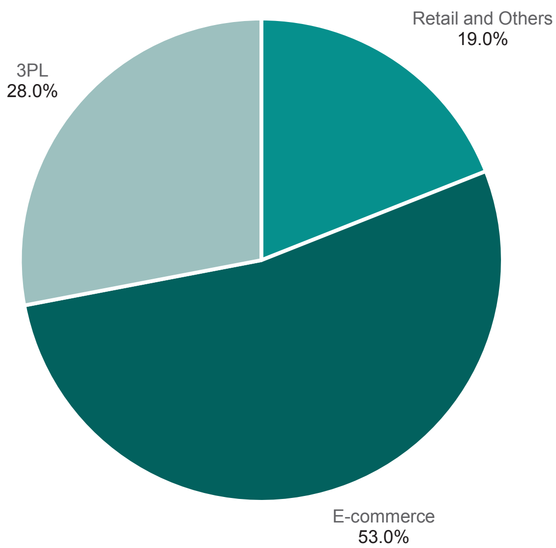
Exhibit 39 New Supply, Net Absorption and Occupancy Rate of Grade A Warehouses in Chengdu



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	531	237	265	309	686	122	138	723	304	631	350	685
Net Absorption		266	53	169	568	390	-18	647	352	423	419	589
Occupancy Rate	80.0%	90.0%	72.0%	68.0%	73.0%	87.0%	81.0%	83.0%	86.0%	83.0%	86.0%	86.0%

Source: Knight Frank

Exhibit 40 Tenant Composition of Grade A Warehouses in Chengdu in 2018



Source: Knight Frank

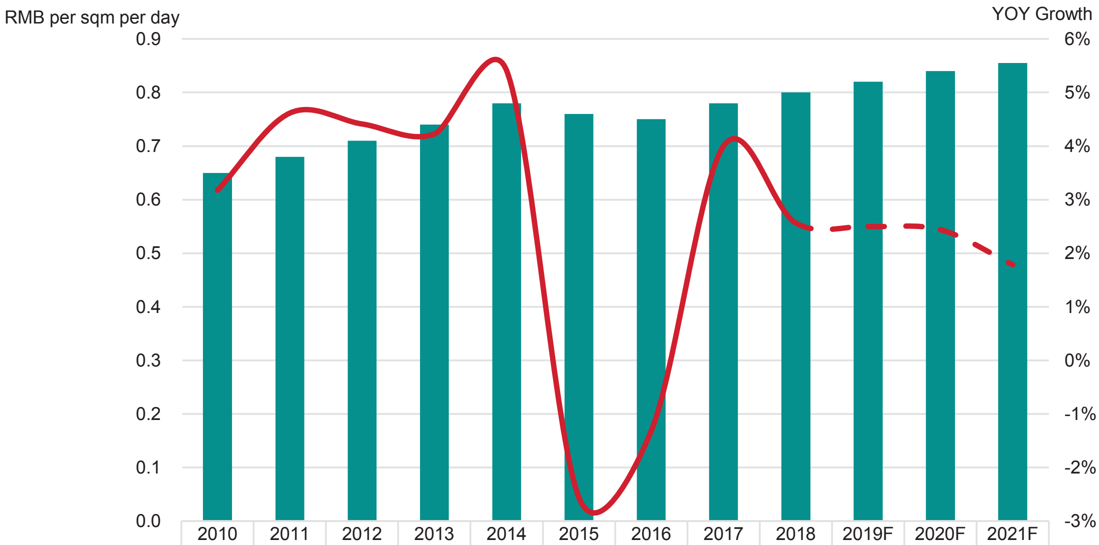
5.1.6 Investment Trends

As a leading logistics hub in Midwest China, the demand of Grade A warehouse, supported by the continuous growth of e-commerce expenditure, will keep strong in spite of the influence of increasing needs of Build to Suit ("BTS") warehouses. The high-quality new Grade A warehouse stock provides abundant prime opportunities for investors.

5.1.7 Rent, Yield and Value

The average rent of Grade A warehouses in Chengdu recorded a slight decrease from 2015 to 2016 and rebounded afterwards to RMB0.80 per sqm per day in 2018. As the logistics market becomes more mature, the rental growth is expected to slow down gradually to reach an average rent of RMB0.86 per sqm per day in 2021.

Exhibit 41 Rental Level of Grade A Warehouses in Chengdu

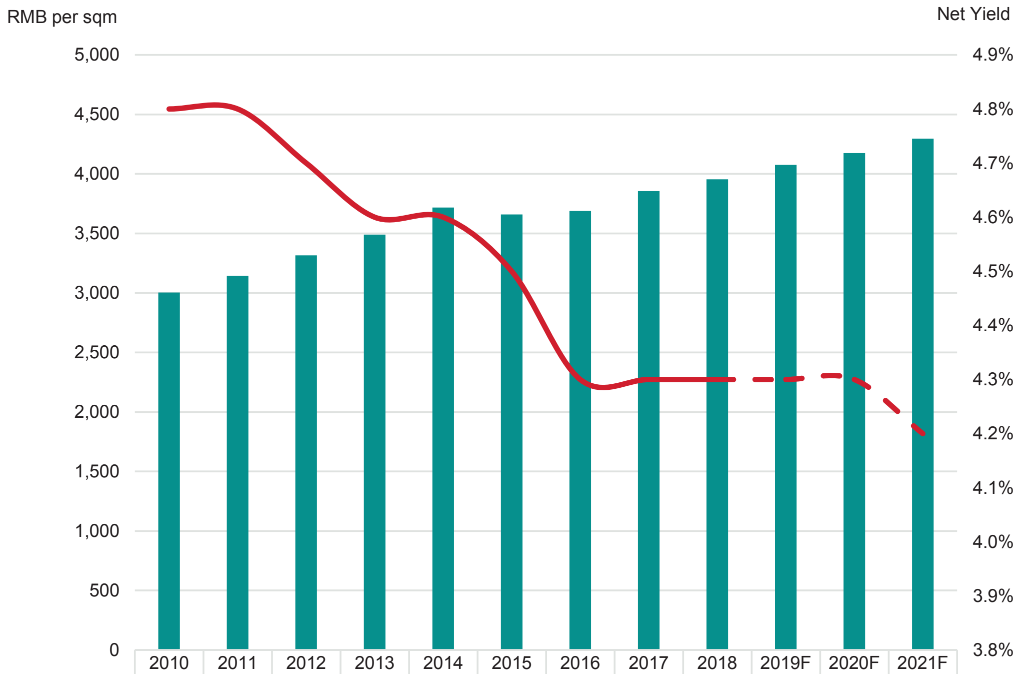


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Average Rent	0.65	0.68	0.71	0.74	0.78	0.76	0.75	0.78	0.80	0.82	0.84	0.86
YOY Growth	3.2%	4.6%	4.4%	4.2%	5.4%	-2.6%	-1.3%	4.0%	2.6%	2.5%	2.4%	1.8%

Source: Knight Frank

The average capital value of Grade A warehouses in Chengdu increased to RMB3,956 per sqm in 2018, representing a growth of 2.6% YOY. On the other hand, the net yield continues to drop from 4.8% in 2010 to 4.3% in 2018 and is expected to further decrease to 4.2% in 2021. With the gradual growth of rent and decrease in yield, it is expected that the capital value will keep increasing to achieve a level of RMB4,296 per sqm in 2021.

Exhibit 42 Capital Value and Yield of Grade A Warehouses of Chengdu



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Capital Value	3,004	3,143	3,315	3,491	3,718	3,660	3,689	3,857	3,956	4,076	4,176	4,296
Net Yield	4.8%	4.8%	4.7%	4.6%	4.6%	4.5%	4.3%	4.3%	4.3%	4.3%	4.3%	4.2%

Source: Knight Frank

5.1.8 Subject Property Analysis

Chengdu DC Logistics Park is a single-storey logistic park completed in 2018, which is located on South of No.2 Hangshu Road, Shuangliu District. It has a total site area and GFA of approximately 32,331.55 sqm and 20,769.30 sqm respectively. The ceiling height of it is 9 m, and the loading capacity is 3 tonnes per sqm.

Exhibit 43 Road Network and Highway Entrance Enjoyed by the Subject Property

Source: Knight Frank

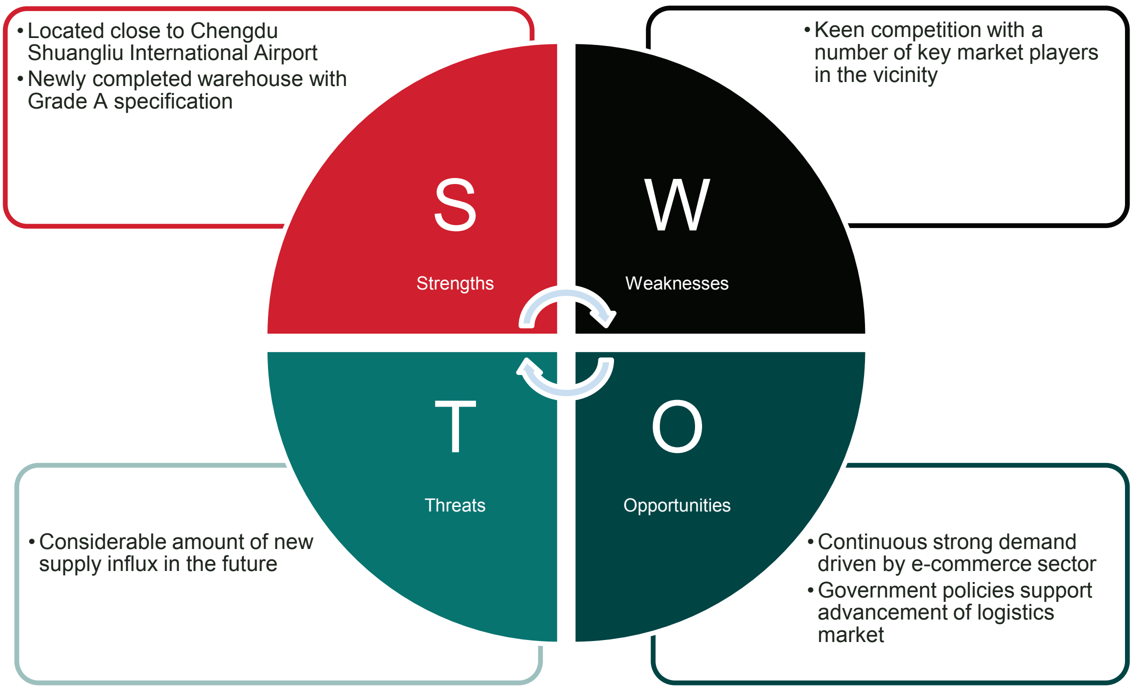
Chengdu DC Logistics Park is located in Shuangliu sub-market at the southern Chengdu. It takes a 15-minute drive to Chengdu Shuangliu International Airport. It enjoys proximity to various destinations of interest which are shown in the table below: -

Exhibit 44 Distances to Major Destinations

Destination	Approximate Road Distance
Chengdu City Centre	40-minute drive
Chengdu Railway Station	40-minute drive
Chengdu South Railway Station	25-minute drive
Chengdu Shuangliu International Airport	15-minute drive
Nearest Expressway Entrance	15-minute drive

Source: Knight Frank

Exhibit 45 SWOT Analysis of Chengdu DC Logistics Park



Source: Knight Frank

Performance Outlook

Although Chengdu DC Logistics Park was newly developed in 2018, it has achieved an occupancy of 100%. Its success is attributed by its excellent location and relatively high building specification. In the long run, amid robust logistics demand of Chengdu, it is expected that the rental level will rise steadily, and the high occupancy will be maintained.

5.2 Shenyang Market Overview

5.2.1 Economic Overview

Exhibit 46 Location of Shenyang

Source: Knight Frank

Shenyang, the capital city of Liaoning Province in North China, is located at the mid of the province, bordering Fushun and Tieling to the east, Benxi and Liaoyang to the south, Fuxin and Jinzhou to the west, and Tongliao, Inner Mongolia Autonomous Region to the north. Covering an area of 12,942 sqkm, the city is one of the key administrative, logistics and financial centres in the Bohai Economic Rim.

In 2018, the population of Shenyang stood at 8.3 million, went up by 0.3% YOY, while the urban disposable income and urban consumption expenditure increased by 6.5% and 7.6% to RMB44,054 per capita and RMB32,235 per capita respectively. The rise in disposable income and consumption expenditure was driven by the strong expansion of the economy. In 2018, the GDP of Shenyang amounted to RMB629 billion, representing a real YOY growth of 5.4% and accounting for approximately 24.9% of the total GDP of Liaoning Province. In particular, the tertiary industry continued to expand and contributed 58.2% of the total GDP in 2018, while FAI increased by 15.3% to RMB171 billion in the same year. The inflation rate went up from 1.4% in 2017 to 3.0% in 2018. The imports and exports grew significantly by 19.2% YOY and 10.4% YOY to USD9.7 billion and USD5.2 billion respectively.

Exhibit 47 Macroeconomic Indicators of Shenyang

RMB billion (unless otherwise stated)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP	428	504	593	660	676	710	727	553	578	629
Real GDP Growth	14.2%	14.1%	12.4%	9.9%	8.8%	5.9%	3.2%	-4.7%	3.5%	5.4%
GDP of Tertiary Industry	195	227	263	293	305	325	348	313	334	366
GDP of Secondary Industry	217	258	309	345	349	361	353	215	219	238
GDP of Primary Industry	17	19	21	22	22	24	26	25	25	26
GDP per Capita (RMB per capita)	53,974	62,593	72,796	80,387	82,042	85,864	87,697	66,663	69,754	75,766
FAI	368	414	456	563	638	656	533	163	148	171
FAI Growth	22.2%	12.6%	10.2%	23.3%	13.5%	2.8%	-18.9%	-69.4%	-9.0%	15.3%
Real Estate Investment	119	145	168	194	218	198	134	71	81	100
Real Estate Investment Growth	17.6%	22.0%	16.2%	15.3%	12.4%	-9.5%	-32.3%	-46.9%	14.7%	22.4%
Foreign Direct Investment (USD billion)	5.4	5.1	5.5	5.8	5.8	2.3	1.1	0.8	1.0	1.4
Foreign Direct Investment Growth	-9.8%	-6.7%	8.9%	5.5%	0.2%	-60.9%	-53.3%	-22.6%	23.2%	41.6%
Imports (USD billion)	3.1	3.8	5.8	6.8	7.3	8.7	7.3	7.1	8.2	9.7
Imports Growth	1.3%	23.9%	53.4%	16.9%	8.1%	18.1%	-15.8%	-2.8%	15.1%	19.2%
Exports (USD billion)	3.5	4.1	4.8	6.0	7.0	7.1	6.8	4.2	4.7	5.2
Exports Growth	-14.6%	15.9%	18.4%	23.6%	17.3%	2.0%	-4.9%	-37.5%	10.5%	10.4%
Inflation Rate	-0.1%	2.9%	5.4%	3.0%	2.5%	2.2%	1.2%	1.7%	1.4%	3.0%
Permanent Residents (million)	7.9	8.1	8.2	8.2	8.3	8.3	8.3	8.3	8.3	8.3
Permanent Population Growth	1.3%	3.1%	0.9%	0.6%	0.4%	0.4%	0.0%	0.0%	0.0%	0.3%
Urban Disposable Income (RMB per capita)	18,475	20,541	23,326	26,431	29,074	31,720	36,643	38,995	41,359	44,054
Urban Disposable Income Growth	8.6%	11.2%	13.6%	13.3%	10.0%	9.1%	15.5%	6.4%	6.1%	6.5%
Urban Consumption Expenditure (RMB per capita)	16,111	16,961	18,147	20,002	22,252	24,223	25,870	27,655	29,958	32,235
Urban Consumption Expenditure Growth	9.8%	5.3%	7.0%	10.2%	11.2%	8.9%	6.8%	6.9%	8.3%	7.6%
Consumption Expenditure (RMB per capita)	-	-	-	-	-	21,114	22,662	24,166	26,183	28,184
Consumption Expenditure Growth	-	-	-	-	-	-	7.3%	6.6%	8.3%	7.6%

Source: Shenyang Statistics Bureau
Remarks: The consumption expenditure prior to 2014 has a different basis and has been excluded.

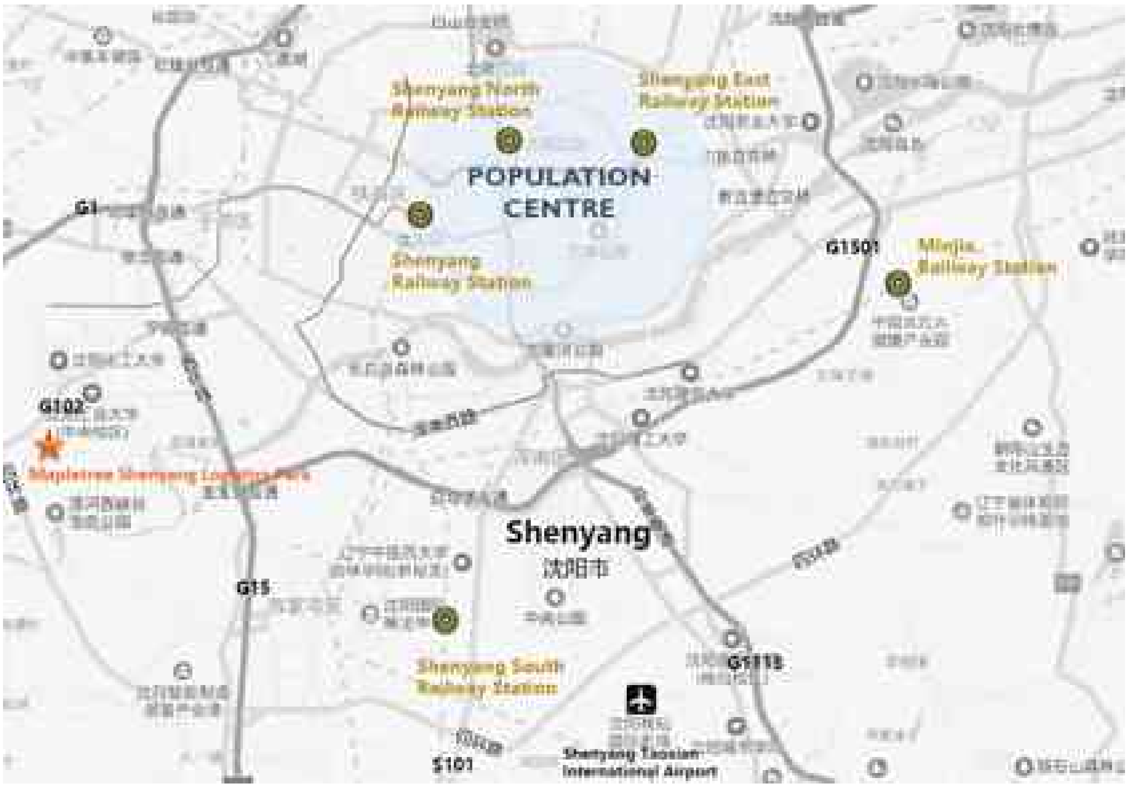
5.2.2 Government Planning and Policies

According to the 13th Five-Year Plan for the Economic and Social Development of Shenyang (2016 – 2020), the government of Shenyang is determined to develop the city into a regional logistics hub. The government is supportive in the development of Shenyang International Logistics Hub and has implemented policies to attract e-commerce retailers and 3PL service providers to establish their footprints in the city. Located in the north of The PRC, Shenyang plays a vital role in the international logistics network with Mongolia and Russia.

In 2018, the development of Shenyang International Inland Port Express Delivery Logistics Zone was approved. The 1.6 sqkm logistics zone located in Sujiatun District is only 15 km away from Shenyang Taoxian International Airport, which would be an ideal location for express delivery service providers.

5.2.3 Infrastructure Developments

Exhibit 48 Major Infrastructures in Shenyang



Source: Knight Frank

Airport

Shenyang Taoxian International Airport, serving as a regional hub airport of Liaoning Province, is located at the southern part of Shenyang. Flight services connecting Shenyang to major cities in The PRC and other international destinations including Singapore, Tokyo, Frankfurt and Vancouver are available in the airport. Currently, the airport is capable of handling approximately 19 million passengers and 0.17 million tonnes of cargo annually.

Railway

There are three railway stations serving passengers in the city, Shenyang Railway Station in the city centre, Shenyang North Railway Station in the northern Shenyang and Shenyang South Railway Station in the southern Shenyang. Shenyang East Railway Station in the eastern Shenyang serves as a cargo railway station only.

Port

Currently, the main port serving Shenyang is Yingkou Port in Yingkou, approximately 220 km away from Shenyang. The government of Shenyang plans to develop an inland port in Shenyang, shifting parts of the administrative procedures to the city and allowing a higher efficiency.

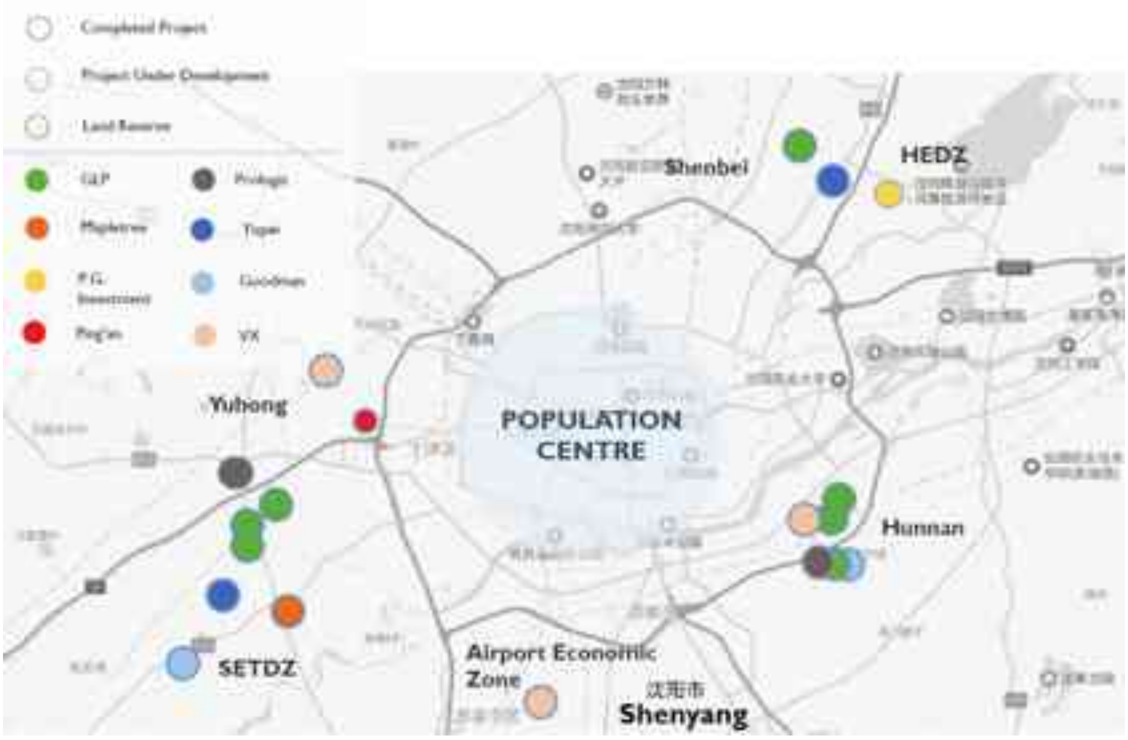
Road

Shenyang is connected to major cities in The PRC via G1, G15, G25, G91, G1113, G1212 and G2511 National Expressways, and G101, G102, G202, G203, G230 and G304 National Highways. The extensive road network makes Shenyang one of the most important transportation hubs in the northeast of The PRC.

5.2.4 Key Sub-markets

Shenyang include six key logistics sub-markets, namely Yuhong, Shenyang Economic and Technological Development Zone ("SETDZ"), Hunnan, Shenbei, Airport Economic Zone and Huishan Economic Development Zone ("HEDZ"). All sub-markets are decentralised.

Exhibit 49 Key Sub-markets in Shenyang

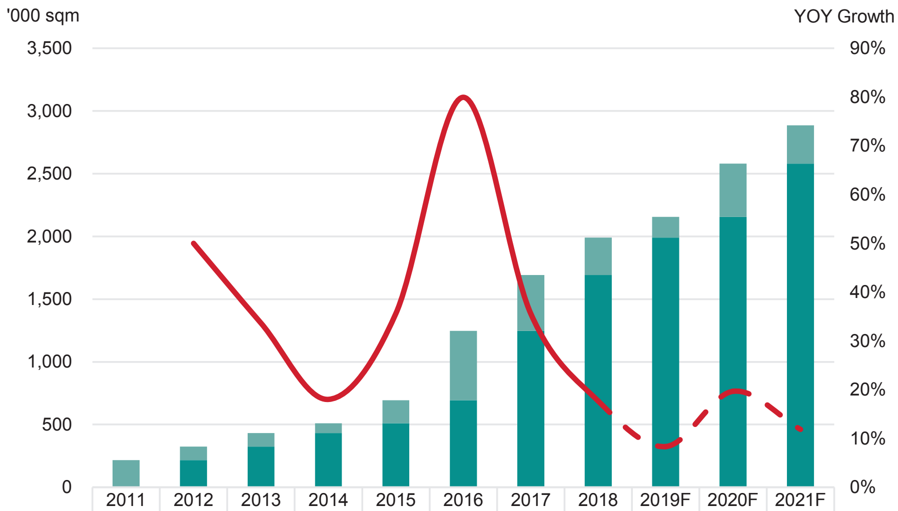


Source: Knight Frank

5.2.5 Supply and Demand

The total Grade A warehouse stock in Shenyang amounted to approximately 2.0 million sqm in 2018, and the CAGR between 2011 and 2018 since the completion of the 1st Grade A warehouse in 2011 was 37.3%. In 2016, 554,000 sqm of new supply entered the market. There will be less new supply in the coming three years; supply is expected to increase at a rate of 8.3% to 19.7% YOY.

Exhibit 50 Existing Stock and New Supply of Grade A Warehouses in Shenyang

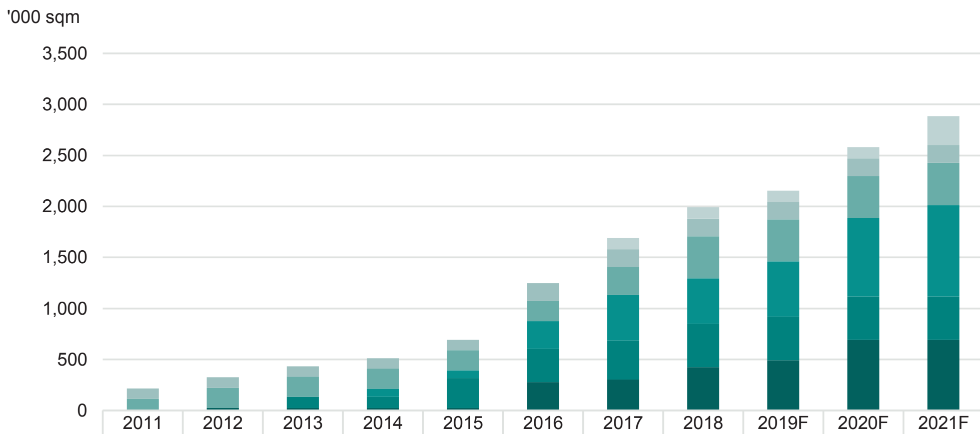


	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	216	108	109	78	182	554	444	299	166	424	306
Existing Stock		216	324	433	511	693	1247	1691	1990	2156	2580
Total Stock Change YOY		50.0%	33.6%	18.0%	35.6%	79.9%	35.6%	17.7%	8.3%	19.7%	11.9%

Source: Knight Frank

The 1st batch of Grade A warehouses completed in 2011 is located in Shenbei and Airport Economic Zone. In 2018, the majority of supply was distributed evenly among few key areas at about 20% each, including Yuhong, SETDZ, Hunnan and Shenbei. By 2021, it is expected that approximately 446,000 sqm of new supply will enter Hunnan, turning it into the area with the greatest amount of Grade A warehouse stock, accounting for 30.9% of the total stock in the market.

Exhibit 51 Supply of Grade A Warehouses by Sub-markets in Shenyang

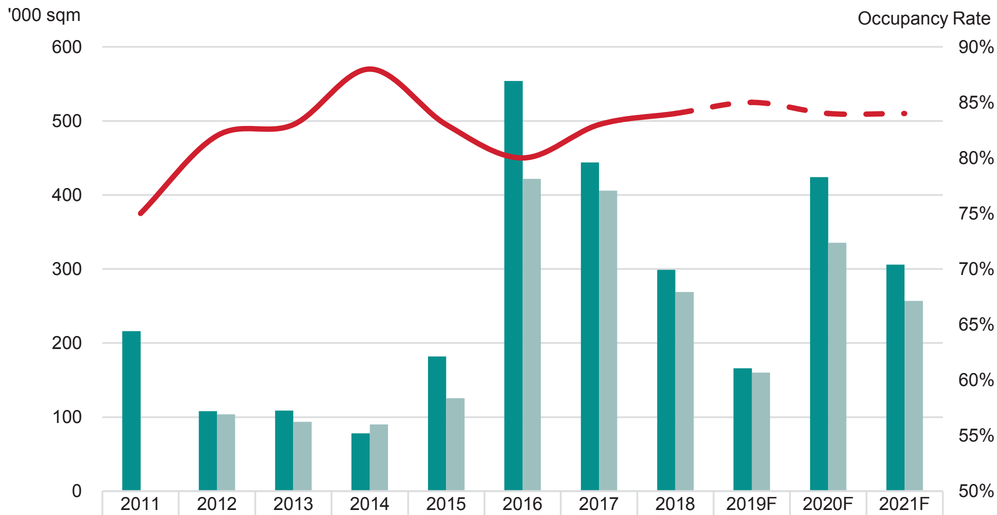


	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
HEDZ	0	0	0	0	0	0	109	109	109	109	284
Airport Economic Zone	102	102	102	102	102	174	174	174	174	174	174
Shenbei	114	197	197	197	197	197	276	411	411	411	418
Hunnan	0	0	0	78	78	271	446	446	542	768	892
SETDZ	0	0	109	109	291	326	383	427	427	427	427
Yuhong	0	25	25	25	25	278	302	423	492	691	691

Source: Knight Frank

The occupancy rate of Grade A warehouses remained stable at a level which is higher than 80% over the past eight years, with the only exception in 2011, which is the opening year of the 1st batch of Grade A warehouses in Shenyang. In 2016, a substantial amount of new supply entered the market, which led to a decrease of occupancy rate from 83.0% in 2015 to 80.0% in 2016. Nonetheless, the strong demand mainly driven by the e-commerce sector, led to a high net absorption which reverted the occupancy rate back to 84.0% in 2018. It is forecasted that a total of 896,000 sqm of new stock will be completed in 2019 to 2021 with a net absorption of 753,000 sqm, supporting the occupancy rate at a stable level of 84.0%.

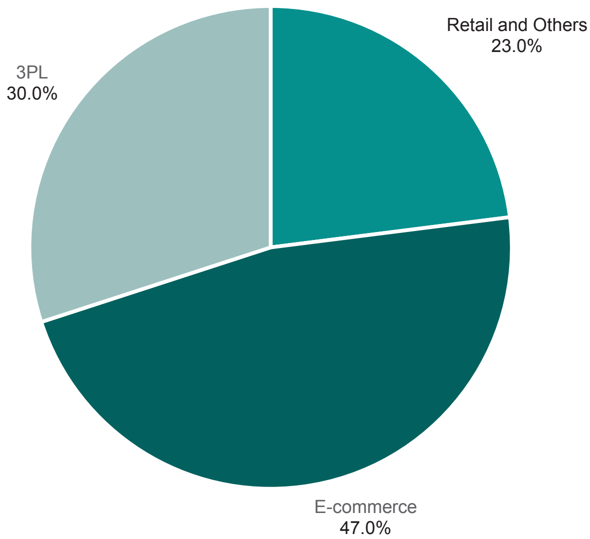
Exhibit 52 New Supply, Net Absorption and Occupancy Rate of Grade A Warehouses in Shenyang



	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	216	108	109	78	182	554	444	299	166	424	306
Net Absorption		104	94	90	126	422	406	269	160	335	257
Occupancy Rate	75.0%	82.0%	83.0%	88.0%	83.0%	80.0%	83.0%	84.0%	85.0%	84.0%	84.0%

Source: Knight Frank

Exhibit 53 Tenant Composition of Grade A Warehouses in Shenyang in 2018



Source: Knight Frank

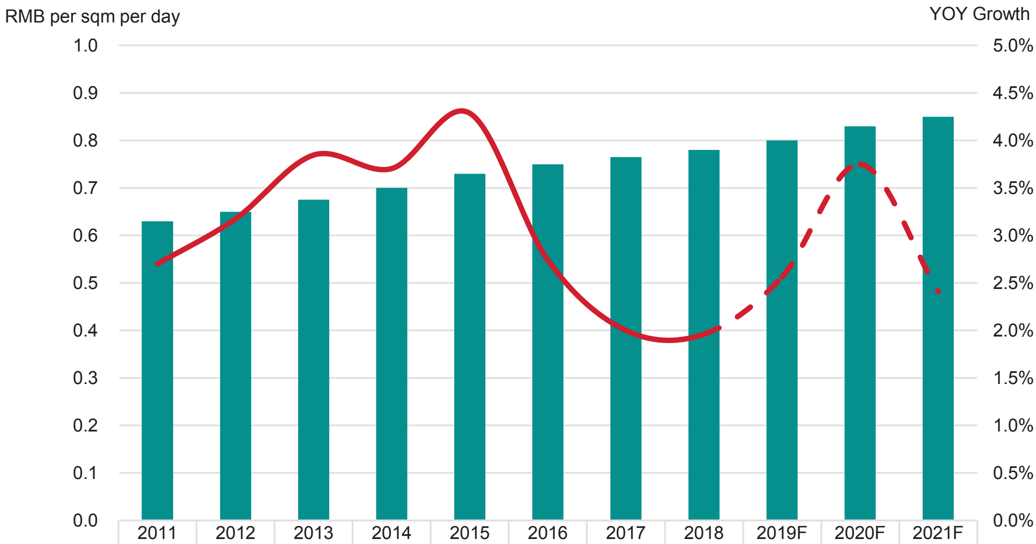
5.2.6 Investment Trends

As the 3rd largest logistics market in North China, the investment market of Shenyang is always active. There is limited new logistics land being listed by the government, pushing the official land price even higher. Hence, premium warehouse with high specifications surrounded by well-established transportation network is very sought-after by investors.

5.2.7 Rent, Yield and Value

The average rent of Grade A warehouses in 2018 was RMB0.78 per sqm per day, indicating an increase of 2.0% YOY, which is lower than the CAGR of 3.1% from 2011 to 2018. It is anticipated that rental in the coming three years will continue to increase at a moderate pace from RMB0.80 per sqm per day in 2019 to RMB0.85 per sqm per day in 2021.

Exhibit 54 Rental Level of Grade A Warehouses in Shenyang

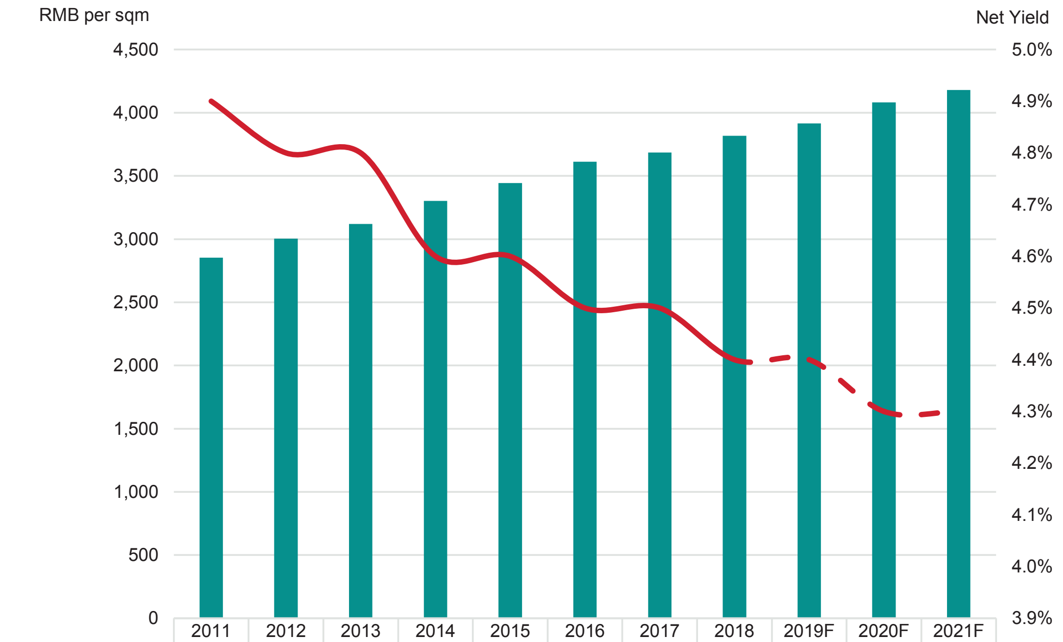


	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Average Rent	0.63	0.65	0.68	0.70	0.73	0.75	0.77	0.78	0.80	0.83	0.85
YOY Growth	2.7%	3.2%	3.8%	3.7%	4.3%	2.7%	2.0%	2.0%	2.6%	3.7%	2.4%

Source: Knight Frank

The CAGR of average capital value of Grade A warehouses in Shenyang from 2011 to 2018 was 4.2%, leading to an average capital value of RMB3,816 per sqm in 2018. The growth is expected to slow down with average capital value expected to reach RMB4,181 per sqm in 2021. Net yield declined from 4.9% in 2011 to 4.4% in 2018 and is forecasted to decrease further by 10 basis points to 4.3% in 2021.

Exhibit 55 Capital Value and Yield of Grade A Warehouses of Shenyang



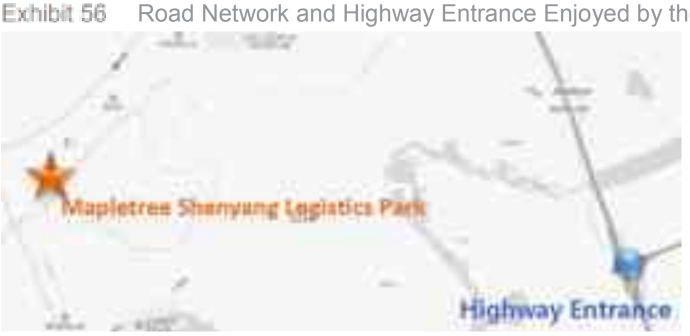
	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Capital Value	2,853	3,004	3,120	3,302	3,444	3,612	3,684	3,816	3,914	4,082	4,181
Net Yield	4.9%	4.8%	4.8%	4.6%	4.6%	4.5%	4.5%	4.4%	4.4%	4.3%	4.3%

Source: Knight Frank

5.2.8 Subject Property Analysis

Mapletree Shenyang Logistics Park was completed in 2018. It is located in 4A, 4A1, 4A2, 4A3, Hunhe Shiba Street, Economic Technology Development Zone. The total site area and GFA of the subject property are approximately 71,360.58 sqm and 43,927.15 sqm respectively. It is a single storey warehouse with a ceiling height of 9 m and a loading capacity of 3 tonnes per sqm.

Exhibit 56 Road Network and Highway Entrance Enjoyed by the Subject Property



Source: Knight Frank

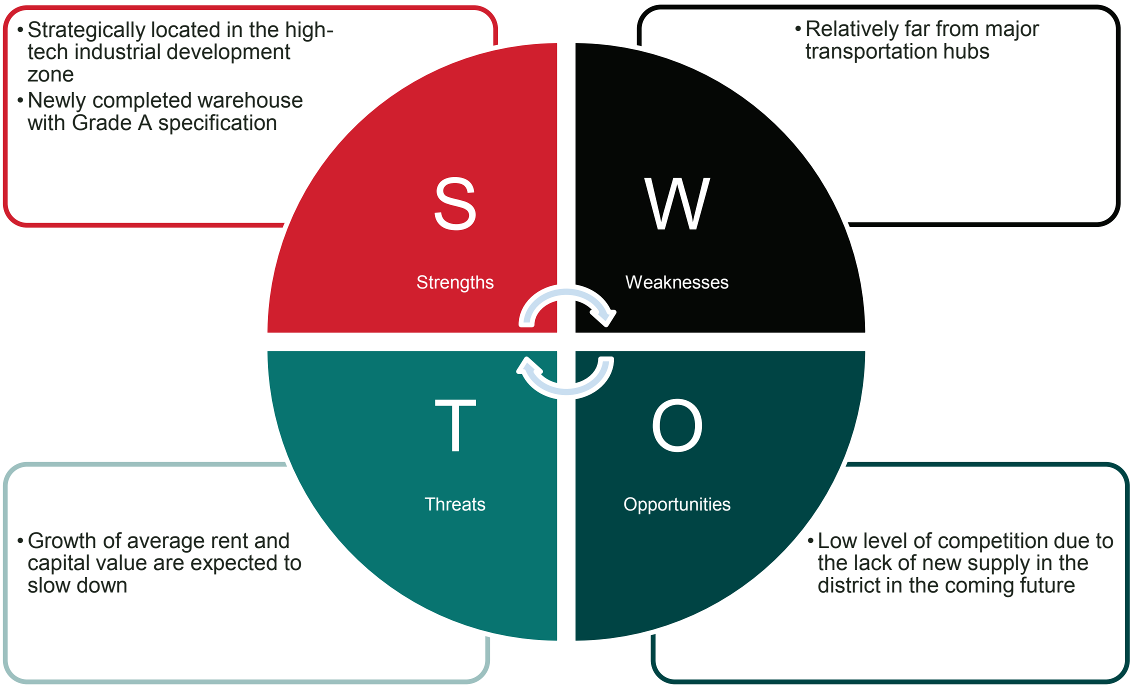
Mapletree Shenyang Logistics Park is located in SETDZ sub-market. It is predominated by high-tech manufacturing centres. It enjoys proximity to various destinations of interest which are shown in the table below:

Exhibit 57 Distances to Major Destinations

Destination	Approximate Road Distance
Shenyang City Centre	55-minute drive
Shenyang Railway Station	45-minute drive
Shenyang Taoxian International Airport	40-minute drive
Shenyang South Railway Station	35-minute drive
Nearest Expressway Entrance	15-minute drive

Source: Knight Frank

Exhibit 58 SWOT Analysis of Mapletree Shenyang Logistics Park



Source: Knight Frank

Performance Outlook

Mapletree Shenyang Logistics Park currently has a full occupancy rate of 100%, although it only commenced its operation in 2018. With its strategic location and limited new supply, it is believed that the subject property with its competitive edge is able to keep its occupancy rate stable at a relatively high level.

5.3 Jinan Market Overview

5.3.1 Economic Overview

Exhibit 59 Location of Jinan

Source: Knight Frank

Jinan, the capital city of Shandong Province in North China, is located at the midwest of the province, bordering Zibo to the east, Tai'an to the south, Liaocheng to the west, and Dezhou and Binzhou to the north. Covering an area of 10,244 sqkm, the city is one of the key administrative, logistics and financial centres in the Bohai Economic Rim.

In 2018, the population of Jinan stood at 7.5 million, grew by 1.9% YOY, while the urban disposable income and urban consumption expenditure increased by 7.5% and 7.3% to RMB50,146 per capita and RMB32,977 per capita respectively. The rise in disposable income and consumption expenditure was driven by the strong expansion of the economy. In 2018, the GDP of Jinan amounted to RMB786 billion, representing a real YOY growth of 7.4% and accounting for approximately 10.3% of the total GDP of Shandong Province. In particular, the tertiary industry continued to expand and contributed 60.5% of the total GDP in 2018, while FAI increased by 9.6% to RMB478 billion in the same year. The inflation rate went up from 2.0% in 2017 to 2.6% in 2018. The imports and exports grew significantly by 21.8% YOY and 4.7% YOY to USD4.6 billion and USD7.9 billion respectively.

Exhibit 60 Macroeconomic Indicators of Jinan

RMB billion (unless otherwise stated)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP	334	391	441	480	523	577	610	654	720	786
Real GDP Growth	12.2%	12.7%	10.6%	9.5%	9.6%	8.8%	8.1%	7.8%	8.0%	7.4%
GDP of Tertiary Industry	172	206	234	262	289	322	349	385	432	475
GDP of Secondary Industry	143	164	183	194	205	226	231	237	257	283
GDP of Primary Industry	19	22	24	25	28	29	31	32	32	27
GDP per Capita (RMB per capita)	50,526	57,947	64,310	69,444	74,993	82,052	85,919	91,699	98,275	106,302
FAI	166	199	193	219	264	306	350	397	436	478
FAI Growth	17.0%	20.1%	-2.7%	13.0%	20.7%	16.1%	14.2%	13.6%	9.8%	9.6%
Real Estate Investment	33	48	53	66	72	92	101	116	123	137
Real Estate Investment Growth	21.3%	45.7%	8.8%	25.8%	8.7%	27.2%	10.5%	14.8%	5.9%	11.1%
Foreign Direct Investment (USD billion)	1.0	1.0	1.1	1.2	1.3	1.4	1.6	1.7	1.9	-
Foreign Direct Investment Growth	1.7%	6.1%	5.8%	10.9%	8.2%	8.7%	10.0%	8.7%	9.3%	-
Imports (USD billion)	2.6	3.4	4.4	3.4	4.1	4.4	3.1	3.5	3.8	4.6
Imports Growth	-23.9%	29.9%	28.3%	-21.1%	19.2%	8.3%	-29.6%	12.9%	7.9%	21.8%
Exports (USD billion)	3.1	4.1	6.0	5.7	5.5	6.1	6.0	7.3	7.5	7.9
Exports Growth	-33.7%	32.8%	49.1%	-5.3%	-4.2%	10.6%	-1.0%	22.3%	2.3%	4.7%
Inflation Rate	0.3%	2.1%	5.4%	2.4%	2.8%	2.2%	1.9%	2.7%	2.0%	2.6%
Permanent Residents (million)	6.7	6.7	6.9	7.0	7.0	7.1	7.1	7.2	7.3	7.5
Permanent Population Growth	0.8%	0.0%	3.1%	0.9%	0.7%	1.0%	0.9%	1.4%	1.2%	1.9%
Urban Disposable Income (RMB per capita)	22,722	25,321	28,892	32,570	35,648	38,763	39,889	43,052	46,642	50,146
Urban Disposable Income Growth	9.2%	11.4%	14.1%	12.7%	9.5%	8.7%	2.9%	7.9%	8.3%	7.5%
Urban Consumption Expenditure (RMB per capita)	14,764	15,973	18,045	20,032	21,667	22,981	26,319	28,537	30,729	32,977
Urban Consumption Expenditure Growth	6.2%	8.2%	13.0%	11.0%	8.2%	6.1%	14.5%	8.4%	7.7%	7.3%
Consumption Expenditure (RMB per capita)	-	-	-	-	-	18,144	20,641	22,691	24,717	27,005
Consumption Expenditure Growth	-	-	-	-	-	-	13.8%	9.9%	8.9%	9.3%

Source: Jinan Statistics Bureau
Remarks: Foreign direct investment of Jinan in 2018 is not available as of the date of publication of this report; the consumption expenditure prior to 2014 has a different basis and has been excluded.

5.3.2 Government Planning and Policies

According to the Development Plan of Logistics Park of The PRC (2013 – 2020), Jinan is one of the 29 cities graded as 1st-tier logistics zone. In addition, according to the Plan of Logistics Industry of Jinan published in August 2018, the logistics industry of the city will be developed under the theme of "One Core, One Hub and Two Parks". The airport area, Sanzidian Town, Economic Development Zone and Diao Town would be key logistics zones of the city.

Strategically located at the intersection of Bohai Economic Rim, Yangtze River Economic Zone and Silk Road Economic Belt, Jinan has the potential to be developed into a key logistics hub serving the three regions. The government of Jinan has been focusing on improving the transportation system of the city, including the air transportation services, railways and roads, in order to build a more extensive transportation network and enhance efficiency.

5.3.3 Infrastructure Developments

Exhibit 61 Major Infrastructures in Jinan

Source: Knight Frank

Airport

Jinan Yaoqiang International Airport, serving the capital city of Shandong Province, is located at the northeastern part of Jinan. Flight services connecting Jinan to major cities in The PRC and other international destinations including Singapore, Seoul, Paris and Los Angeles are available in the airport. Currently, the airport is capable of handling approximately 17 million passengers and 0.11 million tonnes of cargo annually. The local government is planning to expand the airport and Terminal 2 is expected to be completed in 2023.

Railway

There are three railway stations serving the city, Jinan Railway Station in the city centre, Jinan East Railway Station in the northeastern Jinan and Jinan West Railway Station in the western Jinan, which is an intermediate station of Beijing-Shanghai High Speed Railway.

Port

The construction of the proposed Jinan Port is expected to commence in 2019. Situated along Xiaoqing River, the proposed Jinan Port will comprise two portions, one near the city centre while the other one in Zhangqiu District.

Road

Jinan is connected to major cities in The PRC via G2, G3, G20, G22, G35 and G2001 National Expressways, G104, G220, G308 and G309 National Highways, and S1, S26 and S29 Provincial Expressways. The extensive road network makes Jinan the key transportation hub between North China, East China and Midwest China.

5.3.4 Key Sub-markets

There are three Grade A warehouse sub-markets in Jinan, namely Airport Economic Zone, Licheng / Guodian and Qihe.

Licheng / Guodian is closer to the city centre while Airport Economic Zone and Qihe are decentralised.

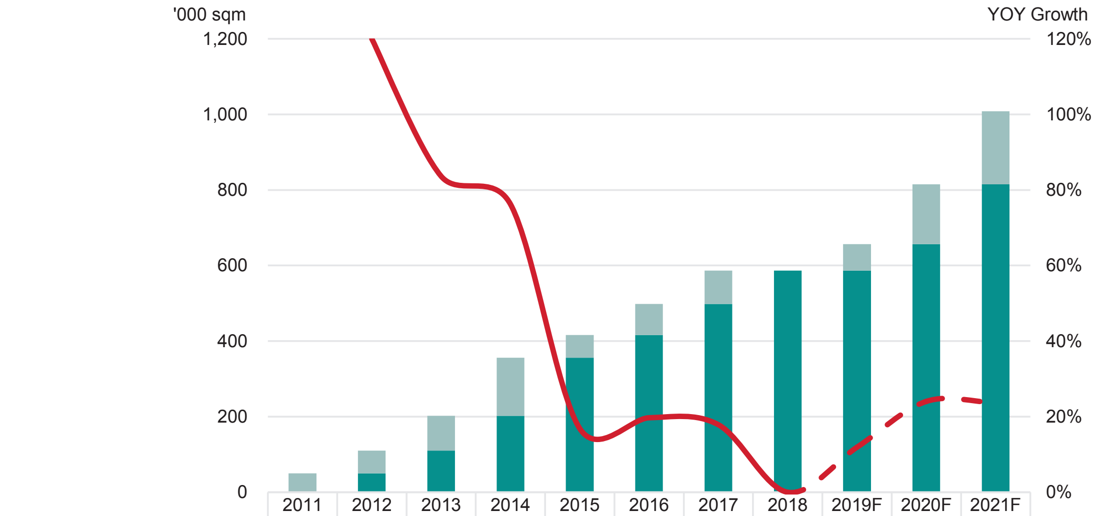
Exhibit 62 Key Sub-markets in Jinan

Source: Knight Frank

5.3.5 Supply and Demand

The 1st Grade A warehouse in Jinan entered the market in 2011. Supply of Grade A warehouses in Jinan has been limited since a strong inflow from 2012 to 2014. Since then, the stock has grown at a 5-year CAGR of 13.3%. No new supply entered the market in 2018 and the total stock amounted to approximately 587,000 sqm.

Exhibit 63 Existing Stock and New Supply of Grade A Warehouses in Jinan



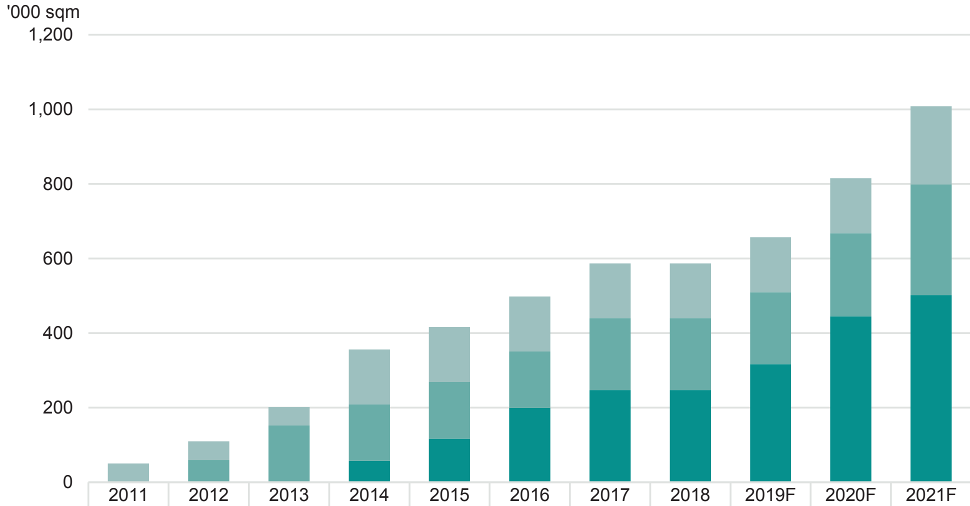
	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	50	60	92	154	60	82	89	0	70	158	193
Existing Stock	0	50	110	202	356	416	498	587	587	657	815
Total Stock Change YOY		120.0%	83.6%	76.2%	16.9%	19.7%	17.9%	0.0%	11.9%	24.0%	23.7%

Source: Knight Frank

As of 2018, Airport Economic Zone had the biggest stock of Grade A warehouses in Jinan, totalling 247,000 sqm and accounting for approximately 42.1% of the total stock of the city. Licheng / Guodian and Qihe accounted for about one-third and one-fourth of the total stock respectively.

Looking ahead, there is a strong pipeline in the coming three years, with the majority in 2020 and 2021. A total of nine Grade A warehouses will be completed during the period, totalling approximately 351,000 sqm, which is equivalent to approximately 60.0% of the existing stock. By 2021, the total stock will exceed 1 million sqm, of which about half will be in Airport Economic Zone.

Exhibit 64 Supply of Grade A Warehouses by Sub-markets in Jinan



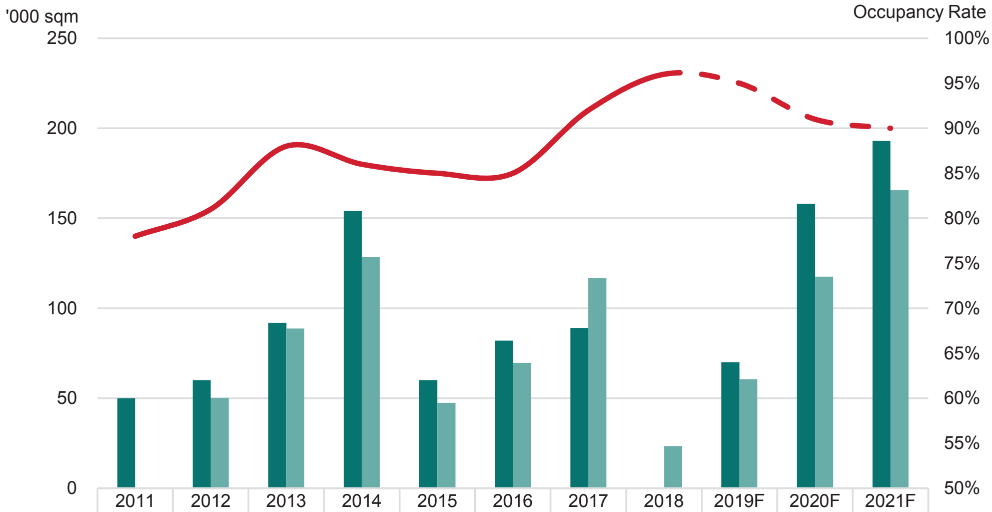
	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Qihe	50	50	50	147	147	147	147	147	147	147	210
Licheng / Guodian	0	60	152	152	152	152	193	193	193	223	296
Airport Economic Zone	0	0	0	57	117	199	247	247	317	445	502

Source: Knight Frank

As supply was limited in the past few years, the occupancy rate of Grade A warehouses in Jinan was pushed up to 96.0% in 2018 driven by a rising demand from e-commerce and 3PL sectors, while the net absorption amounted to approximately 23,000 sqm due to limited available spaces. Tenants from the two sectors contributed 82% of the leased area in the city.

Amid an influx of new supply in the coming years, the occupancy rate will be adjusted gradually to approximately 90.0% in 2021. Backed by strong demand from e-commerce and 3PL sectors, net absorption is expected to grow when new supply enters the market.

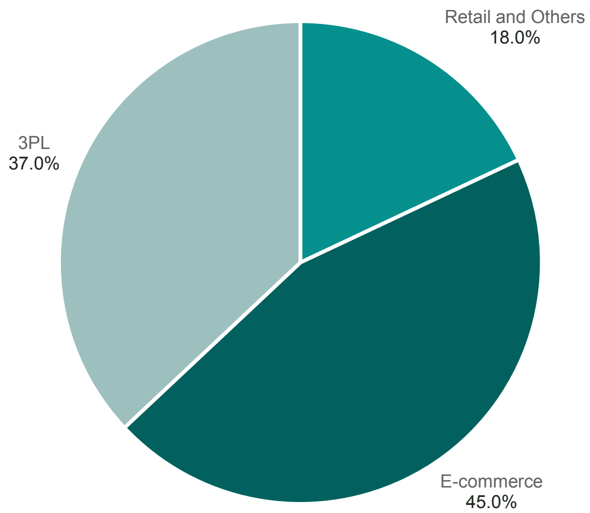
Exhibit 65 New Supply, Net Absorption and Occupancy Rate of Grade A Warehouses in Jinan



	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	50	60	92	154	60	82	89	0	70	158	193
Net Absorption		50	89	128	47	70	117	23	61	118	166
Occupancy Rate	78.0%	81.0%	88.0%	86.0%	85.0%	85.0%	92.0%	96.0%	95.0%	91.0%	90.0%

Source: Knight Frank

Exhibit 66 Tenant Composition of Grade A Warehouses in Jinan in 2018



Source: Knight Frank

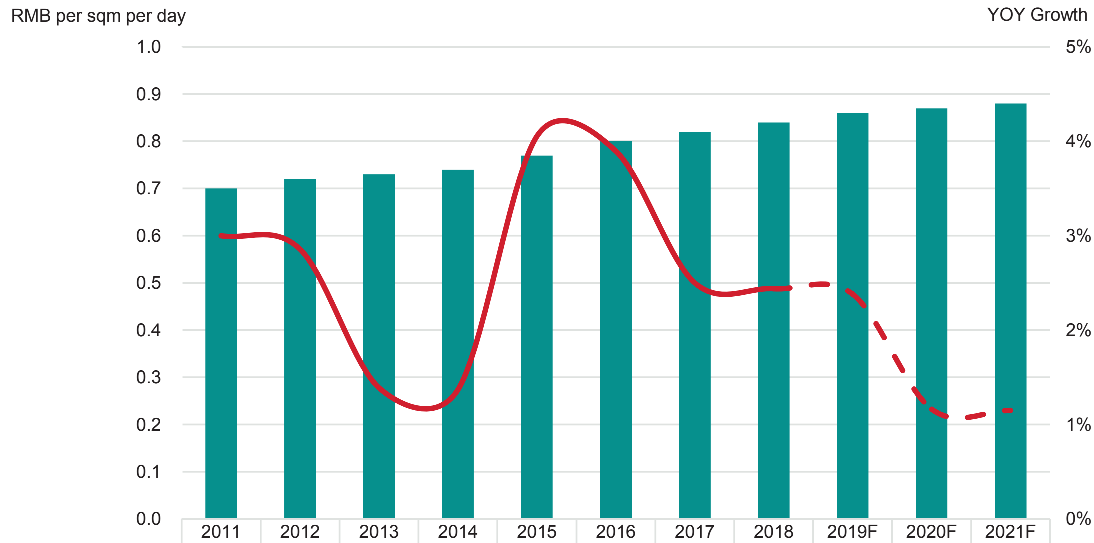
5.3.6 Investment Trends

As mentioned in Section 5.3.2, benefiting from its strategic location at the intersection of Bohai Economic Rim, Yangtze River Economic Zone and Silk Road Economic Belt, Jinan has the potential to be developed into a key logistics hub serving the three regions. Backed by a continuously high logistics demand from e-commerce and 3PL sectors, investors will seek for BTS opportunities, and at the same time acquiring logistics land when available.

5.3.7 Rent, Yield and Value

The average rent of Grade A warehouses in Jinan rose by 2.4% YOY to approximately RMB0.84 per sqm per day in 2018. Backed by a strong demand, the rental level is anticipated to maintain a gentle annual growth from 2019 to 2021. Amid an influx of new supply, growth is expected to slow down and average rent is expected to achieve RMB0.88 per sqm per day in 2021.

Exhibit 67 Rental Level of Grade A Warehouses in Jinan

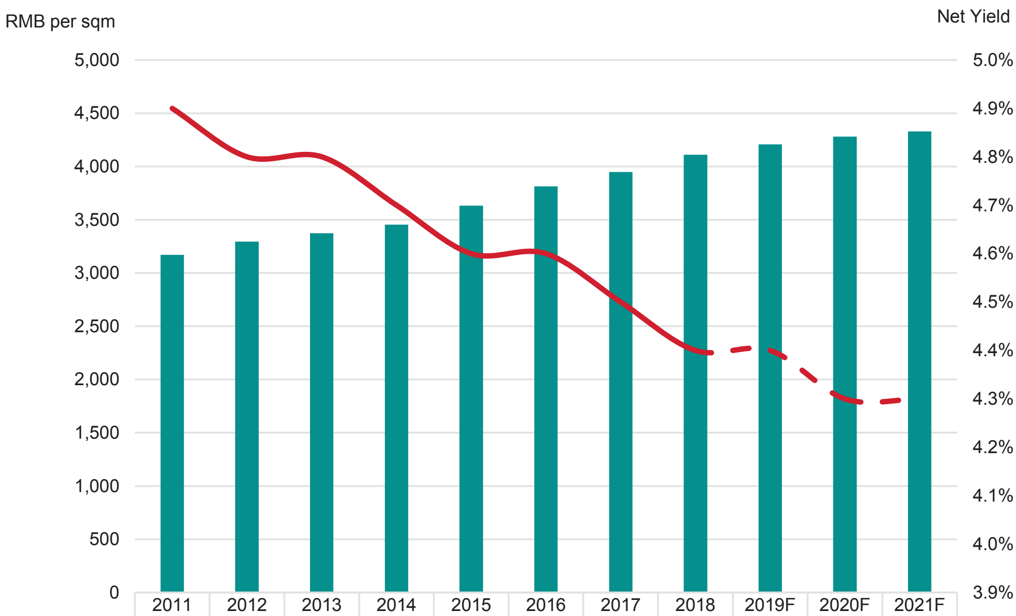


	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Average Rent	0.70	0.72	0.73	0.74	0.77	0.80	0.82	0.84	0.86	0.87	0.88
YOY Growth	3.0%	2.9%	1.4%	1.4%	4.1%	3.9%	2.5%	2.4%	2.4%	1.2%	1.1%

Source: Knight Frank

The average capital value of Grade A warehouses in Jinan was recorded at RMB4,110 per sqm in 2018, reflecting a YOY growth of 4.1% and a 5-year CAGR of 4.4%. The overall net yield of Grade A warehouses in Jinan compressed from 4.9% in 2011 to 4.4% in 2018. Looking ahead, the average capital value is expected to gradually increase to RMB4,328 per sqm by 2021, while the overall net yield would be further compressed by 10 basis points to 4.3%.

Exhibit 68 Capital Value and Yield of Grade A Warehouses of Jinan



	2011	2012	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Capital Value	3,171	3,294	3,374	3,455	3,632	3,813	3,949	4,110	4,208	4,279	4,328
Net Yield	4.9%	4.8%	4.8%	4.7%	4.6%	4.6%	4.5%	4.4%	4.4%	4.3%	4.3%

Source: Knight Frank

5.3.8 Subject Property Analysis

Mapletree Jinan International Logistics Park, completed in 2016, is located at Unit 3153, Lingang Road, Gaoxin District in the Airport Economic Zone submarket. It has a site area and a gross floor area of approximately 126,770.00 sqm and 78,920.87 sqm respectively. The single-storey warehouse has a ceiling height of 9 m and a loading capacity of 3 tonnes per sqm.

Exhibit 69 Road Network and Highway Entrance Enjoyed by the Subject Property

Source: Knight Frank

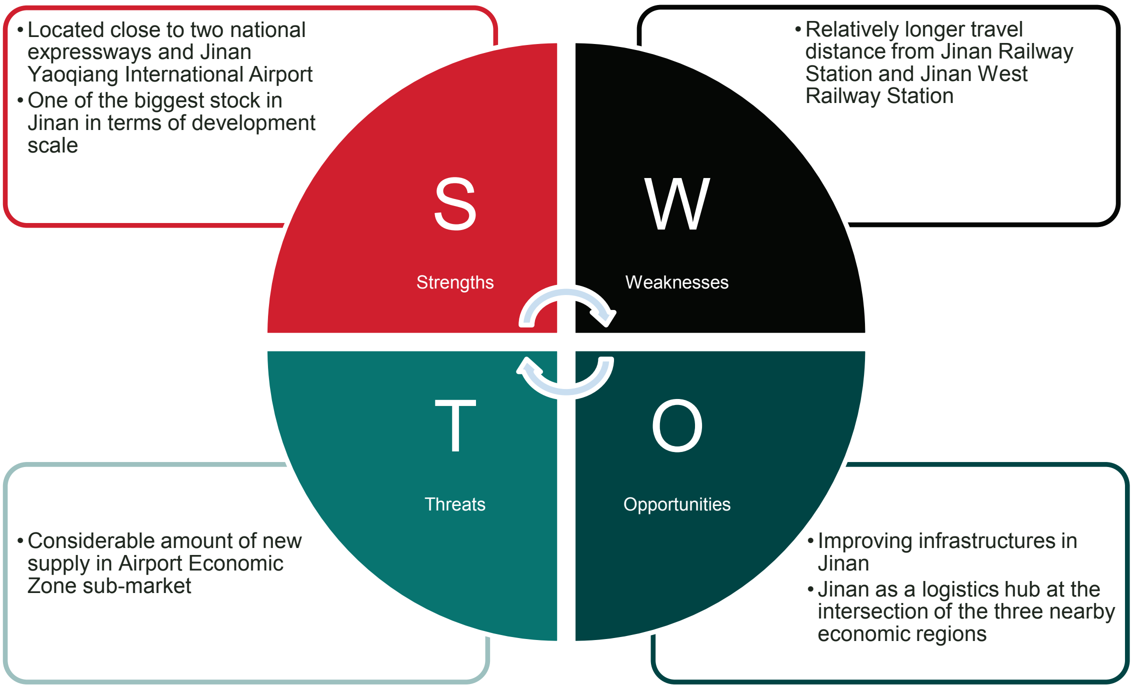
Mapletree Jinan International Logistics Park is located in the Airport Economic Zone submarket at the northeastern Jinan. It is highly accessible as the nearest expressway entrance is within a 10-mintue driving distance. It enjoys proximity to various destinations of interest which are shown in the table below:-

Exhibit 70 Distances to Major Destinations

Destination	Approximate Road Distance
Jinan Railway Station	50-minute drive
Jinan West Railway Station	50-minute drive
Jinan City Centre	45-minute drive
Jinan East Railway Station	25-minute drive
Jinan Yaoqiang International Airport	20-minute drive
Nearest Expressway Entrance	10-minute drive

Source: Knight Frank

Exhibit 71 SWOT Analysis of Mapletree Jinan International Logistics Park



Source: Knight Frank

Performance Outlook

With reference to the above SWOT analysis, Mapletree Jinan International Logistics Park is considered competitive due to its location and development scale. Completed in 2016, it has achieved an 100% occupancy rate. Amid a strong demand for e-commerce and 3PL sectors, the occupancy rate is expected to stay at a high level in the coming years.

5.4 Changsha Market Overview

5.4.1 Economic Overview

Exhibit 72 Location of Changsha

Source: Knight Frank

Changsha, the capital city of Hunan Province in Midwest China, is located at the northeast of the province, bordering Yichun, Jiangxi Province to the east, Zhuzhou and Xiangtan to the south, Loudi and Yiyang to the west, and Yueyang to the north. Covering an area of 11,819 sqkm, the city is one of the key metropolises and financial centres in the mid of Yangtze River Economic Zone.

In 2018, the population of Changsha stood at 8.2 million, grew by 3.8% YOY, while the urban disposable income and urban consumption expenditure increased by 8.2% and 6.1% to RMB50,792 per capita and RMB36,775 per capita respectively. The rise in disposable income and consumption expenditure was driven by the strong expansion of the economy. In 2018, the GDP of Changsha amounted to RMB1,100 billion, representing a real YOY growth of 8.5% and accounting for approximately 30.2% of the total GDP of Hunan Province. In particular, the tertiary industry continued to expand and contributed 54.8% of the total GDP in 2018, while FAI increased by 11.5% to RMB844 billion in the same year. The inflation rate slightly grew from 1.3% in 2017 to 2.0% in 2018. The imports and exports grew significantly by 31.7% YOY and 40.0% YOY to USD4.6 billion and USD8.2 billion respectively.

Exhibit 73 Macroeconomic Indicators of Changsha

RMB billion (unless otherwise stated)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP	379	460	568	648	725	793	863	929	1,021	1,100
Real GDP Growth	14.8%	15.5%	14.4%	13.2%	12.0%	10.5%	10.0%	9.4%	9.0%	8.5%
GDP of Tertiary Industry	169	193	225	256	294	330	395	447	516	602
GDP of Secondary Industry	192	247	319	364	402	432	434	451	474	466
GDP of Primary Industry	18	20	24	27	29	31	34	31	31	32
GDP per Capita (RMB per capita)	57,271	67,212	80,441	91,025	100,906	109,195	117,076	123,265	131,207	134,933
FAI	224	291	327	401	459	544	636	669	757	844
FAI Growth	30.7%	30.0%	12.5%	22.5%	14.5%	18.3%	17.1%	5.2%	13.1%	11.5%
Real Estate Investment	50	68	89	103	115	131	100	126	149	150
Real Estate Investment Growth	6.0%	37.5%	29.6%	16.4%	11.8%	13.6%	-24.0%	26.5%	18.2%	0.7%
Foreign Direct Investment (USD billion)	2.0	2.2	2.6	3.0	3.4	4.0	4.4	4.8	5.3	5.8
Foreign Direct Investment Growth	12.8%	10.3%	16.1%	14.6%	14.1%	16.8%	11.1%	9.1%	9.1%	10.1%
Imports (USD billion)	1.7	2.5	3.4	3.5	3.7	2.2	2.7	2.4	3.5	4.6
Imports Growth	-1.2%	52.1%	34.3%	3.2%	6.0%	-39.9%	19.6%	-10.1%	45.2%	31.7%
Exports (USD billion)	2.5	3.6	4.1	5.2	6.2	5.3	5.4	4.9	5.9	8.2
Exports Growth	-29.6%	44.9%	14.9%	26.7%	19.3%	-13.5%	0.6%	-9.5%	21.0%	40.0%
Inflation Rate	-0.6%	2.9%	5.5%	2.3%	2.8%	2.7%	1.1%	1.9%	1.3%	2.0%
Permanent Residents (million)	6.6	7.0	7.1	7.1	7.2	7.3	7.4	7.6	7.9	8.2
Permanent Population Growth	0.0%	6.1%	1.4%	0.0%	1.4%	1.4%	1.4%	2.7%	3.9%	3.8%
Urban Disposable Income (RMB per capita)	20,238	22,814	27,069	31,044	33,662	36,826	39,961	43,294	46,948	50,792
Urban Disposable Income Growth	10.7%	12.7%	18.7%	14.7%	8.4%	9.4%	8.5%	8.3%	8.4%	8.2%
Urban Consumption Expenditure (RMB per capita)	15,447	16,563	18,069	19,640	22,346	26,779	29,753	31,826	34,645	36,775
Urban Consumption Expenditure Growth	19.2%	7.2%	9.1%	8.7%	13.8%	19.8%	11.1%	7.0%	8.9%	6.1%
Consumption Expenditure (RMB per capita)	-	-	-	-	-	22,621	25,451	27,431	30,055	33,473
Consumption Expenditure Growth	-	-	-	-	-	-	12.5%	7.8%	9.6%	11.4%

Source: Changsha Statistics Bureau
Remarks: The consumption expenditure prior to 2014 has a different basis and has been excluded.

5.4.2 Government Planning and Policies

According to the Development Plan of Logistics Park of The PRC (2013 – 2020), Changsha is one of the 29 cities graded as a 1st-tier logistics zone. In addition, according to the 13th Five-Year Plan for the Modern Logistics Development of Changsha, the city plays a vital role in the development of logistics network of Hunan Province under the theme of "One Core, Three Areas, Various Parks and Six Channels". As the core of Changsha-Zhuzhou-Xiangtan Urban Agglomeration, Changsha is positioned as one of the most important logistics hubs in the mid of Yangtze River Economic Zone. As per the Development Plan of Modern Logistics Industry of Changsha (2011 – 2020), logistics zones will spread over the east, south, west, north and airport area of Changsha.

In January 2019, China (Changsha) Comprehensive Cross-border E-commerce Pilot Zone was launched. Through the key zones namely Changsha High-tech Industrial Development Zone, Huanghua Comprehensive Bonded Zone, and Jinxia Bonded Logistics Centre, cross-border trading in Changsha would be further facilitated and enhanced.

5.4.3 Infrastructure Developments

Exhibit 74 Major Infrastructures in Changsha

Source: Knight Frank

Airport

Changsha Huanghua International Airport, the regional hub airport of Hunan Province, is located at the eastern part of Changsha. Daily flights connecting Changsha to major cities in The PRC and other international destinations including Singapore, Seoul, London and Los Angeles are available in the airport. Currently, the airport is capable of handling approximately 25 million passengers and 0.15 million tonnes of cargo annually. The local government is planning to expand the airport and Terminal 3 is expected to be completed in 2024.

Railway

There are two railway stations serving the city, Changsha Railway Station in the city centre and Changsha South Railway Station in the southern Changsha. Since 2018, the city has been connected to Hong Kong through high speed railway in Changsha South Railway Station with an estimated travelling time of 3.5 hours.

Port

Located in the northern Changsha, Changsha Port is one of the 28 key ports in The PRC. The port is situated along Xiang River, connected to Yangtze River. The goods can be transported to the other parts of the world along Yangtze River to the east. Currently, various international routes have already been established.

Road

Road network in Changsha is extensive, connected to major cities in The PRC via G4, G4E, G4W2, G5513 and G0401 National Expressways, G106, G107 and G319 National Highways, and S20, S21, S40, S41, S50, S60 and S71 Provincial Expressways. The comprehensive road network allows a higher logistics efficiency, which is a crucial element of a regional logistics hub.

5.4.4 Key Sub-markets

There are seven Grade A warehouse sub-markets in Changsha, namely Changsha County, Yuhua, Lugu, Kaifu, Jinxia, Wangcheng and Liuyang.

Kaifu, Yuhua and Lugu are closer to the city centre while Jinxia, Wangcheng, Changsha County and Liuyang are decentralised.

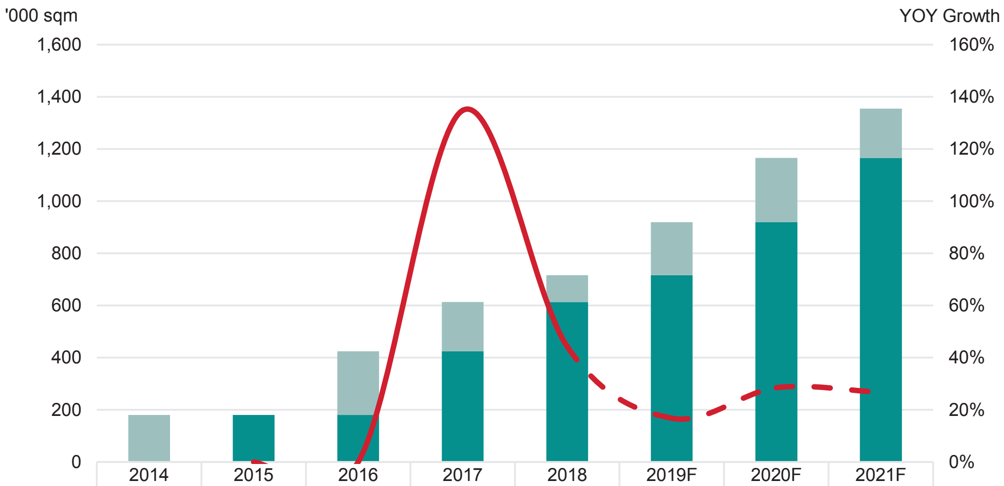
Exhibit 75 Key Sub-markets in Changsha

Source: Knight Frank

5.4.5 Supply and Demand

The 1st Grade A warehouse in Changsha entered the market in 2014. Since then, the stock has grown at a 5-year CAGR of 41.0%. As of 2018, the Grade A warehouse stock amounted to approximately 716,000 sqm, up by 44.2% from 2017. The new addition was a 103,000-sqm warehouse in Jinxia sub-market.

Exhibit 76 Existing Stock and New Supply of Grade A Warehouses in Changsha



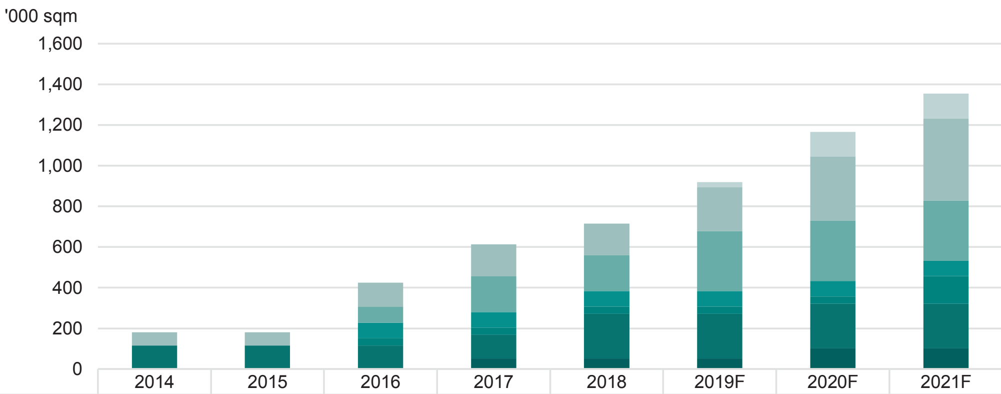
	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	181	0	244	188	103	204	246	189
Existing Stock		181	181	425	613	716	920	1166
Total Stock Change YOY		0.0%	0.0%	134.8%	44.2%	16.8%	28.5%	26.7%

Source: Knight Frank

As of 2018, Jinxia had the biggest stock of Grade A warehouses in Changsha, totalling 219,000 sqm and accounting for one-third of the total stock of the city, followed by Lugu with 24.6% and Wangcheng with 21.9%.

Between 2019 and 2021, an average of approximately 200,000 sqm Grade A warehouses per annum will enter the market, mainly from Wangcheng, Lugu, Changsha County and Yuhua. In 2019, the 1st Grade A warehouse in Yuhua will be completed, adding approximately 26,000 sqm to the market. By 2021, Wangcheng will be the largest sub-market in the city with over 400,000 sqm of available stock, accounting for about 30% of the stock in the total market.

Exhibit 77 Supply of Grade A Warehouses by Sub-markets in Changsha



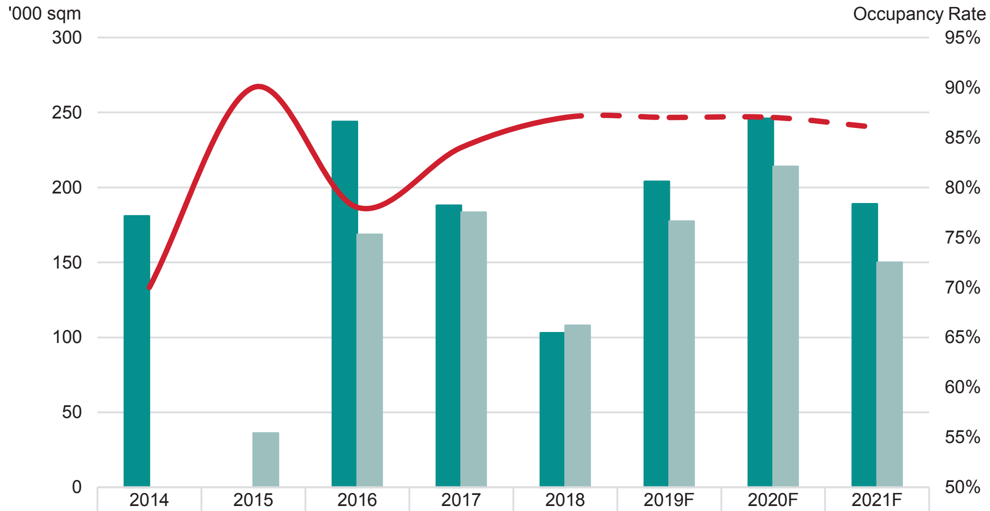
	2014	2015	2016	2017	2018	2019F	2020F	2021F
Yuhua	0	0	0	0	0	26	122	122
Wangcheng	65	65	120	157	157	215	315	403
Lugu	0	0	77	176	176	296	296	296
Liuyang	0	0	76	76	76	76	76	76
Kaifu	0	0	36	36	36	36	36	136
Jinxia	116	116	116	116	219	219	219	219
Changsha County	0	0	0	52	52	52	102	102

Source: Knight Frank

Despite a considerable amount of new supply in the past three years, the occupancy rate of Grade A warehouses in Changsha remained high at 87.0% in 2018 while the net absorption amounted to approximately 108,000 sqm, which was driven by a rising demand from e-commerce and 3PL sectors. Tenants from the two sectors collectively contributed approximately 94.0% the leased areas in the city.

Amid stable new supply in the coming years, the occupancy rate will remain at a high level of approximately 86.0% to 87.0% with an average net absorption of approximately 180,000 sqm per annum from 2019 to 2021 backed by the strong demand from e-commerce and 3PL sectors.

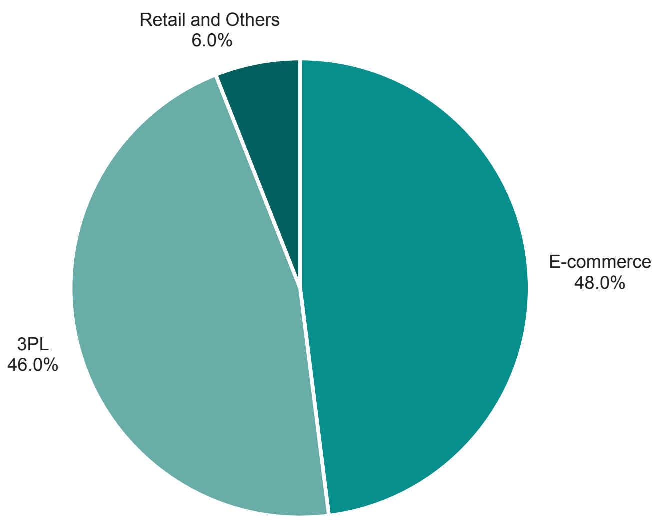
Exhibit 78 New Supply, Net Absorption and Occupancy Rate of Grade A Warehouses in Changsha



	2014	2015	2016	2017	2018	2019F	2020F	2021F
New Supply	181	0	244	188	103	204	246	189
Net Absorption		36	169	183	108	177	214	150
Occupancy Rate	70.0%	90.0%	78.0%	84.0%	87.0%	87.0%	87.0%	86.0%

Source: Knight Frank

Exhibit 79 Tenant Composition of Grade A Warehouses in Changsha in 2018



Source: Knight Frank

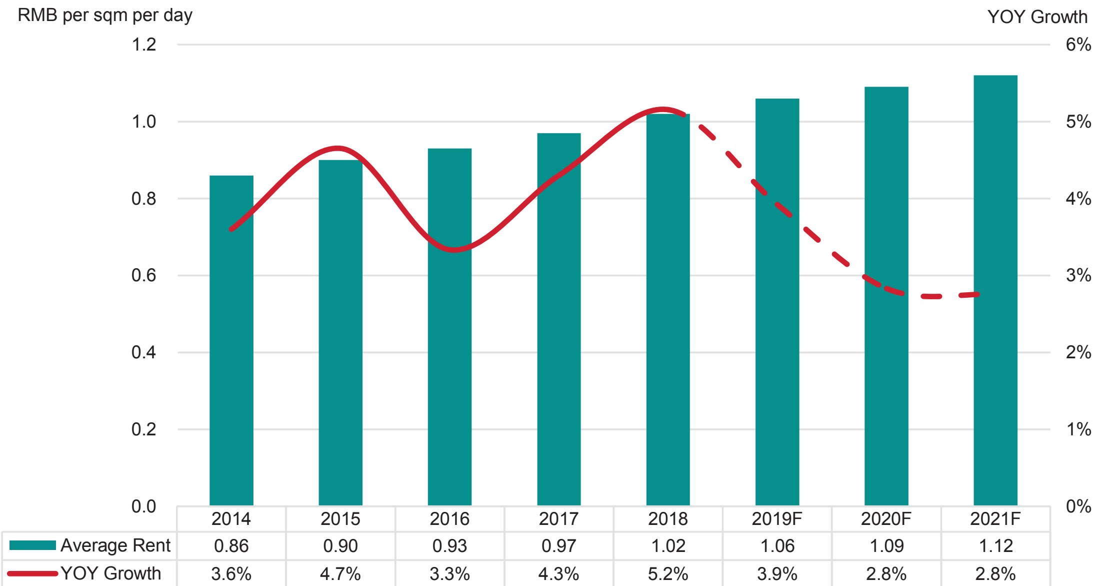
5.4.6 Investment Trends

The logistics market of Changsha is still developing. As mentioned in Section 5.4.2, Changsha is positioned as one of the most important logistics hubs in the mid of Yangtze River Economic Zone. With continued strong logistics demand from e-commerce and 3PL sectors, investors will seek for BTS opportunities, and at the same time search for logistics land.

5.4.7 Rent, Yield and Value

The average rent of Grade A warehouses in Changsha increased by 5.2% YOY to approximately RMB1.02 per sqm per day in 2018. Backed by strong demand, the rental level is anticipated to grow gradually at a range of 2.8% to 3.9% per annum from 2019 to 2021 to reach RMB1.12 per sqm per day in 2021.

Exhibit 80 Rental Level of Grade A Warehouses in Changsha

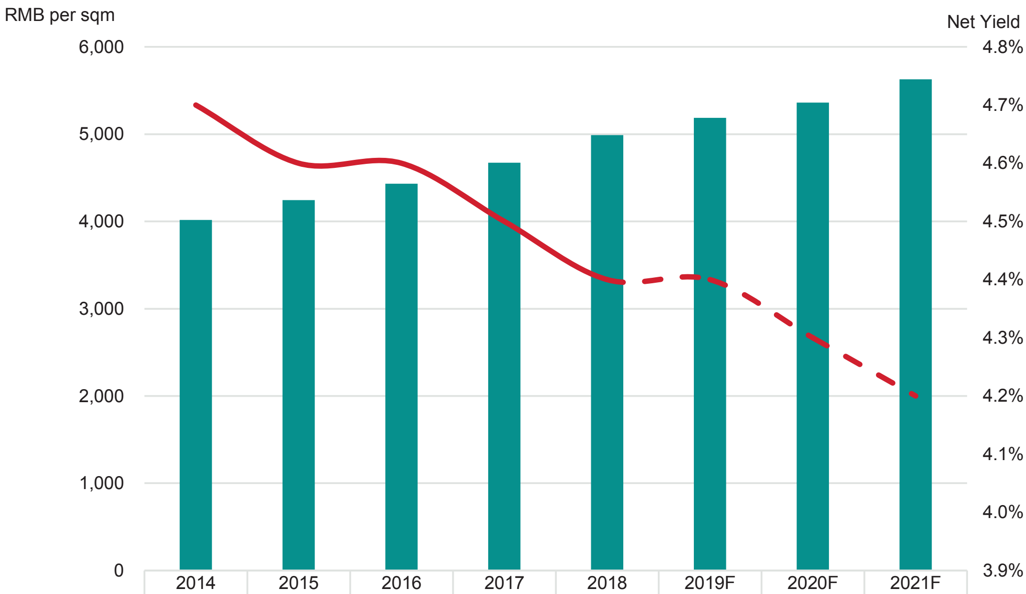


	2014	2015	2016	2017	2018	2019F	2020F	2021F
Average Rent	0.86	0.90	0.93	0.97	1.02	1.06	1.09	1.12
YOY Growth	3.6%	4.7%	3.3%	4.3%	5.2%	3.9%	2.8%	2.8%

Source: Knight Frank

The average capital value of Grade A warehouses in Changsha was recorded at RMB4,990 per sqm in 2018, reflecting a YOY growth of 6.8% and a 5-year CAGR of 5.6%. The overall net yield of Grade A warehouses in Changsha compressed from 4.7% in 2014 to 4.4% in 2018. Looking ahead, the average capital value is expected to gradually increase to RMB5,627 per sqm by 2021, while the overall net yield would be further compressed by 20 basis points to 4.2%.

Exhibit 81 Capital Value and Yield of Grade A Warehouses of Changsha



	2014	2015	2016	2017	2018	2019F	2020F	2021F
Capital Value	4,016	4,246	4,433	4,672	4,990	5,186	5,361	5,627
Net Yield	4.7%	4.6%	4.6%	4.5%	4.4%	4.4%	4.3%	4.2%

Source: Knight Frank

5.4.8 Subject Property Analysis

Mapletree Changsha Industrial Park (Phase 2), completed in 2017, is located at No. 20 Jinqiao Road, Yue Lu District, Fengyi Changsha Logistics Park in Lugu submarket. It has a site area and a gross floor area of approximately 140,207.21 sqm and 99,842.41 sqm respectively. The 2-storey warehouse has a ceiling height of 9 m per storey and a loading capacity of 3 tonnes per sqm and 2.5 tonnes per sqm on Level 1 and Level 2 respectively.

Exhibit 82 Road Network and Highway Entrance Enjoyed by the Subject Property

Source: Knight Frank

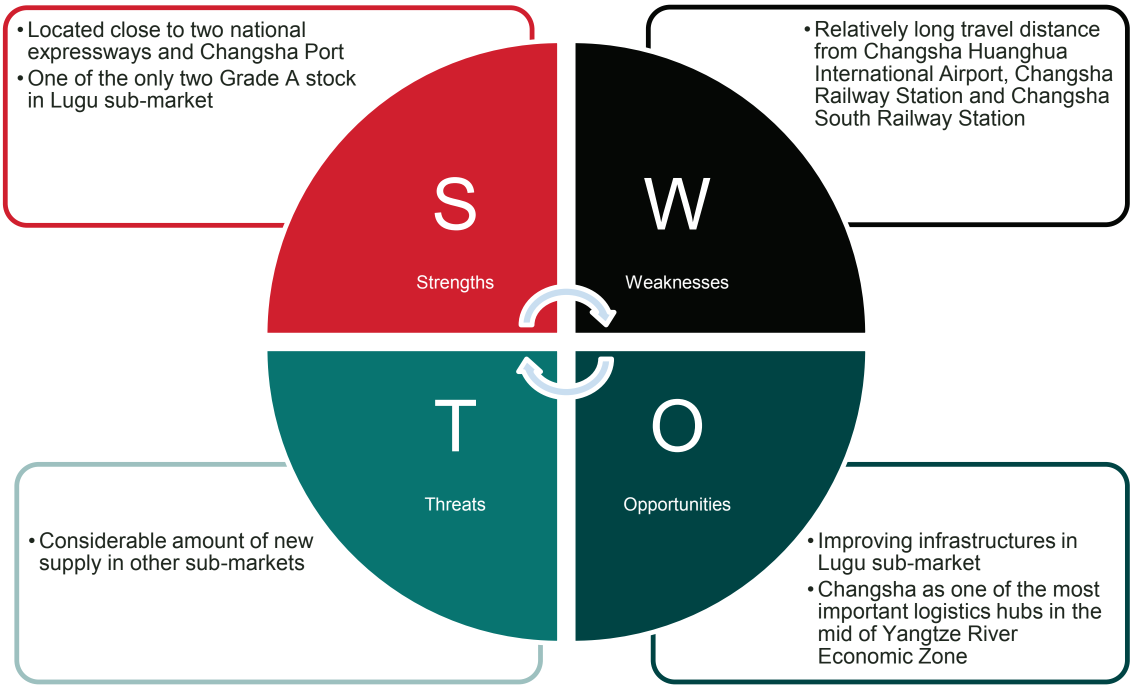
Mapletree Changsha Industrial Park (Phase 2) is located in Lugu sub-market at the western Changsha. It is highly accessible as the nearest expressway entrance is within a 5-mintue driving distance. It enjoys proximity to various destinations of interest which are shown in the table below:-

Exhibit 83 Distances to Major Destinations

Destination	Approximate Road Distance
Changsha Huanghua International Airport	50-minute drive
Changsha Railway Station	45-minute drive
Changsha South Railway Station	45-minute drive
Changsha City Centre	30-minute drive
Changsha Port	30-minute drive
Nearest Expressway Entrance	5-minute drive

Source: Knight Frank

Exhibit 84 SWOT Analysis of Mapletree Changsha Industrial Park (Phase 2)



Source: Knight Frank

Performance Outlook

With reference to the above SWOT analysis, Mapletree Changsha Industrial Park (Phase 2) is considered competitive due to its relatively high building specification and strategical location. Since its completion in 2017, the property has achieved a 100% occupancy rate. As there will be only one new supply in Lugu sub-market in the coming three years, the occupancy rate is expected to be maintained in the near future.

6 Limitations on the Report

6.1 Data Accuracy

Knight Frank has prepared this report based on its in-house database, independent third-party reports and publicly available data from what it considers to be reputable industry organisations. Knight Frank has assumed that the information and data which it has relied on are complete and accurate. The information contained herein has been obtained from sources expected by Knight Frank to be reliable, but there can be no assurance as to the accuracy or completeness of any such information.

We have also relied on the information provided by Mapletree Logistics Trust Management Limited and have not verified the correctness of any information including their translation supplied to us concerning this property. We assume that this information is complete and correct.

6.2 Future Matters

To the extent that this report includes any statement relating to future matters, that statement is provided as an estimate or an opinion based on the information known to Knight Frank as at the date of this report. 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. Knight Frank 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 them. Knight Frank 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 report are qualified by reference to this cautionary statement.

6.3 Market Variations

While current market is influenced by various policies and regulations, increased complexity in social movements and international trade tensions geopolitics, has also resulted in more fluctuations in real estate market. It must be recognised changes in policy direction, social and international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the report date may affect the findings and conclusions.

6.4 Others

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INDEPENDENT FINANCIAL ADVISER'S LETTER

Building a better working world

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1 November 2019

The Independent Directors and the Audit and Risk Committee of
Mapletree Logistics Trust Management Ltd.
(As Manager of Mapletree Logistics Trust)
10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

HSBC Institutional Trust Services (Singapore) Limited
(As Trustee of Mapletree Logistics Trust)
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Dear Sirs:

THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN A PROPERTY IN MALAYSIA, (B) A 100.0% INTEREST IN TWO PROPERTIES IN VIETNAM THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES, AND (C) A 50.0% INTEREST IN FOUR PROPERTIES IN PRC THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES, AS INTERESTED PERSON TRANSACTIONS

1 INTRODUCTION

Mapletree Logistics Trust Management Ltd. (as the manager of Mapletree Logistics Trust ("**MLT**" or the "**Trust**")) (the "**Manager**") has identified the following Properties as being suitable for acquisition by MLT, namely:

Malaysia

(i) Mapletree Logistics Hub – Shah Alam ("**Mapletree Shah Alam**");

Vietnam

(ii) Mapletree Logistics Park Bac Ninh Phase 2 ("**Mapletree Bac Ninh 2**");

(iii) Mapletree Logistics Park Phase 1 ("**Mapletree Binh Duong 1**");

People's Republic of China ("PRC")

(iv) Chengdu DC Logistics Park ("**Mapletree Chengdu**");

(v) Mapletree Shenyang Logistics Park ("**Mapletree Shenyang**");

(vi) Mapletree Jinan International Logistics Park ("**Mapletree Jinan**"); and

(vii) Mapletree Changsha Industrial Park (Phase 2) ("**Mapletree Changsha 2**").

The acquisitions of the above Properties will be effected by the Manager and HSBC Institutional Trust Services (Singapore) Limited (as the trustee of MLT) (the "**Trustee**") as follows:

(a) Malaysia Acquisition

The Malaysia Acquisition will be made via an asset-backed securitisation structure (the "**Malaysia ABS Structure**"). Under the Malaysia ABS Structure, a bankruptcy-remote special purpose vehicle, Semangkuk 2 Berhad (the "**Malaysia SPV**"), incorporated in Malaysia, will acquire the property known as Mapletree Logistics Hub - Shah Alam located at Lot No. 10003, Jalan Jubli Perak 22/1A, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia (the "**Malaysia Property**").

The Malaysia SPV has entered into a conditional sale and purchase agreement (the "**Malaysia Asset Purchase Agreement**") with Winning Paramount Sdn. Bhd., a company indirectly owned by Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**") and Itochu Corporation ("**Itochu**") in the proportion of 80.0% and 20.0% respectively (the "**Malaysia Vendor**"), on 21 October 2019 to acquire a 100.0% interest in the Malaysia Property (the "**Malaysia Acquisition**"). For the avoidance of doubt, the Malaysia SPV intends to acquire the Malaysia Property from the Malaysia Vendor as an asset acquisition.

Following the Malaysia Acquisition, the Malaysia SPV will wholly-own the Malaysia Property. MLT (and/or its subsidiaries) will subscribe for either (a) the bridge medium term notes to be issued by the Malaysia SPV with an early redemption option (the "**Bridge MTN**") which will be subsequently refinanced with the issue of the medium term notes comprising multiple tranches of variously-ranked notes (the "**ABS MTN**") with the junior ranking ABS MTNs (the "**Junior ABS MTN**") being issued to MLT (and/or its subsidiaries), or (b) the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), together with the senior ranking ABS MTNs (the "**Senior ABS MTN**") to be issued to sophisticated investors by the Malaysia SPV.

(b) Vietnam Acquisitions

MapletreeLog VSIP 1 Warehouse Pte. Ltd., a wholly-owned subsidiary of MLT (the "**Vietnam Purchaser**"), has entered into two conditional share purchase agreements (the "**Vietnam Share Purchase Agreements**") with Mapletree Citrine Ltd., a wholly-owned subsidiary of MIPL, (the "**Vietnam Vendor**") on 21 October 2019 to acquire a 100.0% interest in each of the two Cayman Islands special purpose vehicles (the "**Cayman SPVs**", and the acquisitions, the "**Vietnam Acquisitions**") which each holds a 100.0% interest in a Vietnam special purpose vehicle (the "**Vietnam SPVs**"). In turn, each Vietnam SPV holds a property located in Vietnam, namely, Mapletree Bac Ninh 2 located at No. 9, Street 6, Vietnam-Singapore Industrial Park Bac Ninh, Phu Chan Commune, Tu Son Town, Bac Ninh Province, Vietnam and Mapletree Binh Duong 1 located at 18L2-1, Tao Luc 5 Street, Vietnam-Singapore Industrial Park II (VSIP II), Binh Duong Industry-Service-Urban Complex, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam (the "**Vietnam Properties**"). Following the Vietnam Acquisitions, MLT will hold 100.0% interest in each of the two Cayman SPVs.

(c) PRC Acquisitions

The Trustee entered into four conditional share purchase agreements (the "**PRC Share Purchase Agreements**") with Mapletree Overseas Holdings Ltd and Mapletree Licheng Ltd., wholly-owned subsidiaries of MIPL, (the "**MIPL Subsidiaries**") and ITC Jinan Investment LIMITED and ITC Chousa II Investment LIMITED, wholly-owned subsidiaries of Itochu Corporations ("**Itochu**", its subsidiaries, the "**Itochu Subsidiaries**" and collectively with the MIPL Subsidiaries, the "**PRC Vendors**") on 21 October 2019 to acquire a 50.0% interest in each of four Hong Kong SAR special purpose vehicles (the "**HK SPVs**", and the acquisitions, the "**PRC Acquisitions**") which each holds a 100.0% interest in a PRC wholly foreign-owned enterprise ("**PRC WFOE**"). In turn, each PRC WFOE holds a property located in the PRC (the "**PRC Properties**").

Two of the HK SPVs (which hold Mapletree Chengdu and Mapletree Shenyang) are wholly-owned by the MIPL Subsidiaries (the "**Sponsor-owned HK SPVs**") and two of the HK SPVs (which hold Mapletree Jinan and Mapletree Changsha 2) are owned by the MIPL Subsidiaries and the Itochu Subsidiaries in the proportion of 80.0% and 20.0% respectively (the "**Co-owned HK SPVs**").

The PRC Acquisitions involve, in the case of the Sponsor-owned HK SPVs, an acquisition of 50.0% of the entire ordinary issued share capital from the MIPL Subsidiaries, and in the case of the Co-owned HK SPVs, an acquisition of 30.0% and 20.0% of the entire ordinary issued share capital from the MIPL Subsidiaries and the Itochu Subsidiaries respectively. Following the PRC Acquisitions, MLT will hold a 50.0% interest in each of the four HK SPVs, with the other 50.0% interests to be held by the MIPL Subsidiaries.

Subsequently, on the date of completion of the PRC Acquisitions ("**PRC Completion**"), it is contemplated that the Trustee will, on behalf of MLT, enter into four separate shareholders' deeds in relation to each HK SPV (the "**Shareholders Deeds**", and each, a "**Shareholders Deed**"), to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the Trustee's relationship with the MIPL Subsidiaries as shareholders of each HK SPV.

For the purposes of this letter and the circular to the unitholders of MLT ("**Unitholders**" and the circular, the "**Circular**"), and unless otherwise stated, the "**Properties**" refer to the Malaysia Property, the Vietnam Properties and the PRC Properties. The "**Purchase Agreements**" refer to the Malaysia Asset Purchase Agreement, the Vietnam Share Purchase Agreements and the PRC Share Purchase Agreements. The "**Vendors**" refer to the Malaysia Vendors, the Vietnam Vendor and the PRC Vendors. The "**Acquisitions**" refers to the Malaysia Acquisition, the Vietnam Acquisitions and the PRC Acquisitions. The "**Existing Portfolio**" refers to the 137 properties held by MLT as at 30 September 2019. The "**Enlarged Portfolio**" comprises the Existing Portfolio and the Properties.

Unless otherwise stated, the information contained in this letter and in the Circular on the Existing Portfolio is as at 30 September 2019 and the information on the Properties is as at 23 October 2019, being the latest practicable date prior to the printing of the Circular (the "**Latest Practicable Date**").

The total acquisition price payable by the Trustee in respect of the Acquisitions would be the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S$382.9 million (the "**Total Acquisition Price**").

Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee, on behalf of MLT, and each MIPL Subsidiary will enter into separate Shareholders' Deeds at the PRC Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV. The parties to each Shareholders' Deed will be the Trustee, the relevant MIPL Subsidiary holding a 50.0% interest in the relevant HK SPV following the PRC Acquisitions (together, the "**PRC Shareholders**", and each a "**PRC Shareholder**"), and the relevant HK SPV. The risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each PRC Shareholder.

Further, the four HK SPVs have entered into bank facilities, pursuant to which the PRC Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, corporate guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S$33.4 million) (the "**Corporate Guarantees**") at PRC Completion, in place of the existing corporate guarantees provided by the PRC Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's proportionate shareholding interest in each of the four HK SPVs (being 50.0% as at PRC Completion) and will depend on the amounts drawn down under the bank facilities (including accrued interest). For the avoidance of doubt, MIPL shall also be required to provide similar corporate guarantees to such banks in respect of the MIPL Subsidiaries' respective proportionate shareholding interest in the four HK SPVs.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,149,798,268 units in MLT (the "**Units**"), which is equivalent to approximately 31.59% 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 Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**" and Appendix 6, 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 each of the Malaysia Vendor, the Vietnam Vendor and the MIPL Subsidiaries are subsidiaries of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of them (being a subsidiary of a "controlling unitholder" of MLT 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 Acquisitions will constitute "interested person transactions" under Chapter 9 of the Listing Manual as well as "interested party transactions" under the Property Funds Appendix, in respect of which the approval of the Unitholders is required.

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 the 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 assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the audited financial statements of MLT for the financial year ended 31 March 2019 (the "**FY18/19 Financial Statements**"), the NTA of MLT was S$4,231.7 million (represented by Unitholders' funds) as at 31 March 2019. 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$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S$410.7 million, which in aggregate is 9.7% of the NTA of MLT as at 31 March 2019, such value exceeds the said threshold. Thus, Unitholders' approval is required to be sought pursuant to Rule 906(1)(a) of the Listing Manual.

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 net asset value ("**NAV**"). Based on the FY18/19 Financial Statements, the NAV of MLT was S$4,231.7 million (represented by Unitholders' funds) as at 31 March 2019. 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$211.6 million, such a transaction would be subject to Unitholders' approval. Given that the Total Acquisition Cost less the Acquisition Fee and the estimated professional and other fees and expenses in relation to the Acquisitions is approximately S$410.7 million, which in aggregate is 9.7% of the NAV of MLT as at 31 March 2019, such value exceeds the said threshold.

Pursuant to Rule 906(1) of the Listing Manual and the Property Funds Appendix, the Manager is proposing to convene an extraordinary general meeting ("**EGM**") to seek the approval of Unitholders by way of Ordinary Resolution in respect of the Acquisitions. By approving the Acquisitions, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisitions, including the Purchase Agreements, the Shareholders' Deeds, the Trustee Shareholders' Loans, and the Corporate Guarantees.

Additionally, in approving the Acquisitions, any subscription of additional shares in each HK SPV, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after the PRC Completion will be deemed to be approved provided the subscription of additional shares, the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on the same terms[1] , the provision of the loan and/or corporate guarantee is not prejudicial to the interests of MLT and its minority Unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholding of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority Unitholders.

To comply with the requirements of Chapter 9 of the Listing Manual, Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed as the independent financial adviser ("**IFA**") as required under Rule 921(4)(a) of the Listing Manual as well as to advise the directors of the Manager (the "**Directors**") who are considered independent in relation to the Acquisitions (the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**"), and the Trustee on whether the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders.

This letter sets out, *inter alia,* our evaluation of the Acquisitions and our advice thereon. In opining on the Acquisitions, we have taken into account the documents which are required to be executed by the parties in order to give effect to the Acquisitions, including the Purchase Agreements, the Shareholders' Deeds, the Trustee Shareholders' Loans, and the Corporate Guarantees. This letter forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Acquisitions and the recommendation of the Independent Directors and the Audit and Risk Committee in respect thereof.

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1 There may be non-substantive differences in the terms of the corporate guarantees to be provided by the respective guarantors due to the fact that the Trustee is a trustee of a real estate investment trust and MIPL is a company.

Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter. Foreign currency amounts have been translated into Singapore dollars ("**S$**"). Unless otherwise indicated, such translations in relation to the Existing Portfolio are as at 30 September 2019 and have been made based on the illustrative exchange rate of S$1.00 = Malaysian ringgit ("**MYR**") 3.05 / US dollars ("**USD**") 0.73 / Chinese Renminbi ("**RMB**") 5.07, while such translations in relation to the Properties are as at the Latest Practicable Date, and have been made based on the illustrative exchange rate of S$1.00 = MYR3.07 / USD0.73 / RMB5.19.

2 TERMS OF REFERENCE

EYCF has been appointed as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee, and the Trustee in respect of whether the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders. In opining on the Acquisitions, we have taken into account the documents which are required to be executed by the parties in order to give effect to the Acquisitions, including the Purchase Agreements, the Shareholders' Deeds, the Trustee Shareholders' Loans, and the Corporate Guarantees.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Acquisitions, as well as information provided to us by MLT and the management of the Manager (the "**Management**"), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the Acquisitions which may be released by MLT and/or the Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Acquisitions, nor were we involved in the deliberations leading up to the decisions by the Directors in connection with the Acquisitions. We have not conducted a comprehensive review of the business, operations or financial condition of MLT and its subsidiaries and associates (the "**MLT Group**"). It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Acquisitions, and to comment on such merits and/or risks of the Acquisitions. We have only expressed our opinion on whether the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Acquisitions remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Acquisitions vis-à-vis any alternative transaction previously considered by MLT and/or the Manager (if any) or that MLT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Acquisitions, we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of MLT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of MLT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to MLT, the Properties, the Acquisitions, and the documents required to give effect to the Acquisitions has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about MLT, the Properties in the context of the Acquisitions, and the documents required to give effect to the Acquisitions, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Acquisitions have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of MLT and/or the Properties. We have also not made an independent evaluation or appraisal of the assets and liabilities of MLT and/or the Properties. However, we have been furnished with the independent valuation reports commissioned by the Trustee and the Manager, and issued by the independent valuers, namely Knight Frank Malaysia Sdn Bhd ("**KF Malaysia**") and First Pacific Valuers Property Consultants Sdn Bhd ("**First Pacific**") for the Malaysia Property, Jones Lang LaSalle Vietnam Company Limited ("**JLL Vietnam**") and CBRE (Vietnam) Co., Ltd ("**CBRE Vietnam**") for the Vietnam Properties, and Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd ("**Cushman PRC**") and Knight Frank Petty Limited ("**KF PRC**") for the PRC Properties (collectively, the "**Independent Valuers**") in connection with the open market value (the "**Market Value**") of each of the Properties as at 30 September 2019 (the "**Valuation Reports**"). We are not experts and do not regard ourselves to be experts in the valuation of the Properties, and we have taken into consideration the Valuation Reports prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion is required under Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purpose of their consideration of the Acquisitions, and the recommendation made by the Independent Directors and the Audit and Risk Committee to the minority Unitholders shall remain the sole responsibility of the Independent Directors and the Audit and Risk Committee.

Our opinion in relation to the Acquisitions should be considered in the context of the entirety of this letter and the Circular.

3 DETAILS OF THE ACQUISITIONS

The details of the Acquisitions, including details of the Properties and the documents required to give effect to the Acquisitions, are set out in the Summary section, Section 2 of the Letter to Unitholders of the Circular and Appendix A to the Circular. We set out below the salient information on the Acquisitions, the Properties and the documents required to give effect to the Acquisitions.

3.1 Description of the Properties

The Malaysia Property, Mapletree Shah Alam, is wholly-owned by the Malaysia Vendor. The Malaysia SPV intends to acquire the Malaysia Property from the Malaysia Vendor as an asset acquisition. Following the Malaysia Acquisition, the Malaysia SPV will wholly-own the Malaysia Property. MLT (and/or its subsidiaries) will subscribe for either (a) the Bridge MTN to be issued by the Malaysia SPV which will be subsequently refinanced with the issue of the ABS MTN with the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), or (b) the Junior ABS MTN to be issued to MLT (and/or its subsidiaries), together with the Senior ABS MTN to be issued to sophisticated investors by the Malaysia SPV.

The two Vietnam Properties, Mapletree Bac Ninh 2 and Mapletree Binh Duong 1, are each held by a Vietnam SPV, which are each in turn wholly-owned by a Cayman SPV. The Cayman SPVs are in turn 100.0% owned by the Vietnam Vendor. MLT intends to acquire all of the shares in the Cayman SPVs from the Vietnam Vendor. Following the Vietnam Acquisitions, MLT will hold 100.0% interest in each of the two Cayman SPVs.

The two PRC Properties, Mapletree Chengdu and Mapletree Shenyang, are held by two PRC WFOEs, which are in turn wholly-owned by two Sponsor-owned HK SPVs. The Sponsor-Owned HK SPVs are in turn 100.0% owned by the MIPL Subsidiaries. MLT intends to acquire a 50.0% interest in each of the Sponsor-owned HK SPVs from the MIPL Subsidiaries.

The other two PRC Properties, Mapletree Jinan and Mapletree Changsha, are held by two PRC WFOEs, which are in turn wholly-owned by two Co-owned HK SPVs. The MIPL Subsidiaries hold 80.0% and the Itochu Subsidiaries hold 20.0% of the entire ordinary issued share capital of these Co-owned HK SPVs. MLT intends to acquire a 50.0% interest in each of the Co-owned HK SPVs through the acquisition of a 30.0% interest from the MIPL Subsidiaries and the entire 20.0% interest from the Itochu Subsidiaries.

Following the PRC Acquisitions, MLT will hold a 50.0% interest in each of the four HK SPVs, with the other 50.0% interests to be held by the MIPL Subsidiaries.

The following table sets out a summary of selected information on the Properties.

	Property Name	Location	NLA[1] (sqm)	Independent Valuation by the relevant Independent Valuer appointed by the Trustee (in millions)	Independent Valuation by the relevant Independent Valuer appointed by the Manager (in millions)	Agreed Property Value (in millions)	Discount of the Agreed Property Value to the Independent Valuation	Land Expiry Date	Approximate Remaining Land Tenure
Malaysia Property									
1	Mapletree Shah Alam	Shah Alam, Selangor	207,662	MYR835.0 (S$272.0)	MYR838.0 (S$273.0)	MYR826.0 (S$269.1)	Trustee: 1.1% Manager: 1.4%	9 Jul 2094	75 years
Vietnam Properties									
2	Mapletree Bac Ninh 2	Bac Ninh, Hanoi	49,930	USD16.6 (S$22.7)	USD16.5 (S$22.7)	USD16.0 (S$21.9)	Trustee: 3.6% Manager: 3.3%	30 Nov 2057	38 years
3	Mapletree Binh Duong 1	Bin Duong, Ho Chi Minh	66,311	USD20.5 (S$28.1)	USD20.7 (S$28.4)	USD20.0 (S$27.4)	Trustee: 2.4% Manager: 3.6%	25 Sep 2055	36 years
PRC Properties									
4	Mapletree Chengdu[2]	Chengdu, Sichuan	20,138	RMB104.6 (S$20.2)	RMB102.0 (S$19.7)	RMB99.0 (S$19.1)	Trustee: 5.4% Manager: 2.9%	27 Oct 2065	46 years
5	Mapletree Shenyang[2]	Shenyang, Liaoning	42,881	RMB140.0 (S$27.0)	RMB140.0 (S$27.0)	RMB135.0 (S$26.0)	Trustee: 3.6% Manager: 3.6%	28 Sep 2066	47 years

	Property Name	Location	NLA[1] (sqm)	Independent Valuation by the relevant Independent Valuer appointed by the Trustee (in millions)	Independent Valuation by the relevant Independent Valuer appointed by the Manager (in millions)	Agreed Property Value (in millions)	Discount of the Agreed Property Value to the Independent Valuation	Land Expiry Date	Approximate Remaining Land Tenure
PRC Properties									
6	Mapletree Jinan	Jinan, Shandong	80,931	RMB296.1 (S$57.1)	RMB299.0 (S$57.6)	RMB287.0 (S$55.3)	Trustee: 3.1% Manager: 4.0%	15 Mar 2065	45 years
7	Mapletree Changsha 2	Changsha, Hunan	97,888	RMB397.8 (S$76.6)	RMB396.0 (S$76.3)	RMB381.0 (S$73.3)	Trustee: 4.2% Manager: 3.8%	26 Dec 2064	45 years
Total – 100% of the Properties				**S$503.6**	**S$504.6**	**S$492.2**	**Trustee: 2.3% Manager: 2.5%**		

Source: Circular

Notes:

*(1) ‘**NLA**’ means net lettable area.*

(2) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.

3.2 Valuation

The details of the valuation of the Properties are set out in Section 2.3 of the Letter to Unitholders of the Circular and the summary valuation certificates of the Independent Valuers are set out as Appendix B to the Circular. We set out below the salient terms of the valuation of the Properties.

The Agreed Property Value of each Property was arrived at on a willing-buyer and willing-seller basis, after taking into account the two independent valuations of each Property as at 30 September 2019.

In this respect, the Trustee and the Manager has each commissioned Independent Valuers to value each of the Properties. In arriving at the open market value of each Property, the Independent Valuers relied on the following valuation methods:

	Independent Valuer appointed by the Trustee	Valuation Method of the Independent Valuer appointed by the Trustee	Independent Valuer appointed by the Manager	Valuation Method of the Independent Valuer appointed by the Manager
Malaysia Property	KF Malaysia	Discounted Cash Flow Approach and Cost Approach	First Pacific	Discounted Cash Flow Approach, Investment Approach and Cost Approach
Vietnam Properties	JLL Vietnam	Discounted Cash Flow Approach and Direct Capitalisation Approach	CBRE Vietnam	Discounted Cash Flow Approach, Direct Capitalisation Approach, Sales Comparison Approach, and Cost Approach
PRC Properties	Cushman PRC	Discounted Cash Flow Approach and Direct Capitalisation Approach	KF PRC	Income Approach and Sales Comparison Approach

Source: Circular

3.3 Certain Terms and Conditions of the Purchase Agreements

The principal terms of the Purchase Agreements for the Acquisitions are set out in the Summary section and Section 2.5 of the Letter to Unitholders of the Circular.

We note that the Purchase Agreements set out, *inter alia*, the following principal terms:

(i) **Malaysia Property.** Pursuant to the Malaysia Asset Purchase Agreement dated 21 October 2019, the Malaysia SPV will acquire the Malaysia Property from the Malaysia Vendor.

Pursuant to the terms of the Malaysia Asset Purchase Agreement, the purchase consideration payable by the Malaysia SPV in connection with the Malaysia Acquisition (the

"**Malaysia Acquisition Price**") is MYR826.0 million (S$269.1 million), being the Agreed Malaysia Property Value. The Malaysia Acquisition Price will be paid in cash.

(ii) **Vietnam Properties.** Pursuant to the Vietnam Share Purchase Agreements dated 21 October 2019, the Vietnam Purchaser will acquire 100.0% interest in each of the Cayman SPVs through the Vietnam Acquisitions.

Pursuant to the terms of the Vietnam Share Purchase Agreements, the aggregate purchase consideration payable by the Vietnam Purchaser in connection with the Vietnam Acquisitions (the "**Vietnam Aggregate Share Consideration**") is the adjusted consolidated net asset value (the "**Vietnam Adjusted Net Asset Value**") of the Cayman SPVs (the "**Vietnam Total Adjusted Net Asset Values**") as at the date of the completion of the Vietnam Acquisitions (the "**Vietnam Completion**"). The Vietnam Aggregate Share Consideration is estimated to be USD2.2 million (S$3.0 million), subject to post-Vietnam Completion adjustments to the Vietnam Total Adjusted Net Asset Values. The Vietnam Adjusted Net Asset Value of each Cayman SPV shall take into account the agreed value of the Vietnam Property indirectly owned by each Cayman SPV (the "**Agreed Vietnam Property Value**") and shall be subject to post completion adjustments. For the avoidance of doubt, the Vietnam Aggregate Share Consideration shall have to take into account the existing Cayman SPVs' shareholder's loans of USD36.7 million (S$50.3 million) owed to the Vietnam Vendor (the "**Vietnam Shareholders' Loans**"). Post Vietnam Completion, the Vietnam Shareholders' Loans shall be owed by the Cayman SPVs to the Trustee. The values of the Vietnam Shareholders' Loans are subject to adjustments based on the actual date of Vietnam Completion to take into account interest accruing up to such date.

The acquisition price payable by the Trustee in respect of the Vietnam Acquisitions (the "**Vietnam Acquisition Price**") would therefore be the sum of the Vietnam Aggregate Share Consideration and the value of the Vietnam Shareholders' Loans being USD38.9 million (S$53.3 million). The Vietnam Acquisition Price will be paid in cash to the Vietnam Vendor on the terms set out in the Vietnam Share Purchase Agreement.

Following Vietnam Completion, MLT will own 100.0% of the ordinary shares in the issued share capital of each of the Cayman SPVs.

(iii) **PRC Properties.** Pursuant to the PRC Share Purchase Agreements dated 21 October 2019, the Trustee, on behalf of MLT, will acquire a 50.0% interest in each of the HK SPVs through the PRC Acquisitions.

Pursuant to the terms of the PRC Share Purchase Agreements, the aggregate purchase consideration payable by the Trustee in connection with the PRC Acquisitions (the "**PRC Aggregate Share Consideration**") is 50.0% of the adjusted consolidated net asset value (the "**PRC Adjusted Net Asset Value**") of the four HK SPVs (the "**PRC Total Adjusted Net Asset Values**") as at PRC Completion. The PRC Aggregate Share Consideration, to be satisfied fully in cash, is estimated to be RMB26.1 million (S$5.0 million)[1], subject to post-PRC Completion adjustments to the PRC Total Adjusted Net Asset Values. The PRC Adjusted Net Asset Value of each HK SPV shall take into account the agreed value of the PRC Property indirectly owned by each HK SPV (the "**Agreed PRC Property Value**") less each HK SPV's existing bank loans and shareholders' loans, and shall be subject to post completion adjustments.

[1] This amount comprises the purchase consideration of RMB5.0 million (S$1.0 million) payable to the Itochu Subsidiaries and the purchase consideration of RMB21.0 million (S$4.1 million) payable to the MIPL Subsidiaries.

In addition to the payment of the PRC Aggregate Share Consideration to the PRC Vendors, the Trustee will at PRC Completion extend loans of RMB288.3 million (S$55.5 million) to the HK SPVs (the "**Trustee Shareholders' Loans**"), to enable them to repay and discharge existing shareholders' loans of RMB203.6 million (S$39.2 million) and RMB84.7 million (S$16.3 million) owed to the MIPL Subsidiaries and the Itochu Subsidiaries, respectively (the "**Repaid Shareholders' Loans**")[1]. The values of the Trustee Shareholders' Loans and the Repaid Shareholders' Loans are subject to adjustments based on the actual date of PRC Completion to take into account interest accruing up to such date. The Trustee Shareholders' Loans shall be for a term of five years (subject to further extension in accordance with the terms of the Trustee Shareholders' Loans provided that both the Trustee and the relevant MIPL Subsidiary provide such loans in the proportion of their shareholdings in the HK SPV) and bear interest at an annual rate of 1.5% above the three-month Offshore Chinese Renminbi Hong Kong Interbank Offered Rate ("**CNH HIBOR**"). The Trustee Shareholders' Loans will be extended to the HK SPVs on the same terms as the shareholders' loans extended by the MIPL Subsidiaries to the HK SPVs.

The acquisition price payable by the Trustee in respect of the PRC Acquisitions (the "**PRC Acquisition Price**") would therefore be the sum of the PRC Aggregate Share Consideration and the value of the Trustee Shareholders' Loans being approximately RMB314.3 million (S$60.6 million).

Following PRC Completion, MLT will own 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs. The MIPL Subsidiaries will own the other 50.0% of the ordinary shares in the issued share capital of each of the four HK SPVs.

The Total Acquisition Price payable by the Trustee in respect of the Acquisitions would therefore be the sum of the Malaysia Acquisition Price, the Vietnam Acquisition Price and the PRC Acquisition Price, being S$382.9 million.

3.4 Management Agreements in relation to the Malaysia Acquisition

The details of the management agreements, namely the Malaysia Servicer Agreement and Malaysia Asset Management Agreement, are set out in Section 2.6 of the Letter to Unitholders of the Circular.

We note that the fees payable by the Malaysia SPV to the Servicer are on substantially the same rates as those payable by MLT to the Property Manager under the Overseas Properties Property Management Agreement. Accordingly, the computation of the Property Manager's fees payable under the Overseas Properties Property Management Agreement will take into account the fees payable to the Servicer and there will be no double payment for such services for the Malaysia Properties.

We also note that the fees payable to MMMSB are on substantially the same rates as those payable by MLT to the Manager under the Trust Deed. Accordingly, the computation of the Manager's fees payable under the Trust Deed will take into account any asset management fees payable to MMMSB and there will be no double payment for services provided to the Malaysia SPV.

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[1] Upon completion of the PRC Acquisitions and following the extension of the loan by the Trustee to the HK SPVs and the corresponding discharge of the existing shareholders' loans, the existing shareholders' loans extended by the Itochu Subsidiaries will be fully discharged and the HK SPVs would owe an equal amount to both the Trustee and the MIPL Subsidiaries, as shareholders' loans.

3.5 Shareholders' Deeds in relation to the PRC Acquisitions

The details of the Shareholders' Deeds in relation to the PRC Acquisitions are set out in Section 2.7 of the Letter to Unitholders of the Circular, and we set out below the salient terms of the Shareholders' Deeds.

Pursuant to the terms of the PRC Share Purchase Agreements, the PRC Shareholders will enter into separate Shareholders' Deeds at PRC Completion to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between them as shareholders of the relevant HK SPV. The parties to each Shareholders' Deed will be the PRC Shareholders and the relevant HK SPV. The risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholdings of each PRC Shareholder.

The details on the sections of the Shareholders' Deeds in relation to management, reserved matters, asset management, property management, additional financing, pre-emption rights, tag along and drag along rights, and deadlock provisions are set out in Sections 2.7.1 to 2.7.7 of the Letter to Unitholders of the Circular.

We note that by approving the Acquisitions, Unitholders will be deemed to have approved the Shareholders' Deeds.

3.6 Corporate Guarantees in relation to the PRC Acquisitions

The details of the Corporate Guarantees are set out in the Summary section and Section 2.8 of the Letter to Unitholders of the Circular, and have been extracted and set out in italics below.

"The four HK SPVs have entered into bank facilities, pursuant to which the PRC Vendors have provided corporate guarantees to certain banks. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S$33.4 million) at PRC Completion, in place of the existing corporate guarantees provided by the PRC Vendors. The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's proportionate shareholding interest in each of the four HK SPVs (being 50.0% as at PRC Completion) and will depend on the amounts drawn down under the bank loans (including accrued interest). As at the Latest Practicable Date, an aggregate of RMB288.3 million (S$55.5 million) has been drawn down under the bank facilities, of which RMB144.0 million (S$27.8 million) represents the value of the Corporate Guarantees in respect of MLT's proportionate shareholding interest of 50.0%. The Corporate Guarantees are expected to be on market terms. For the avoidance of doubt, MIPL shall also be required to provide similar corporate guarantees to such banks in respect of the MIPL Subsidiaries' respective proportionate shareholding interest in the four HK SPVs. No fee is chargeable for provision of the abovementioned corporate guarantees by each of the Trustee and/or MIPL.

By approving the Acquisitions, Unitholders will be deemed to have also approved the Corporate Guarantees."

3.7 Total Acquisition Cost and Total Acquisition Outlay

The details of the total cost of the Acquisitions (the "**Total Acquisition Cost**") are set out in the Summary section and Section 2.9 of the Letter to Unitholders of the Circular, and we set out below the salient information on the Total Acquisition Cost.

The Total Acquisition Cost is estimated to be approximately S$420.9 million, comprising:

(a) the Malaysia Acquisition Price of approximately MYR826.0 million (S$269.1 million) which will be paid in cash;

(b) the Vietnam Acquisition Price of approximately USD38.9 million (S$53.3 million) which will be paid in cash;

(c) the PRC Acquisition Price of approximately RMB314.3 million (S$60.6 million), which comprises (a) the PRC Aggregate Share Consideration and (b) the Trustee Shareholders' Loans, both of which will be paid in cash;

(d) in relation to the PRC Acquisitions, the 50.0% pro rata share of the bank loans owed by the HK SPVs to certain financial institutions, being approximately RMB144.0 million (S$27.8 million) (which will not be discharged by the HK SPVs and will remain after PRC Completion) (the "**PRC Bank Loans**")[1];

(e) the acquisition fee payable in Units to the Manager for the Acquisitions (the "**Acquisition Fee**") which is estimated to be approximately S$1.9 million) (representing 0.5% of the Total Acquisition Price); and

(f) the estimated professional and other fees and expenses of approximately S$8.3 million incurred or to be incurred by MLT in connection with the Acquisitions and the Private Placement (the "**Private Placement**").

The total acquisition outlay is estimated to be approximately S$393.1 million, comprising the Total Acquisition Cost less the PRC Bank Loans which will not be discharged by the HK SPVs and will remain after the PRC Completion (the "**Total Acquisition Outlay**").

3.8 Payment of Acquisition Fee in Units

The details of the payment of the Acquisition Fee in Units are set out in the Summary section and Section 2.10 of the Letter to Unitholders of the Circular.

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Total Acquisition Price (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 Acquisition Price.

As the Acquisitions will constitute "interested party transactions" under the Property Funds Appendix, the Acquisition Fee payable in respect of the Acquisitions 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.

In relation to the PRC Acquisitions, while the acquisition interests of the Itochu Subsidiaries in the HK SPVs will not constitute an "interested party transaction" under the Property Funds Appendix, the Manager has nevertheless elected to receive the Acquisition Fee payable in respect of the acquisition of interests from the Itochu Subsidiaries in the form of Acquisition Fee Units and not to dispose of such Units within one year from the date of issuance.

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 Acquisitions in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisitions, the prevailing Market Price of such Units on the date of completion of the relevant Acquisition.

[1] In relation to the PRC Bank Loans, pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees, in place of the existing corporate guarantees provided by the holding companies of the PRC Vendors, in respect of MLT's proportionate shareholding interest (being 50.0% as at PRC Completion) in each of the HK SPVs..

Based on the Illustrative Issue Price of S$1.617 per Acquisition Fee Unit (being the issue price per new Unit under the Private Placement (the "**New Units**")), the number of Acquisition Fee Units issued shall be approximately 1,184,034 Units.

3.9 Method of Financing for the Acquisitions

The details of the method of financing for the Acquisitions are set out in the Summary section and Section 2.11 of the Letter to Unitholders of the Circular, and we set out below the salient information.

The Manager intends to finance the Total Acquisition Outlay with part of the gross proceeds of approximately S$250.0 million from the Private Placement and a drawdown of debt facilities (the "**Loan Facilities**"). The net proceeds of the Private Placement of approximately S$241.7 million will be used to partially finance the Total Acquisition Outlay. In the event that MLT does not proceed with the proposed Acquisitions, the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Private Placement at its absolute discretion for other purposes including the funding of future investments and/or to repay existing indebtedness.

3.10 Private Placement

The details of the Private Placement for the Acquisitions are set out in the Summary section and Section 2.11 of the Letter to Unitholders of the Circular, and we set out below the salient information.

The Private Placement has been undertaken through an issuance of New Units relying on the general mandate of MLT obtained at the annual general meeting of MLT held on 15 July 2019.

The table below sets out the changes to the Aggregate Leverage of MLT based on the above method of financing:

	Before the Acquisitions	**After the Acquisitions**
Aggregate Leverage	37.0%(1)	37.1%(2)

Source: Circular

Notes:

(1) *Includes the proportionate share of borrowings and deposited property values of the joint ventures acquired on 6 June 2018.*

(2) *Includes the Loan Facilities as well as MLT's 50.0% share of the existing bank loans and Deposited Property of each of the HK SPVs.*

4 EVALUATION OF THE ACQUISITIONS

In our analysis and evaluation of the Acquisitions, and our recommendation thereon, we have taken into consideration the following:

(a) rationale for and key benefits of the Acquisitions;

(b) valuation of the Properties by the Independent Valuers;

(c) comparison of the net property income ("**NPI**") yields ("**NPI Yields**") of the Properties with the Existing Portfolio and Enlarged Portfolio;

(d) comparison of the Properties with selected industrial/logistics property portfolio valuation of listed real estate investment trusts ("**REITs**" and each, "**REIT**") on the SGX-ST;

(e) pro-forma financial effects of the Acquisitions;

(f) evaluation of the Shareholders' Deeds; and

(g) evaluation of the Corporate Guarantees.

The factors above are discussed in more detail in the following sections.

4.1 Rationale for and key benefits of the Acquisitions

The detailed rationale for and benefits of the Acquisitions are set out in Section 3 of the Letter to Unitholders of the Circular, with the key sections set out below.

(a) Exploit the positive demand-supply dynamics in key logistics markets

- (i) Expansion into Malaysia, Vietnam and China – Fast growing domestic consumption markets
- (ii) Demand for logistics space underpinned by strong growth in e-commerce
- (iii) Limited supply of Grade A warehouse space presents opportunity for MLT to fill the market gap
- (iv) Augmenting growth while maintaining large exposure to developed markets in Asia Pacific

(b) Strengthen MLT's network connectivity across key logistics nodes

- (i) Deepen and expand coverage across key Asia Pacific markets
- (ii) Excellent connectivity to transport infrastructure and key population catchments
- (iii) Expand footprint in Shah Alam, the prime logistics hub of Malaysia
- (iv) Deepen presence in thriving logistics hubs of Vietnam
- (v) Increase exposure to key provinces of China with strong consumer markets
- (vi) Potential positive spillover effects from the US-China trade conflict

(c) High-quality portfolio with a strong and diversified tenant base

- (i) High-quality modern facilities with long land tenure
- (ii) Strong and diversified tenant base

(d) Attractive Value Proposition

- (i) Discount to Independent Valuations
- (ii) DPU and NAV accretive acquisitions
- (iii) Increase in free float and liquidity

We note that the Acquisitions are in line with MLT's principal investment strategy of acquiring good quality logistics properties and managing capital to maintain MLT's strong balance sheet and provide financial flexibility for growth.

4.2 Valuation of the Properties by the Independent Valuers

The Manager and the Trustee have commissioned Independent Valuers to perform independent valuations on the Properties. The appraised values of the Independent Valuers for the Properties are as follows:

	Property Name	NLA (sqm)	Independent Valuation by the relevant Independent Valuer appointed by the Trustee (in millions)	Independent Valuation by the relevant Independent Valuer appointed by the Manager (in millions)	Agreed Property Value (in millions)	Discount of the Agreed Property Value to the Independent Valuation
Malaysia Acquisition						
1	Mapletree Shah Alam	207,662	MYR835.0 (S$272.0)	MYR838.0 (S$273.0)	MYR826.0 (S$269.1)	Trustee: 1.1% Manager: 1.4%
Vietnam Acquisitions						
2	Mapletree Bac Ninh 2	49,930	USD16.6 (S$22.7)	USD16.5 (S$22.7)	USD16.0 (S$21.9)	Trustee: 3.6% Manager: 3.3%
3	Mapletree Binh Duong 1	66,311	USD20.5 (S$28.1)	USD20.7 (S$28.4)	USD20.0 (S$27.4)	Trustee: 2.4% Manager: 3.6%
PRC Acquisitions						
4	Mapletree Chengdu(1)	20,138	RMB104.6 (S$20.2)	RMB102.0 (S$19.7)	RMB99.0 (S$19.1)	Trustee: 5.4% Manager: 2.9%
5	Mapletree Shenyang(1)	42,881	RMB140.0 (S$27.0)	RMB140.0 (S$27.0)	RMB135.0 (S$26.0)	Trustee: 3.6% Manager: 3.6%
6	Mapletree Jinan	80,931	RMB296.1 (S$57.1)	RMB299.0 (S$57.6)	RMB287.0 (S$55.3)	Trustee: 3.1% Manager: 4.0%
7	Mapletree Changsha 2	97,888	RMB397.8 (S$76.6)	RMB396.0 (S$76.3)	RMB381.0 (S$73.3)	Trustee: 4.2% Manager: 3.8%
Total – 100% of the Properties			**S$503.6**	**S$504.6**	**S$492.2**	**Trustee: 2.3% Manager: 2.5%**

Source: Circular, EY

Notes:

(1) As at the Latest Practicable Date, the PRC WFOEs holding Mapletree Chengdu and Mapletree Shenyang have obtained the land title certificates and are in the process of applying for the property title certificates in respect of these PRC Properties. The Manager expects the property title certificates in respect of these PRC Properties to be obtained by the first half of 2020.

We have been provided the Valuation Reports of the Properties and we note the following in our review:

(a) The basis of valuation 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. The definition is broadly consistent among the Independent Valuers and in line with market definition;

(b) the Independent Valuers have used the same valuation date for the Properties, being 30 September 2019;

(c) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income producing properties, and the valuations have been prepared in accordance with the valuation standards accepted by the different markets. The details of the methods and valuation standards used by the Independent Valuers are set out below:

	Independent Valuer appointed by the Trustee	**Valuation Standards and Method of the Independent Valuer appointed by the Trustee**	**Independent Valuer appointed by the Manager**	**Valuation Standards and Method of the Independent Valuer appointed by the Manager**
Malaysia Property	KF Malaysia	Malaysian Valuation Standards / Discounted Cash Flow Approach and Cost Approach	First Pacific	Malaysian Valuation Standards / Discounted Cash Flow Approach, Direct Capitalisation Approach and Cost Approach
Vietnam Properties	JLL Vietnam	RICS Valuation Global Standards 2017 / Discounted Cash Flow Approach and Direct Capitalisation Approach	CBRE Vietnam	RICS Valuation Global Standards 2017 / Discounted Cash Flow Approach, Direct Capitalisation Approach, Sales Comparison Approach and Income Cost Approach
PRC Properties	Cushman PRC	RICS Valuation Global Standards 2017 / Discounted Cash Flow Approach and Direct Capitalisation Approach	KF PRC	RICS Valuation Global Standards 2017 / Discounted Cash Flow Approach and Sales Comparison Approach

Source: Valuation Reports, Circular

We note that the Agreed Property Value for each of the Properties is lower than the valuation of the Independent Valuers, with discounts ranging from 1.1% to 5.4%. We also note that the aggregate Agreed Property Value for the Properties of S$492.2 million is 2.3% lower than the aggregate valuation of the Properties by the Independent Valuers appointed by the Trustee and 2.5% lower than the aggregate valuation of the Properties by the Independent Valuers appointed by the Manager.

4.3 Comparison of NPI Yields of the Properties with MLT's Existing Portfolio and Enlarged Portfolio

We have compared the weighted average lease expiry ("**WALE**") and NPI Yield of the Properties with those of MLT's Existing Portfolio of properties.

	Average WALE by NLA (years)	NPI Yield
Existing Portfolio	4.6(1)	5.6%(2)
The Properties	**1.9**	**6.1%(3)**
Enlarged Portfolio	**4.4**	**5.7%(4)**

Source: Management, Annual Report, Circular

Notes:

(1) As at 30 September 2019.

(2) Based on the annualised NPI of the Existing Portfolio for the financial quarter ended 30 September 2019 divided by the valuation as at 31 March 2019.

(3) Assuming that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019, all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018, and that all tenants were paying rents in full throughout the period.

(4) Combined NPI Yield is calculated based on the weighted average of the NPI Yields for the Existing Portfolio and NPI Yield for the Properties.

We note that the average NPI Yield of the Properties of 6.1% is higher than the average NPI Yield of the Existing Portfolio as at 30 September 2019. We also note that the average WALE of the Properties of 1.9 years is shorter than the average WALE of 4.6 years of the Existing Portfolio.

On a combined basis, the estimated NPI Yield of 5.7% for the Enlarged Portfolio is expected to be higher than the NPI Yield of the Existing Portfolio. In evaluating the impact of the Acquisitions on the NPI Yield of the entire MLT portfolio, we have taken into consideration other benefits to MLT such as the quality of the Properties and geographic diversification, as stated in Section 4.1 of the letter. The quality of the Properties is a factor in the rental rates and NPI of the Properties. We have also considered the geographic diversification due to the Acquisitions in terms of the resulting NPI Yields of the Enlarged Portfolio and of the respective enlarged country portfolio which the Manager has provided to us.

4.4 Comparison of the Properties with Selected Industrial/Logistics Property Portfolio Valuation of Listed REITs on the SGX-ST

Based on our discussions with the Management and a search for comparable industrial/logistics property portfolio transactions and valuations on available databases and relevant stock exchanges, we recognise that there is no particular property portfolio that we may consider to be directly comparable to the Properties in the aspects of construction quality, accessibility, NLA, gross lettable area, profile and composition of tenants, usage of property, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted the following publicly available information on certain comparable industrial/logistics property portfolios in order to compare the yields implied by the consideration for the Properties with the yields of the industrial/logistics property portfolios owned by certain SGX-ST listed REITs (the "**Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs**").

The Independent Directors, the Audit and Risk Committee, the Trustee, and the Unitholders should note that any comparison made with respect to the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs are for illustrative purposes only. For the analysis on the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, we have used the available data/information as at the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of the Properties as at the Latest Practicable Date. In addition, we wish to highlight that the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs are by no means exhaustive.

For the purposes of our evaluation, we have considered the following Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs:

REIT	Valuation Date	Valuation (S$'m)	GFA (sqm)	Occupancy Rate (%)	WALE by Income as at the Valuation Date (years)	NPI Yield(1)
AIMS APAC REIT	31 Mar 19	1,460.0	633,552(2)	94.0	2.5	5.4%
Ascendas Real Estate Investment Trust	31 Mar 19	11,410.0	4,353,876	91.9	4.2	5.7%
Cache Logistics Trust	31 Dec 18	1,269.0	798,967	95.0	3.1	7.0%
EC World Real Estate Investment Trust	31 Dec 18	1,329.8	746,177(2)	99.3	2.0	6.6%
ESR-REIT	31 Dec 18	3,021.9	1,309,934	93.0	3.8	3.7%
Frasers Logistics & Industrial Trust	30 Sep 18	2,963.6	1,947,393	99.6	6.9	5.4%
Mapletree Industrial Trust	31 Mar 19	4,771.1	2,017,483	88.4	3.6	6.0%
Sabana Shari'ah Compliant REIT	31 Dec 18	929.1	329,262	84.4	2.7	5.7%
Low				84.4	2.0	3.7%
High				99.6	6.9	7.0%
Median				93.5	3.4	5.7%
Average				93.2	3.6	5.7%
The Properties (100%) – Based on the Agreed Property Value		**492.2**	**605,226**	**100.0**	**1.9**	**6.1%**
Enlarged Portfolio(3)		**8,361.1**	**5,076,291**	**97.7**	**4.1**	**5.7%**

Source: Annual reports, Circular and Management

Notes:

(1) *Estimated NPI Yield based on NPI and valuation as at the latest reporting periods.*

(2) *Figure stated is NLA.*

(3) *Taking into account MLT's 50.0% interest in the PRC Properties.*

Based on the table above, we note that the average NPI Yield of the Properties is within the range of observed NPI Yields for the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, and higher than the median and average NPI Yields. We also note that the average WALE of the Properties is slightly shorter than the low end of the range of WALEs of those of the Selected Industrial/Logistics Property Portfolio Valuations for Listed REITs. The average occupancy rate of the Properties is higher than the range of occupancy rates of those of the Selected Industrial/Logistics Property Portfolio Valuations for Listed REITs.

On the Enlarged Portfolio basis, the NPI Yield of the Enlarged Portfolio is within the range of observed NPI Yields for the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, and the same as the median and average NPI Yields. We also note that the average WALE of the Enlarged Portfolio is within the range of WALEs of those of the Selected Industrial/Logistics Property Portfolio Valuations for Listed REITs and higher than the median and average WALEs. The average occupancy rate of the Enlarged Portfolio is within the range of occupancy rates of those of the Selected Industrial/Logistics Property Portfolio Valuations for Listed REITs and higher than the median and average occupancy rates.

4.5 Pro Forma Financial Effects of the Acquisitions

The details of the pro forma financial effects of the Acquisitions, which are shown for illustrative purposes only, are set out in Section 5 of the Letter to Unitholders of the Circular.

We note the following:

(a) The pro forma financial effects of the Acquisitions were prepared based on the FY18/19 Financial Statements, taking into account the Total Acquisition Cost, the Loan Facilities, the gross proceeds from the Private Placement of approximately S$250.0 million to partially fund the Total Acquisition Outlay and assuming, *inter alia*, that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying rents in full.

(b) The DPU increases from 7.941 Singapore cents to 8.039 Singapore cents, or by 0.10 Singapore cents (approximately 1.2%), for the pro forma financial effects of the Acquisitions on MLT's DPU for the FY18/19 Financial Statements, assuming the Acquisitions, issuance of the New Units in connection with the Private Placement, issuance of Acquisition Fee Units, and drawdown of the Loan Facilities were completed on 1 April 2018, and assuming, *inter alia*, that the Acquisitions had a portfolio occupancy rate of 100.0% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at the Latest Practicable Date, were in place since 1 April 2018. All tenants were paying rents in full.

(c) The pro forma NAV per Unit as at 31 March 2019 is expected to increase slightly from S$1.17 to S$1.19, or by S$0.02 (approximately 1.5%), as if the Acquisitions, issuance of the New Units in connection with the Private Placement, issuance of Acquisition Fee Units, and the drawdown of the Loan Facilities were completed on 31 March 2019.

(d) The pro forma Aggregate Leverage as at 30 September 2019 is expected to increase slightly from 37.0% to 37.1%, as if the Acquisitions, issuance of the New Units in connection with the Private Placement, issuance of Acquisition Fee Units, and drawdown of the Loan Facilities (as well as MLT's 50.0% share of the existing bank loans and Deposited Property of each of the HK SPVs) were completed on 30 September 2019.

4.6 Evaluation of the Shareholders' Deeds

In arriving at our opinion on the Acquisitions, we have also looked at the terms of the Shareholders' Deeds which will be entered into at PRC Completion by the PRC Shareholders and the relevant HK SPV to regulate the management of each HK SPV and its respective wholly-owned PRC WFOE and the relationship between the PRC Shareholders. The salient terms of the Shareholders' Deeds are set out in Section 2.7 of the Letter to Unitholders of the Circular.

As part of the structure of the PRC Acquisitions, we understand from the Directors and the Management that the acquisition of 50.0% interest in each of the HK SPV instead of 100.0% interest allows MLT to take advantage of the expertise and local knowledge of MIPL in relation to the management and operation of the PRC Properties given that three out of the four PRC Properties, namely Mapletree Chengdu, Mapletree Shenyang and Mapletree Jinan, are in new markets or new cities/provinces where MLT currently does not have any property investment in. It will also provide continuity and prevent disruptions that may affect the operation of the PRC Properties. The Shareholders' Deeds set out the provisions that will govern the relationship and activities between the PRC Shareholders.

In reviewing the terms of the Shareholders' Deeds, we have considered whether the risks and rewards set out in the Shareholders' Deeds are in proportion to the equity of each PRC Shareholder and whether the terms of the Shareholders' Deeds are not prejudicial to the interests of MLT and its minority Unitholders. We note the following:

(a) By approving the Acquisitions, Unitholders will be deemed to have also approved the entry into the Shareholders' Deeds.

(b) The terms of the Shareholders' Deeds were negotiated between the PRC Shareholders, taking into account key terms that are relevant to each PRC Shareholder.

(c) The board of directors of each HK SPV, who shall have ultimate responsibility for management and control of the HK SPV, will comprise four (4) directors, two of whom shall be appointed by the Trustee and two of whom shall be appointed by the relevant MIPL Subsidiary. For the Trustee, the two directors to be appointed shall be representatives of the Manager. As such, it is reasonable to expect that the interests of MLT will be safeguarded with the equal representation to the board of directors of each HK SPV as that of the MIPL Subsidiary.

(d) The Shareholders' Deeds include a provision in relation to the frequency of the meetings of the board of directors.

(e) The delegation of authority limits set out in the Shareholders' Deeds regarding the day-to-day operations and management of each HK SPV are aligned with MLT's delegation of authority.

(f) The matters set out under Reserved Matters of the Shareholders' Deeds which require unanimous approval of all the directors of each HK SPV have taken into account the requirements under Paragraph 6.5(b) of the Property Funds Appendix. The Reserved Matters cover key operational and management issues affecting each HK SPV.

(g) The PRC Shareholders have agreed to jointly appoint the Manager and Mapletree Real Estate Advisors Pte. Ltd., a wholly-owned subsidiary of MIPL, as the asset managers for each PRC Property (the "**PRC Asset Managers**"). We note that the asset management fees to be paid to the PRC Asset Managers are in accordance with the provisions of the MLT Trust Deed and are the same as the asset management fees charged to existing MLT properties. In the computation of the Manager's fees payable under the Trust Deed, any asset management fees payable to the Manager for the PRC Properties will be taken into account and no double payment will be made in respect of such asset management services provided by the Manager.

(h) The PRC Shareholders have agreed to appoint Shanghai Mapletree Management Co., Ltd., a wholly-owned subsidiary of MIPL, as the property manager for each Property (the "**PRC Property Manager**"). We note that the fees payable to the PRC Property Manager are on the same rates as those payable by MLT to the Property Manager under the Master Property Management Agreement. In the computation of the Property Manager's fees payable under the Master Property Management Agreement, any property management fees payable to the PRC Property Manager for the PRC Properties will be taken into account and no double payment will be made in respect of such property management services provided by the Property Manager. The PRC Property Manager shall be entitled to receive a property management fee, a lease management fee, a project management fee (including for asset enhancement initiatives projects), and a marketing service commission.

(i) The provision of additional funds in the event that additional funding is required and external financing is not available on reasonably acceptable terms or at all, will be shared by the PRC Shareholders, either by way of subscription of additional shares in each HK SPV and/or through shareholders' loans, in the same percentage as their respective shareholding percentages in each HK SPV.

(j) The Trustee has pre-emption rights over the relevant MIPL Subsidiary's shares in the relevant HK SPV, in the event that the relevant MIPL Subsidiary wishes to divest its 50.0% interest in the HK SPV. If the Trustee waives its pre-emption rights, the Trustee has tag along rights in the event of such divestment by the relevant MIPL Subsidiary. If the Trustee wishes to divest its 50.0% interest in the relevant HK SPV, and the relevant MIPL Subsidiary waives its pre-emption rights, the Trustee has drag along rights over the relevant MIPL Subsidiary's interest in the HK SPV. The Trustee has also provided the reciprocal pre-emption, tag along and drag along rights to the relevant MIPL Subsidiary. The price of the shares in the HK SPVs under the drag along rights exercisable by either party shall not be at a price lower than the fair market value of the shares as determined in accordance with the terms and conditions of the Shareholders' Deed.

(k) A deadlock shall be deemed to arise in the event that a resolution of the board of directors of the relevant HK SPV or the PRC Shareholders for the transaction of any business of the relevant HK SPV cannot be obtained after a period of 30 days or after three successive attempts, whichever is earlier. The parties to the Shareholders' Deeds shall immediately upon the occurrence of any deadlock, refer the matter which was to have been discussed to, in the case of the Trustee, the Chief Executive Officer of the Manager, and in the case of the relevant MIPL Subsidiary, the Deputy Group Chief Executive Officer of MIPL (the "**Officer**"). We note that each PRC Shareholder shall procure that its Officer shall negotiate in good faith with the other Officer(s) with a view to resolution of such matter. Further, if a resolution of such matter is not agreed upon within 30 days from the date of the parties' referral to the Officers, any PRC Shareholder (the "**Initiator**") may serve a notice (the "**Deadlock Notice**") on the other PRC Shareholder (the "**Non-Initiating Shareholder**"). The Deadlock Notice shall constitute an offer by the Initiator to buy for cash all (but not some only) of the shares held by the Non-Initiating Shareholder and an alternate offer by the Initiator to sell for cash all (but not some only) of its own shares at the price set out in the Deadlock Notice. The Non-Initiating Shareholder shall within 14 business days from its receipt of the Deadlock Notice elect, by way of written notice to the Initiator, to either (i) sell all of its shares to the Initiator; or (ii) buy all of the Initiator's shares, at the price set out in the Deadlock Notice. If the Non-Initiating Shareholder fails to make an election within the 14 business days' notice period, the Initiator must buy all the shares held by the Non-Initiating Shareholder at the price set out in the Deadlock Notice.

(l) The quantum of dividends for each HK SPV agreed by the PRC Shareholders takes into account the existing dividend structure of MLT.

4.7 Evaluation of the Corporate Guarantees

In arriving at our opinion on the Acquisitions, we have also looked at the terms of the Corporate Guarantees to external lenders which will take effect on PRC Completion and will replace the existing corporate guarantees provided by the PRC Vendors. Pursuant to the terms of the PRC Share Purchase Agreements, the Trustee is required to provide, or procure the provision of, Corporate Guarantees (as guarantor) of an aggregate value of up to approximately RMB173.4 million (S$33.4 million). The salient terms of the Corporate Guarantees are set out in Section 2.8 of the Letter to Unitholders of the Circular.

In reviewing the Corporate Guarantees, we have considered whether the terms of the Corporate Guarantees are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders. We note the following:

(a) By approving the Acquisitions, Unitholders will be deemed to have also approved the entry into the Corporate Guarantees.

(b) We understand from the Management that the terms of the draft guarantee agreements are in line with all other corporate guarantees provided for other MLT's loan facilities. We also understand from the Management that the negotiation on the terms of the Guarantee Agreements are carried out by the Manager (with inputs from the Trustee) with external third-party lenders, which may be considered at arm's length basis.

(c) The value of the Corporate Guarantees represent MLT's proportionate shareholding interest of 50.0% in each of the four HK SPVs. Further, MIPL shall also be required to provide similar corporate guarantees to such external lenders in respect of the MIPL Subsidiaries' respective proportionate shareholding interest of 50.0% in the four HK SPVs.

(d) The aggregate value of the Corporate Guarantees at any point in time shall represent MLT's proportionate shareholding interest of 50.0% in each of the four HK SPVs and will depend on the amounts drawn down under the external facility agreements (including accrued interest). For the avoidance of doubt, MIPL shall also be required to provide similar corporate guarantees to such banks in respect of the MIPL Subsidiaries' respective proportionate shareholding interest in the four HK SPVs. As at the Latest Practicable Date, an aggregate of RMB288.3 million (S$55.5 million) has been drawn down under the bank loans, of which RMB144.0 million (S$27.8 million) represents the value of the Corporate Guarantees in respect of MLT's proportionate shareholding interest of 50.0%.

(e) We note that there is no fee chargeable for provision of the abovementioned corporate guarantees by each of the Trustee and/or the MIPL Subsidiaries.

(f) We note that the financial covenants set out in the Corporate Guarantees are in line with the financial covenants under the existing corporate guarantees provided by MLT.

5 OUR OPINION ON THE ACQUISITIONS

In arriving at our advice to the Independent Directors, the Audit and Risk Committee, and the Trustee on the Acquisitions, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Acquisitions. The factors we have considered in our evaluation, which are based on, among others, representations made by MLT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

(a) rationale for and key benefits of the Acquisitions;

(b) valuation of the Properties by the Independent Valuers;

(c) comparison of the NPI Yields of the Properties with MLT's Existing Portfolio and Enlarged Portfolio;

(d) comparison of the Properties with Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs on the SGX-ST;

(e) pro-forma financial effects of the Acquisitions;

(f) evaluation of the Shareholders' Deeds; and

(g) evaluation of the Corporate Guarantees.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Acquisitions are on normal commercial terms and are not prejudicial to the interests of MLT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Acquisitions.

We wish to highlight that in approving the Acquisitions, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisitions, including the Purchase Agreements, the Shareholders' Deeds, the Trustee Shareholders' Loans, and the Corporate Guarantees (each as defined in the Circular).

Additionally, in approving the Acquisitions, any subscription of additional shares in each HK SPV, any loans extended or to be extended to the HK SPVs by the Trustee or any corporate guarantees provided by the Trustee to guarantee any HK SPVs' bank facilities after the PRC Completion will be deemed to be approved provided the subscription of additional shares, the loan and/or corporate guarantee is extended by all shareholders of the HK SPV in proportion to their shareholdings on the same terms (as the Trustee is a trustee of a real estate investment trust and MIPL is a company, there may be non-substantive differences in the terms of the corporate guarantees to be provided by the respective guarantors), the provision of the loan and/or corporate guarantee is not prejudicial to the interests of MLT and its minority Unitholders, the risks and rewards of the joint venture through the HK SPVs are in proportion to the shareholding of each shareholder and the terms of the joint venture through the HK SPVs are not prejudicial to the interests of MLT and its minority Unitholders.

The Independent Directors, the Audit and Risk Committee, and the Trustee should note that we have arrived at our opinion based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Acquisitions cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Acquisitions.

We have prepared this letter as required under Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purposes of their consideration of the Acquisitions, but any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Acquisitions shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Acquisitions) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents MLT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Acquisitions. This opinion 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
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Luke Pais	Elisa Montano
Managing Director	Associate Partner

MAPLETREE LOGISTICS TRUST

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

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 20 November 2019 (Wednesday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

ORDINARY RESOLUTION

THE PROPOSED ACQUISITIONS OF (A) A 100.0% INTEREST IN A PROPERTY IN MALAYSIA, (B) A 100.0% INTEREST IN TWO PROPERTIES IN VIETNAM THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES AND (C) A 50.0% INTEREST IN FOUR PROPERTIES IN PRC THROUGH THE ACQUISITION OF PROPERTY HOLDING COMPANIES, AS INTERESTED PERSON TRANSACTIONS

That:

(i) approval be and is hereby given for the acquisitions of a 100.0% interest in the property known as Mapletree Logistics Hub – Shah Alam, a 100.0% interest in each of the two Cayman Islands special purpose vehicles and a 50.0% interest in each of the four Hong Kong SAR special purpose vehicles, in the manner described in the circular to Unitholders dated 1 November 2019 (the "**Acquisitions**");

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisitions; and

(iii) Mapletree Logistics Trust Management Ltd., as manager of MLT (the "**Manager**"), any director of the Manager ("**Director**"), and HSBC Institutional Trust Services (Singapore) Limited, as trustee of MLT (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 (the "**Acquisition Documents**")) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of MLT to give effect to the Acquisitions and all transactions contemplated under the Acquisition Documents, and in this connection, the board of Directors (the "**Board**") be hereby authorised to delegate such authority to such persons as the Board deems fit.

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
1 November 2019

Important Notice:

1. A Unitholder who is not a Relevant Intermediary (as defined herein) 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 (as defined herein).

   "**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 markets 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 2.30 p.m. on 17 November 2019 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.

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 (as defined herein) 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 2.30 p.m. on 17 November 2019, 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.

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PROXY FORM

mapletree logistics

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

EXTRAORDINARY GENERAL MEETING

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 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 1 November 2019.

I/We ____

____________________ (Name(s) and NRIC/Passport/Company Registration Number(s))

of ____ (Address)

being a Unitholder/Unitholders of Mapletree Logistics Trust ("**MLT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (%)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (%)	
			No. of Units	%

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 20 November 2019 (Wednesday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution 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.

No.	Ordinary Resolution	For*	Against*
1.	Proposed Acquisitions of the Properties as Interested Person Transactions		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2019

Total number of Units held

____

Signature(s) of Unitholder(s)/
Common Seal of Corporate Unitholder

1st fold here

2nd fold here and glue all sides firmly. Stapling and spot sealing is not allowed.

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 08987

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
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