



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

ANNOUNCEMENT

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE ANNUAL GENERAL MEETING ON 14 JULY 2020

Mapletree Logistics Trust Management Ltd., as manager (the “**Manager**”) of Mapletree Logistics Trust (“**MLT**”), wishes to thank all unitholders of MLT who have submitted their questions in advance of the 11th Annual General Meeting of MLT, which will be held virtually on 14 July 2020, 2.30 p.m. (Singapore Time) via the live audio-visual webcast or live audio-only stream.

The questions are grouped into the following key topics:

- A. COVID-19 Impact / Business Performance
- B. Hong Kong SAR update
- C. Business Strategy
- D. Capital Management
- E. Diversity

Please refer to Annex A for the list of substantial and relevant questions, and the Manager’s responses to these questions.

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

14 July 2020

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MLT (“Units”). The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of MLT may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of MLT is not necessarily indicative of the future performance of MLT.

The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.

ANNEX A

A. COVID-19 Impact / Business Performance

No.	Questions	Responses
1	Any impact from Covid 19? Can you maintain dividend for 2020 and the future?	<p>As logistics is deemed an essential service in most countries, the majority of our tenants continued to operate even during the respective lockdown periods imposed in countries such as China, Singapore and Malaysia.</p> <p>COVID-19 has impacted different industries to varying degrees. Tenants who serve essential daily needs such as supermarkets and healthcare, have seen higher business activities. They account for over 30% of MLT's revenue. Tenants most affected by COVID-19 are those from food retail, hospitality and travel. They account for about 10% of MLT's revenue.</p> <p>We are working closely with our tenants who have been affected by COVID-19 to provide support and relief measures such as rental rebates and deferrals in a targeted manner. In Singapore and Australia, where local authorities have mandated specific relief measures for SMEs, we will be fully complying with these guidelines. Based on current estimates, the tenant support measures will amount to S\$5 million to S\$10 million for MLT's current financial year, which is around 1% to 2% of MLT's annual revenue run rate of about S\$500 million.</p> <p>COVID-19 is seen to accelerate several structural trends that will benefit the logistics property market, such as e-commerce growth and supply chain diversion to Southeast Asia. These positive trends may help mitigate the negative economic fallout from an extended COVID-19 situation.</p> <p>We are unable to provide a forecast or guidance for DPU outlook. We note that the overall leasing demand and occupancy of MLT's logistics facilities have remained relatively stable to-date although customers continue to be cautious. MLT's diversified portfolio, where the majority of assets support domestic consumption, also provides resilience to the portfolio.</p> <p>MLT's distribution policy is to distribute at least 90% of its distributable income and we had been distributing 100% in the past. Our preference is to continue distributing 100% of income. However, given the COVID-19 situation is fluid and still evolving, we will have to review the appropriate distribution level based on MLT's financial performance and outlook at each quarter.</p>
2	I am sure it is the same question that all shareholders will post - if COVID-19 situation is protracted how will it affect the trading price of MLT for the next 3 years. What's the impact of COVID-19 on MLT and its cash flow, if any.	<p>Please refer to response to Question 1 on the impact of COVID-19 on MLT's business.</p> <p>As for MLT's trading price performance, it will depend on, amongst other things, the Trust's fundamentals and execution as well as investor sentiment in the equity market. We cannot predict how the market will perform in the future. On our part, we will continue to focus on executing our strategies to deliver long-term sustainable value to unitholders.</p>
3	What impact does COVID-19 have on the trust for the past quarter? Will COVID-19 impact the revenue streams from the	<p>Please refer to response to Question 1 on the impact of COVID-19 on MLT's business.</p> <p>For the past quarter i.e. 4Q FY19/20 (3 months ended 31 March 2020), MLT had not provided any rental rebate or deferrals to our tenants.</p>

	tenants as some may slow down or close business?	
4	Did Covid actually help to boost the business or affect the business? Do we expect rental rates adjustment in near term?	<p>As noted in the response to Question 1, COVID-19 affects different industries to varying degrees. Given the diversified nature of MLT's portfolio, the overall leasing demand and occupancy rates for MLT's portfolio have stayed relatively stable to-date. Rental rates have also remained stable so far.</p> <p>Over the longer term, we believe COVID-19 will accelerate several structural trends that will benefit the logistics property market, such as e-commerce growth and supply chain diversion to Southeast Asia.</p>
5	Will MLT's DPU this year be comparable to last year?	We are unable to provide a forecast or guidance for DPU outlook.
6	How has Covid-19 impacted your capital recycling plans?	<p>COVID-19 has reaffirmed our belief in our portfolio rejuvenation strategy. The pandemic is accelerating several structural trends such as e-commerce and modernisation of supply chains that will favour modern logistics properties. Our portfolio rejuvenation strategy – acquiring or redeveloping modern high specs properties and selectively divesting older properties – will position us to capture the growth opportunities. COVID-19 has also shown the benefits of a diversified portfolio. We will continue to pursue this to strengthen portfolio resilience.</p> <p>At the height of the COVID-19 outbreak, transactions in the market had slowed due to lockdowns and travel restrictions, while investors adopt a wait-and-see attitude. As economies reopen, we are seeing an increase in activities and opportunities across our markets. We will continue to pursue opportunities that are value-enhancing to MLT and in the best interest of our Unitholders.</p>
7	What is the impact of Covid-19 on DPU in 2020?	Please refer to response to Question 1.
8	<p>In the long term, will the net income of MLT be affected by Covid 19, if so what measures will be taken to mitigate such losses in due time?</p> <p>In the Long term, will DPU growth be affected by Covid 19 which is unlikely to go away in the short term?</p>	<p>As mentioned in the responses to Question 1, COVID-19 is seen to accelerate several structural trends that will benefit the logistics property market in the longer term, such as e-commerce growth and supply chain diversion to Southeast Asia. These positive trends may help mitigate the negative economic fallout from an extended COVID-19 situation.</p> <p>COVID-19 has also underscored the relevance of our portfolio rejuvenation strategy and the benefits of a diversified portfolio. We will continue to pursue these strategies to capture the growth opportunities as well as enhance portfolio resilience to withstand economic headwinds.</p>
9	Can management provide an update on AEI of Ouluo Logistics Park? Has COVID-19 impacted the leasing activities of the new space?	Leasing of the Ouluo AEI has been affected as the lockdown put a pause on leasing activities such as property viewing and caused a delay in the completion of the project from March 2020 to May 2020. The project is currently 44% committed, with leases starting from July 2020 onwards. Negotiations are ongoing for leasing of the remaining space.

B. Hong Kong SAR update

10	How will the changing situation in HK impact MLT going forward?	<p>Hong Kong SAR has consistently been one of our stronger performing markets. This was also the case in FY19/20 where MLT's portfolio maintained occupancy rates of 98%-99% throughout the year and registered an average positive rental reversion of 2.8% for the year, amidst a challenging market environment marked by local protests and the U.S.-China trade war.</p> <p>There are several factors supportive of the warehouse market in Hong Kong SAR.</p> <p>Firstly, there is a limited supply of sites for warehouse space in the Hong Kong SAR market due to severe land constraints. The warehouse stock has grown at a relatively low compound annual growth rate of 0.5% over the past 20 years, with overall vacancy remaining at below 5% since 2006. The overall vacancy as at Q4 2019 was 2.2%. The upcoming new warehouse supply for this year and next remains modest, estimated at 3% of existing warehouse stock (see Savills Research & Consultancy market report on pages 75 to 78 of MLT's FY19/20 Annual Report).</p> <p>Secondly, the Hong Kong International Airport (HKIA) is a global aviation hub that plays an important role as the regional distribution centre for high-value and time-sensitive goods. In 2019, it was ranked as the world's busiest cargo airport for the 10th consecutive year, reinforcing Hong Kong SAR's position as the world's premier international air freight hub.</p> <p>We believe that these factors will continue to provide resilience to the local logistics market and in turn the performance of MLT's logistics properties in Hong Kong SAR.</p>
11	How do your Hong Kong assets affect your performance?	Please see response to Question 10.
12	Is the management expecting the Hong Kong social unrest to have an impact on the HK economy and hence a decline in the NPI contribution and asset valuation of our HK properties?	Please see response to Question 10. In FY19/20, MLT's portfolio maintained a strong performance despite the social unrest and economic slowdown. We believe the scarcity of supply of warehouse space and HKIA's position as the leading aviation hub will continue to support the logistics property market in Hong Kong SAR, and in turn the asset performance and valuation of our properties.

C. Business Strategy

13	<ol style="list-style-type: none"> 1. How has Covid-19 impacted MLT's operations? 2. What are the challenges facing MLT? 3. What is the outlook for MLT and where do you see MLT in 3 years' time? 	<ol style="list-style-type: none"> 1. Please see response to Question 1. 2 & 3. In the near term, COVID-19 has created significant headwinds to global economic growth and we anticipate the business environment to remain volatile and uncertain. Nonetheless, MLT's diversified portfolio offers resilience to mitigate these headwinds. We will continue to focus on tenant retention and sustaining a stable portfolio. We will also continue to maintain a prudent capital management approach and a strong balance sheet.
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		<p>Over the longer term, we are positive on the outlook for the logistics property market and the significant market opportunities in APAC. The structural drivers of demand in the logistics sector such as e-commerce growth, urbanisation and modernisation of supply chains are likely to underpin demand for modern warehouse space for some time to come.</p> <p>The challenge is to ensure MLT's assets remain relevant to the evolving market requirements and are well-positioned to capture the growth opportunities. Our portfolio rejuvenation strategy, executed through a three-pronged approach of Redevelopment, Divestment and Acquisition, is designed to achieve this. The challenge with acquisitions is the increasing competition for logistics assets due to strong investor interest and ample liquidity in the market, and as a result rising asset prices. We will remain disciplined and selective in acquisitions to ensure they are yield-accretive and value-enhancing.</p> <p>We will continue to strengthen MLT's network connectivity and competitive positioning in the region through the addition of modern, well-located properties. MLT's network of 145 properties located in key gateway cities or logistics hubs across eight geographic market provides a key competitive advantage as it offers our customers a broad range of regional leasing options.</p> <p>In terms of geographic mix, we expect over 70% of MLT's portfolio will continue to be represented by developed markets, namely Singapore, Hong Kong SAR, Japan, Australia and South Korea, while the faster-growing China, Malaysia and Vietnam markets will represent the rest.</p>
14	<p>i) Would you describe that MLT is well-aligned to support e-commerce business operations? If so, kindly elaborate further so that I can differentiate MLT from the other logistics REITs.</p> <p>ii) Does MLT plan to retain dividends to assist tenants in dealing with the pandemic?</p> <p>iii) What is the growth strategy of MLT going forward?</p> <p>iv) Does MLT intend to use any technological platform or solution(s) across its properties to raise their capabilities? Kindly elaborate.</p>	<p>i) E-commerce tenants favour modern logistics facilities located close 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.</p> <p>MLT's portfolio is well-aligned to support e-commerce business operations. Asset locations and building specifications have always been important selection criteria in MLT's investment decision process, MLT's existing 145 properties are located predominantly in key gateway cities or logistics hubs with direct access to large consumption markets. About 70% of these are modern logistics facilities.</p> <p>ii) As explained in the response to Question 1, MLT's distribution policy is to distribute at least 90% of distributable income although we have been distributing 100% in the past. Our preference is to continue distributing 100% of distributable income. However, it will be prudent to review the appropriate distribution level based on MLT's financial performance and outlook at each quarter.</p> <p>iii) We will continue to deepen MLT's network connectivity and capitalise on the significant market opportunities across APAC through the addition of modern, well-located assets in key logistics hubs. This will be pursued via acquisitions and redevelopments. We will also selectively divest older properties with little redevelopment potential and re-deploy the capital released into investment of modern assets.</p> <p>iv) The capital expenditure on warehouse automation / technologies is typically borne by the tenants and not by MLT. In fact, most of MLT's properties are</p>

		<p>generic and easily adaptable to suit tenants from a wide variety of different industries, rendering them highly flexible and marketable.</p> <p>However, we have been continually working to improve the environmental performance of our properties that will benefit not just our tenants but also the environment. This is pursued through a) energy efficiency initiatives such as LED retrofit projects and upgrading of air-conditioning systems to reduce energy intensity and b) expansion of MLT's solar energy generating capacity over time.</p>
15	MLT divested several Japanese properties. Is this an indication of a shift in investment focus away from Japan to other markets?	<p>The divestment of the Japanese properties is part of our portfolio rejuvenation strategy. Capital released from the divestment of properties with older specifications has been recycled into investment of modern high specs properties, such as the Kobe Logistics Centre (acquired in February 2020).</p> <p>Japan continues to be a core market and we are keen to scale up our presence further. Demand for modern, well located warehouse is growing due to e-commerce, 3PL growth and warehouse automation (to address labour shortage). At the same time, there is a scarcity of modern warehouse, estimated at just 5% of total stock.</p>

D. Capital Management

16	MLT's current aggregate leverage ratio is at 39.3%, is there a comfortable target that the management is looking at? Will this be a constraint for MLT's future growth?	<p>MLT's gearing of 39.3% is well below MAS's gearing limit of 50%. We have debt headroom of about S\$945 million before gearing reaches 45% and S\$1.95 billion till 50%. We also have more than sufficient liquidity to meet our debt obligations in the next two financial years.</p> <p>We are comfortable with our current gearing level of around 40%. We will be willing to accommodate a slightly higher gearing on a temporary basis should an attractive investment opportunity present itself, with the view to bring gearing back to around 40% on a sustained basis. If there are sizeable acquisitions, we will consider equity raising to partially fund the acquisitions so that gearing is maintained at around 40%, as we have done so in the past.</p>
17	Gearing has increased to 39.3%, what measures will MLT take to prevent gearing from increasing further?	Please see response to Question 16.
18	Given global interest rate environment is likely to remain benign for a considerable period, how is management planning to capitalise on this?	We have extended some of our interest rate hedges ahead of maturity to take advantage of the lower interest rate environment.

E. Diversity

19	Other than financial metrics, sustainability, diversity, inclusion, etc. are important attributes for some investors. Does Mapletree Logistics embrace diversity (non-gender) as a core value? Does Mapletree put it into practice?	As an equal opportunity employer, the Manager is committed to providing a fair, diverse and inclusive working environment. We hire and develop our staff based on their individual capabilities and competencies that best fit our business needs, while ensuring fair recruitment based on merit and without discrimination. We do not have a quota for gender, age group, ethnic group or nationality. Within the Mapletree Logistics platform, we have employees from different ethnic groups, races or nationalities working alongside each other. A good illustration is our management team profile (please refer to pages 24 to 27 of FY19/20 Annual Report). We also have a fair representation of employees from different age groups (please refer to page 132 of FY19/20 Annual Report). We believe our employee profile bears testament to our commitment to maintaining a diverse workforce.
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