

*For Immediate Release*

## MAPLETREE LOGISTICS TRUST TO ACQUIRE MAPLETREE ZHENGZHOU LOGISTICS PARK FROM SPONSOR

**Singapore, 21 July 2014** – Mapletree Logistics Trust Management Ltd. (“MLTM”), as Manager of Mapletree Logistics Trust (“MLT”), wishes to announce that it has signed a Memorandum of Understanding (“MOU”) with MLT’s sponsor, Mapletree Investments Pte Ltd (“Sponsor”). This MOU sets out the intentions of MLT to acquire, and the Sponsor to sell, Mapletree Zhengzhou Logistics Park (“MZLP”) in Henan, China for a purchase consideration of RMB 205.6 million (~S\$41.1 million<sup>1</sup>), subject to the execution of a formal sale and purchase agreement. The proposed acquisition of MZLP (the “Acquisition”) is in line with MLT’s investment strategy to expand its presence in higher growth markets like China.

Ms Ng Kiat, Chief Executive Officer of MLTM said, “This will be MLT’s first acquisition in Zhengzhou, a major transportation hub serving central China. Demand for grade-A logistics facilities in this area is strong, especially from third-party logistics players and manufacturers, while the market is under-served due to the lack of quality facilities. Upon completion, this acquisition will deliver an NPI yield of 8% and it will be accretive to MLT.”

The Manager believes that the Acquisition will have the following benefits for unitholders:

### **1) High quality logistics facility with strong tenant base**

Completed in July 2013, MZLP is a high quality logistics facility with a gross floor area of about 79,000 square metres (“sqm”) developed on 131,000 sqm of land. Comprising four blocks of single-storey warehouses with mezzanine offices, the modern facility is designed with good building specifications, including floor-to-ceiling height of 9 metres and floor loading of 30kN/m<sup>2</sup>. Its tenant base comprises reputable local and international third party logistics providers (“3PLs”), such as Deppon Logistics, Menlo Worldwide and Henan Shangchu Logistics, and end-users like Dennis Logistics and Dongfang Jixingzhao. The facility is currently 99.2% occupied and the leases have a weighted average lease term to expiry of 3.3 years as of 30 June 2014.

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<sup>1</sup> Based on exchange rate of S\$1 = RMB 5.002.

## 2) **Good location and excellent connectivity in an economically vibrant market**

MZLP is located in Zhengzhou, the capital and the largest city of Henan province. Supported by one of the largest networks of railroads and highways in the country, Zhengzhou is a major transportation hub in central China. Its economy has grown at a compound annual growth rate of 16.6% from 2009 to 2013, underpinned by rapid growth in industrial output. Given its fast growing economy, sizeable consumer market and good connectivity by rail and road transportation, Zhengzhou is sought after by 3PLs and manufacturers as a regional distribution hub to serve central China. This is translating into strong demand for quality logistics facilities which will benefit MZLP, given its strategic location and specifications.

## 3) **Accretive acquisition with attractive net property income yield**

The Acquisition is expected to generate an initial net property income yield of 8% upon completion. It is also expected to be accretive at the distribution level.

### **Funding of the acquisition**

MLT has sufficient financial flexibility and capacity to fund the Acquisition. Based on the transaction being fully funded by debt, MLT's aggregate leverage ratio will be approximately 34.5%<sup>2</sup>. Total portfolio will increase to 114 properties with a book value of approximately S\$4.34 billion<sup>3</sup>.

### **Interested Party Transaction**

The Acquisition is considered an interested party transaction under both the Listing Manual of Singapore Exchange Securities Trading Limited and Appendix 6 of the Code on Collective Investment Schemes. Given that the transaction value of the Acquisition is less than 5% of MLT's latest audited net asset value, the approval of MLT's unitholders is not required for the Acquisition.

The Audit Committee of the Manager (which comprises four Independent Directors of the Manager) has reviewed the transaction and is of the view that the Acquisition is on normal commercial terms and would not be prejudicial to the interests of MLT and its minority unitholders.

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<sup>2</sup> Based on MLT's aggregate leverage as at 30 June 2014 and including the acquisition of Daehwa Logistics Centre, South Korea which was completed on 17 July 2014.

<sup>3</sup> Based on MLT's book value of investment properties as at 30 June 2014 and including the acquisition of Daehwa Logistics Centre, South Korea.

The Manager will make an announcement upon the signing of the sale and purchase agreement.

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**About Mapletree Logistics Trust ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST Mainboard on 28 July 2005. It is also included in the FTSE ST Mid-Cap Index, the Global Property Research's GPR 250 Index and GPR 250 REIT Index. MLT's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 30 June 2014, it has a portfolio of 112 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea and Vietnam, with a total book value of S\$4.27 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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**Important Notice**

The value of units in MLT ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MLT is not necessarily indicative of its future performance.

This release 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, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

maple<sup>tree</sup>  
logistics

# Proposed Acquisition of Mapletree Zhengzhou Logistics Park (China)

21 Jul 2014



# Mapletree Zhengzhou Logistics Park in China



The Property comprises four blocks of single-storey warehouses with mezzanine offices. It is a logistics facility designed with modern specifications that are in line with international standards. Located in Zhengzhou, one of China's fastest growing cities, the Property is supported by well-developed transportation networks and has good connectivity to other major economic cities and zones in China.

## Project Details

<b>Proposed Purchase Price</b>	RMB 205.6 million (~S\$41.1 million) <sup>1</sup>
<b>Land Tenure</b>	50 years (wef 30 May 2012)
<b>Land Area</b>	130,591 sqm
<b>GFA</b>	79,315 sqm
<b>Vendor</b>	Mapletree Investments Pte Ltd
<b>Major Tenants</b>	<ul style="list-style-type: none"><li>• Deppon Logistics</li><li>• Menlo Worldwide</li><li>• Henan Shangchu Logistics</li><li>• Dennis Logistics</li><li>• Dongfeng Jixingzhao</li></ul>
<b>Lease Terms</b>	99.2% occupied with a WALE of 3.3 years

<sup>1</sup> Footnote:  
1) Based on exchange rate of S\$1 = RMB 5.002



# Benefits of Acquisition

- **Modern, good specifications warehouse with strong tenant base**
  - Designed with good specifications such as floor-to-ceiling height of 9m and floor loading capacity of 30 kN/sqm
  - Current occupancy of 99.2%
  - Quality tenant base comprising reputable local and international 3PLs (eg Deppon Logistics, Menlo Worldwide, Henan Shangchu Logistics) and end-users (eg Dennis Logistics and Dongfang Jixingzhao)
- **Strategic location in an economically vibrant market**
  - Located in Zhengzhou, a major transportation hub in central China with one of the largest networks of railroads and highways
  - Zhengzhou's fast growing economy, sizeable consumer market and good connectivity makes it suitable as a regional distribution hub serving central China
- **Attractive NPI yield**
  - NPI yield of 8.0% upon completion
  - Expected to be DPU-accretive
- **Weighted average lease term to expiry (WALE) of 3.3 years**

# Strategic Location in China





# Impact on Portfolio

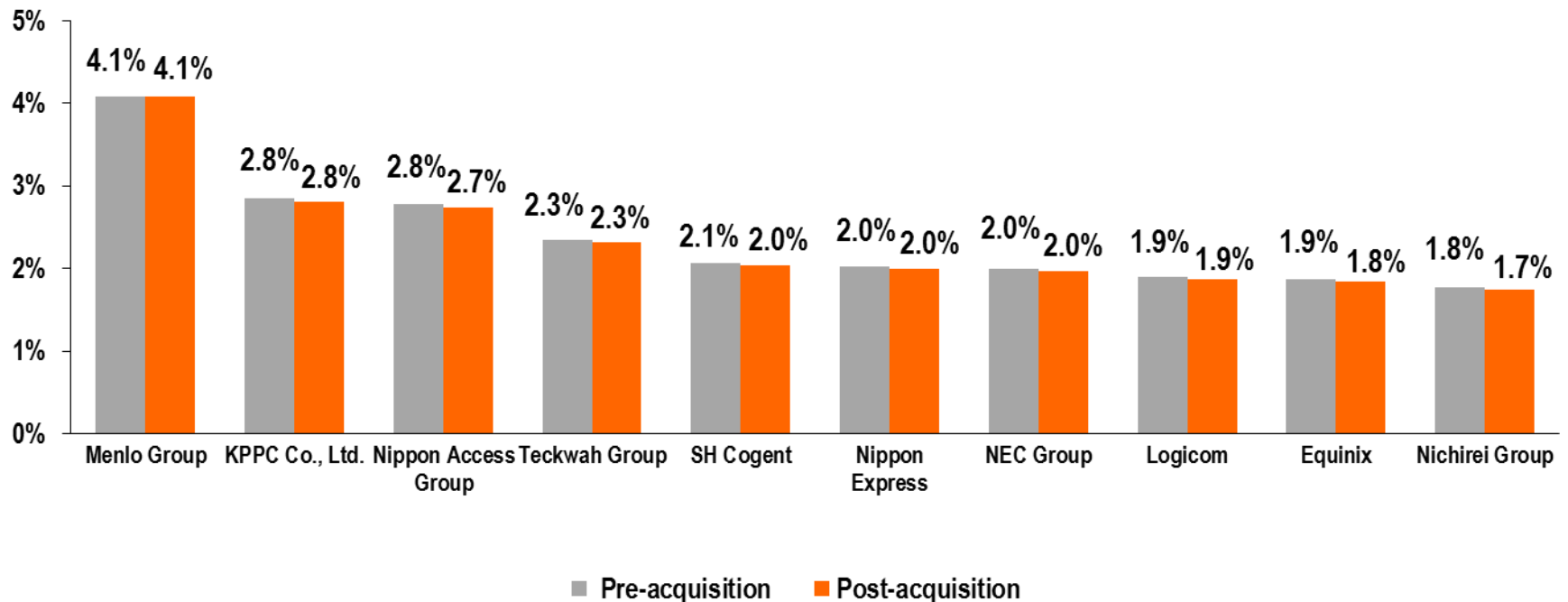


# Top 10 Customer Profile

- *No significant change in top 10 customer profile post-acquisition*

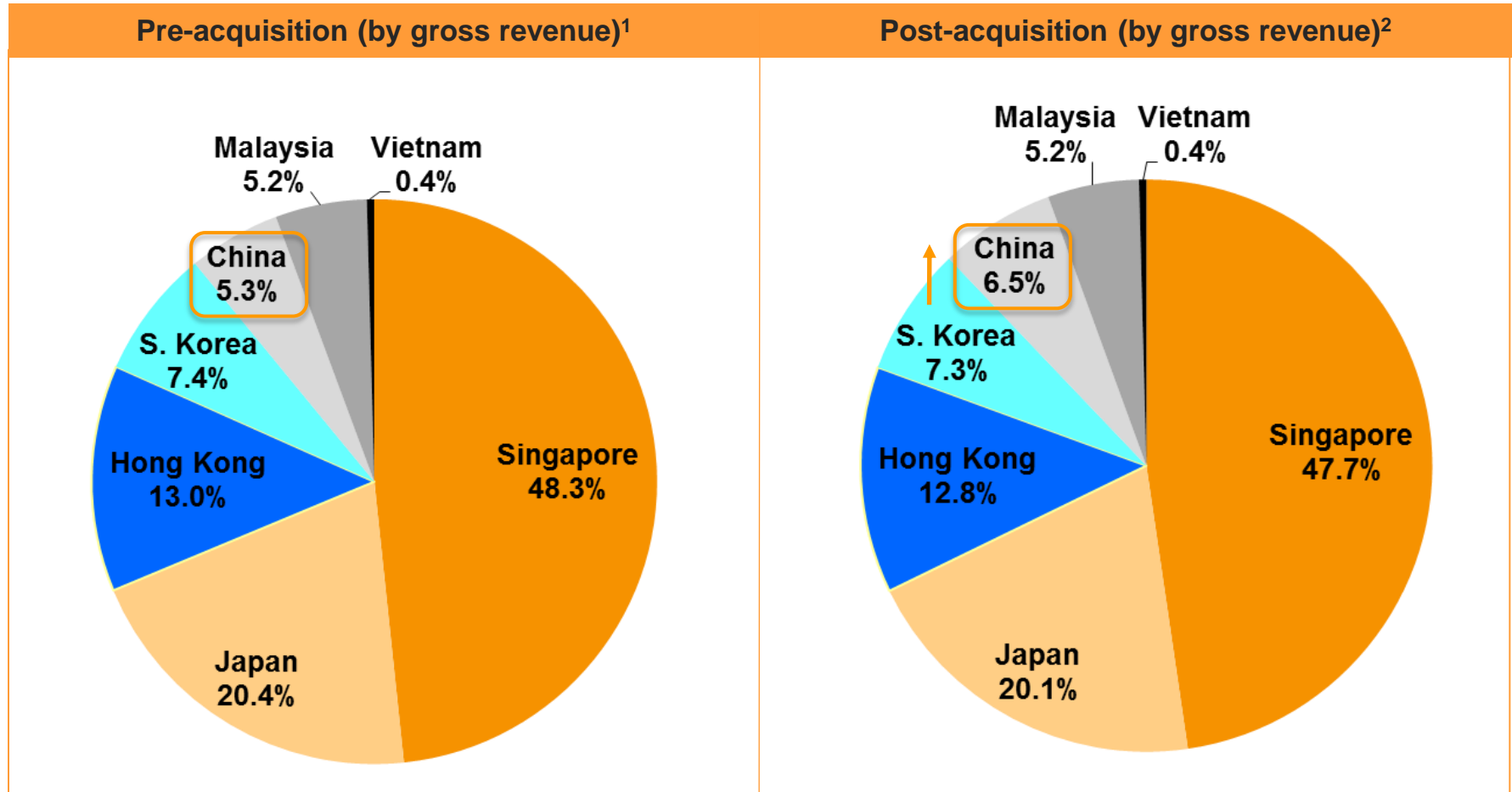
Top 10 customers (by gross revenue)

% of gross revenue



# Geographical Allocation

- Increase in gross revenue contribution from China portfolio post-acquisition

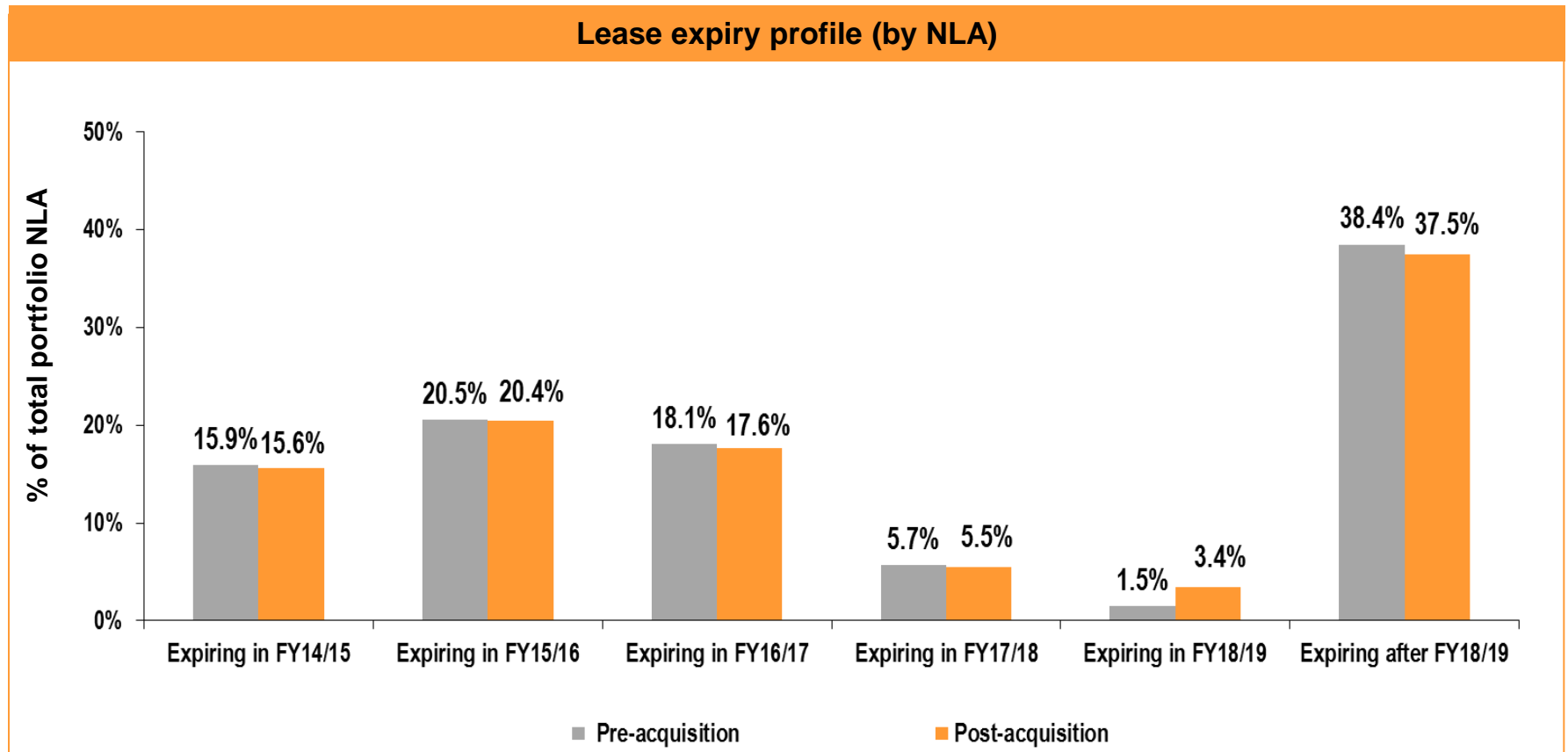


Footnotes :

- 1) Based on portfolio of 112 properties
- 2) Based on portfolio of 113 properties

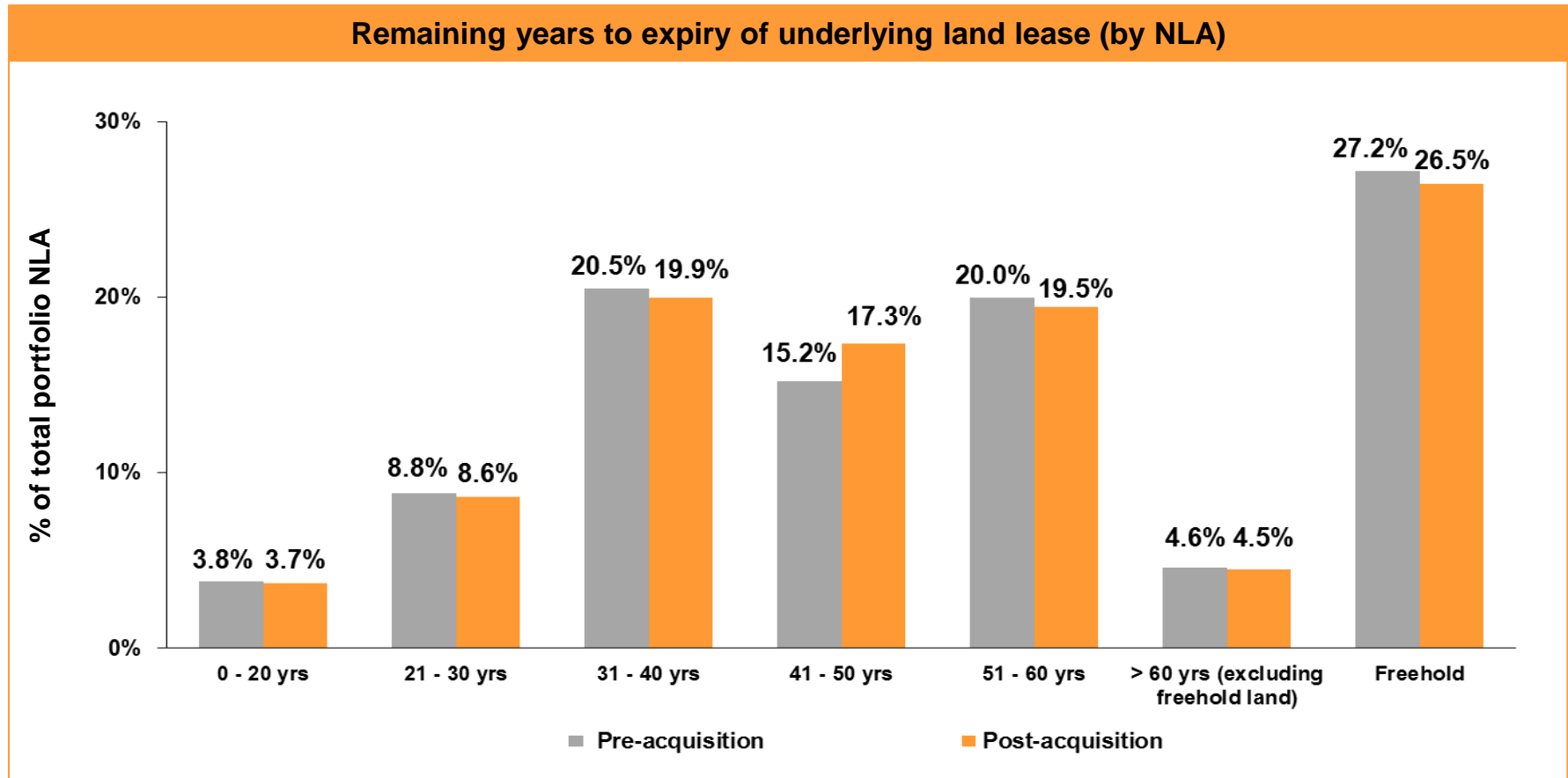
# Average Lease Duration

- *Weighted average lease term to expiry declines slightly to 4.6 years post-acquisition*



# Unexpired Lease of Underlying Land

- *Weighted average lease term to expiry of underlying land (excluding freehold land) increases to approximately 44 years post-acquisition*



# Disclaimer

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