



Proposed Acquisition of Logistics Property in Binh Duong, Vietnam

1 November 2018



Overview of Property



The Property comprises three connected blocks of single-storey warehouses, spanning a gross floor area of about 66,800 sqm and land area of 101,200 sqm. It is located in Vietnam-Singapore Industrial Park I (“VSIP I”), Binh Duong, a prime warehouse area.

Project Details

Purchase Price VND 725.1 billion (~S\$43.0 million)¹

Valuation VND 730.0 billion²

Balance Land Tenure Approximately 28 years

Land Area ~101,200 sqm

GFA ~66,800 sqm

Vendor Unilever Vietnam International Company Limited

Tenant Unilever Vietnam International Company Limited

Lease Term 10 years with annual rent escalations

Footnotes:

1. Based on exchange rate of S\$1 = VND 16,874
2. Valued by Cushman & Wakefield as at 18 May 2018 based on the income capitalisation and direct comparison methods.

Strategic Location in Vietnam

- VSIP I is a prime warehouse area that is ~17km or 40 minutes' drive from Ho Chi Minh City
- Easy connectivity to other parts of the country via major highways such as Highway 13 and 14
- Good specifications and easy access to major transportation infrastructure -> well-positioned to support tenants with local distribution requirements or export oriented operations

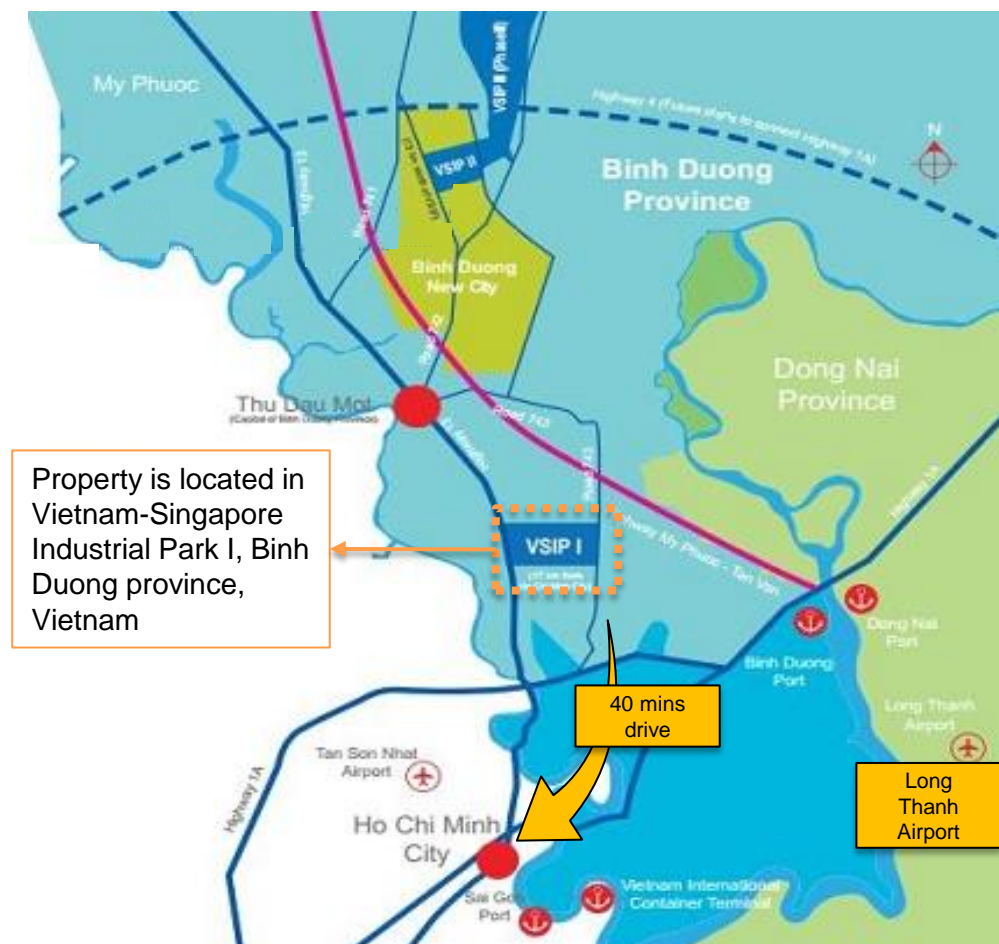


Image source: Prosquare

Investment Rationale

- **Strategic location and excellent connectivity in Binh Duong**
 - Binh Duong is the largest logistics hub in the southern part of Vietnam and a thriving manufacturing hub which has attracted many MNCs from Europe, the United States and Asia
 - Strong growth in industrial activities in Binh Duong supports demand for modern warehousing facilities
 - Located in VSIP I, a major distribution hub for the region, which is highly sought after by third-party logistics providers and end-users for last mile delivery
- **Quality logistics facility**
 - Grade A building specifications including minimum clear height of 10 metres and floor loading capacity of up to 30kN/sqm
 - In line with the international standards and requirements of logistics and warehousing operators

Investment Rationale

- **10-year lease to quality tenant Unilever**
 - Property will be 100%-leased to Unilever Vietnam for the next 10 years with annual rent escalations
 - Unilever, a global multinational and leading supplier of food, home, and personal care products, is one of the most successful foreign investors in Vietnam
 - Provides stable and growing income stream backed by strong quality tenant
- **Acquisition is expected to be accretive with initial NPI yield of 8.3%**
 - The Acquisition will be funded by debt and is expected to be completed by 4Q FY18/19
 - Post-acquisition aggregate leverage is expected to be approximately 38.9%¹

Footnote:

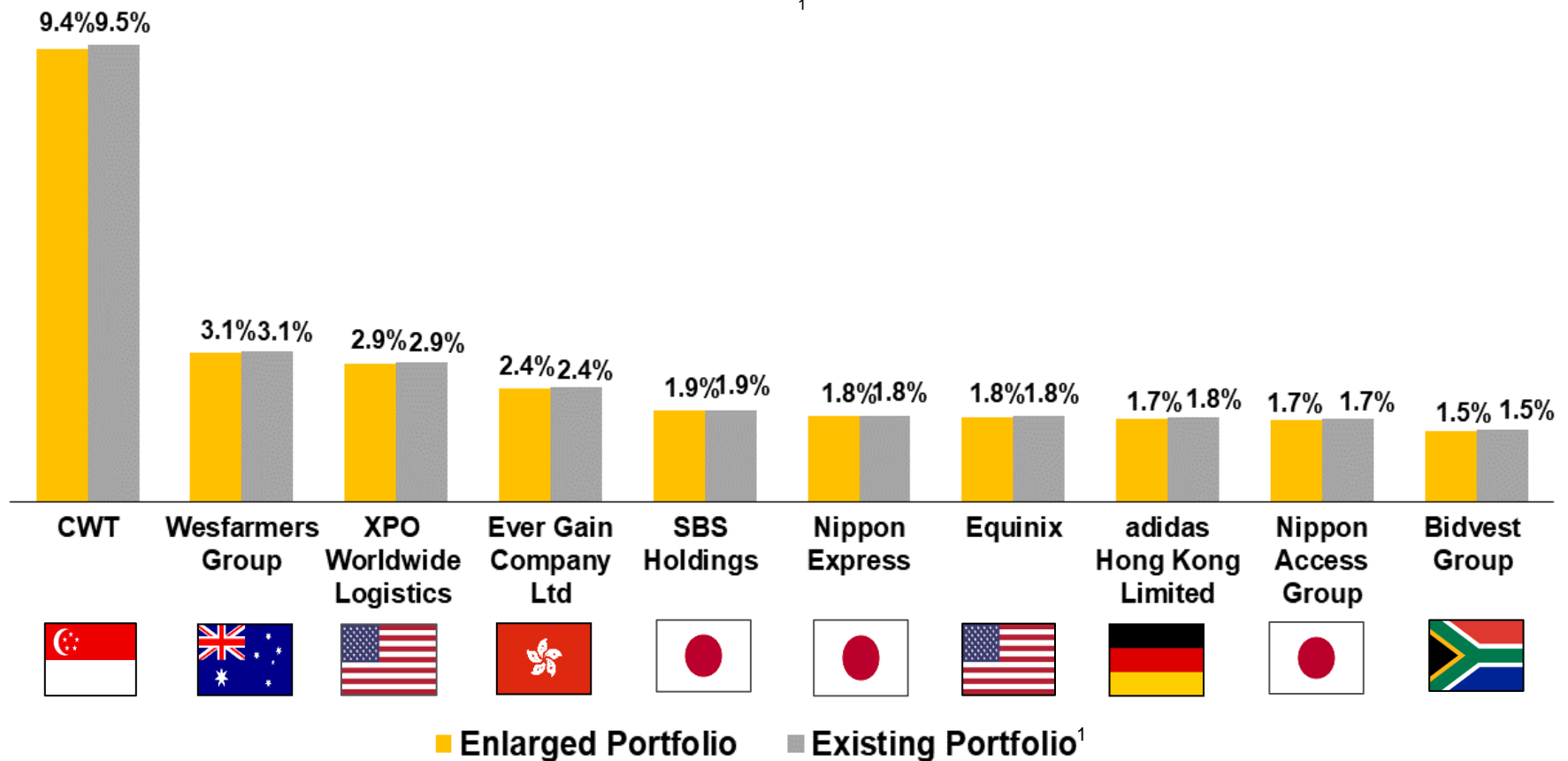
1. Based on MLT's financials as at 30 September 2018 and taking into account the divestment of 531 Bukit Batok Street 23, Singapore completed on 18 October 2018 and the proposed acquisition of a logistics property in Brisbane, Australia announced on 26 October 2018.

The background features a minimalist, abstract design with orange geometric shapes. A prominent corner structure is visible, with a lighter orange wall on the left and a darker orange wall on the right, meeting at a sharp angle. The top and bottom edges of these walls are slightly angled, creating a sense of depth and perspective. The overall color palette is warm and monochromatic, using various shades of orange.

Impact on Portfolio

Top 10 Customer Profile (by Gross Revenue)

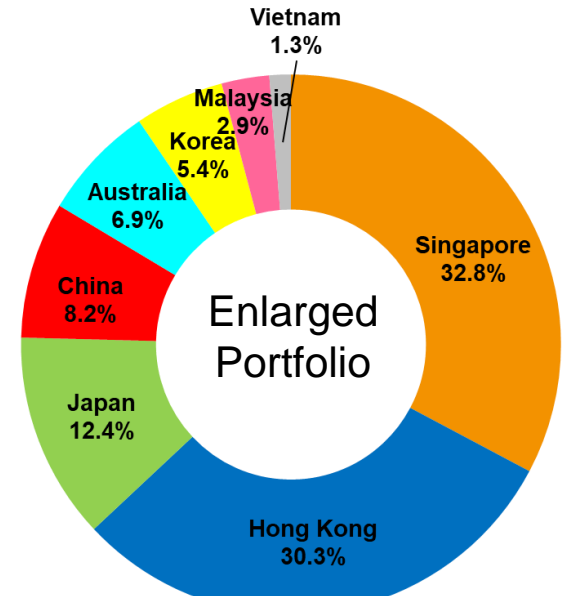
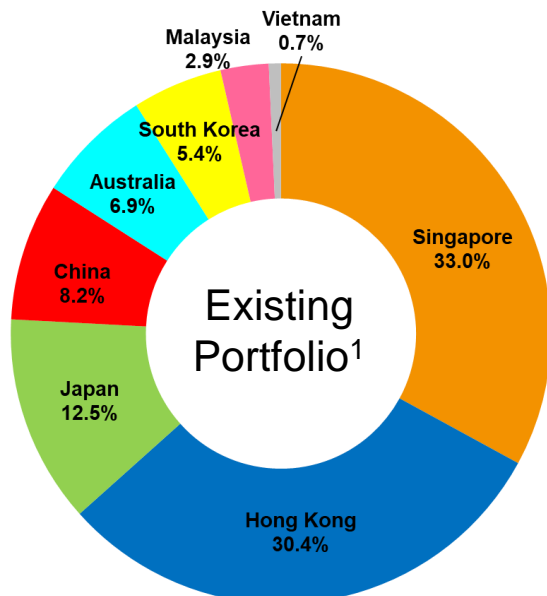
Gross Revenue contribution from MLT's top 10 customers remains at ~28% post-acquisition



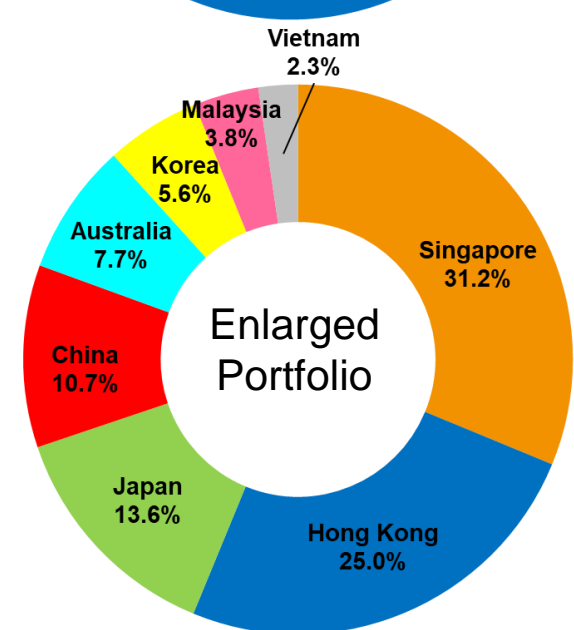
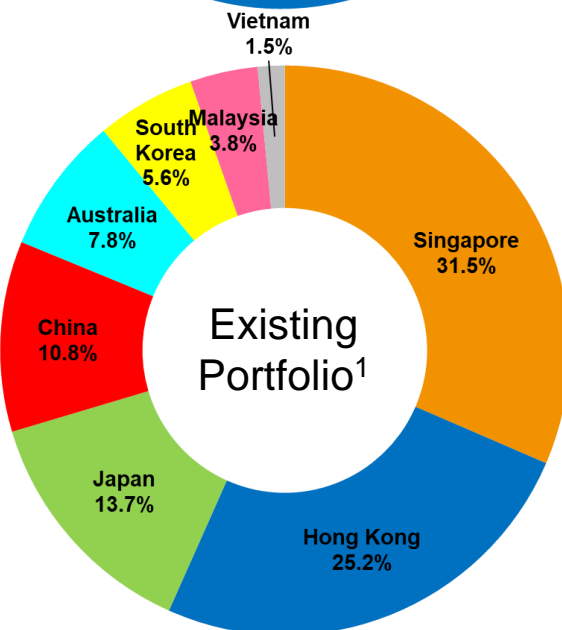
6 Footnote:
 1) Based on portfolio of 139 properties as at 30 September 2018 (inclusive of MLT's 50% interest in 11 properties in China).

Geographical Diversification

Valuation by Geography



Gross Revenue by Geography

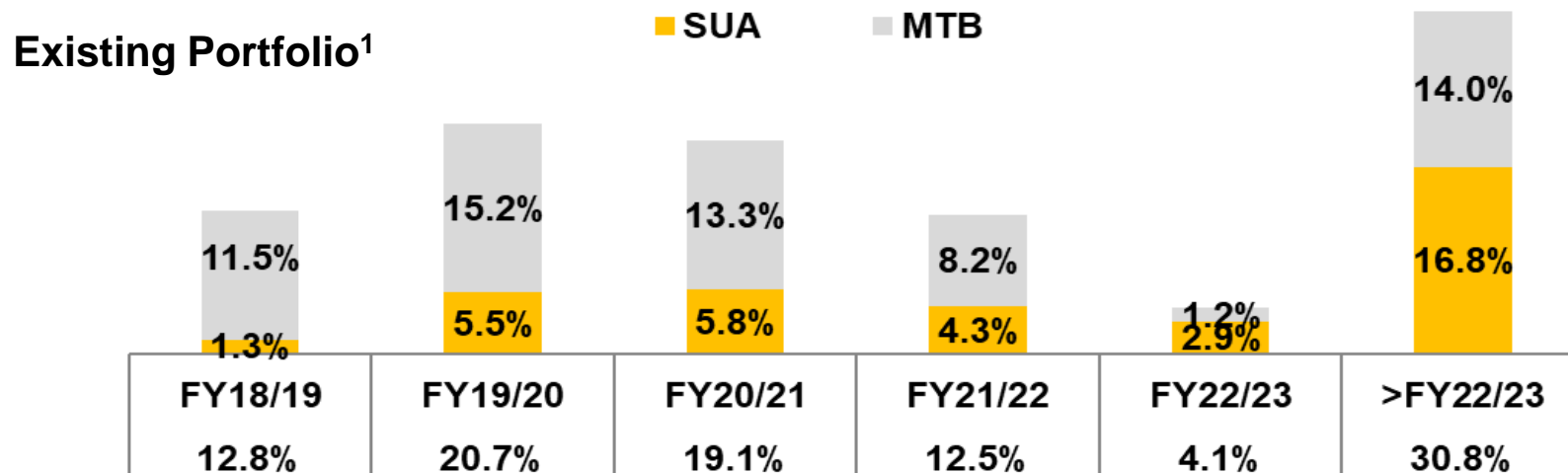


7 Footnote:

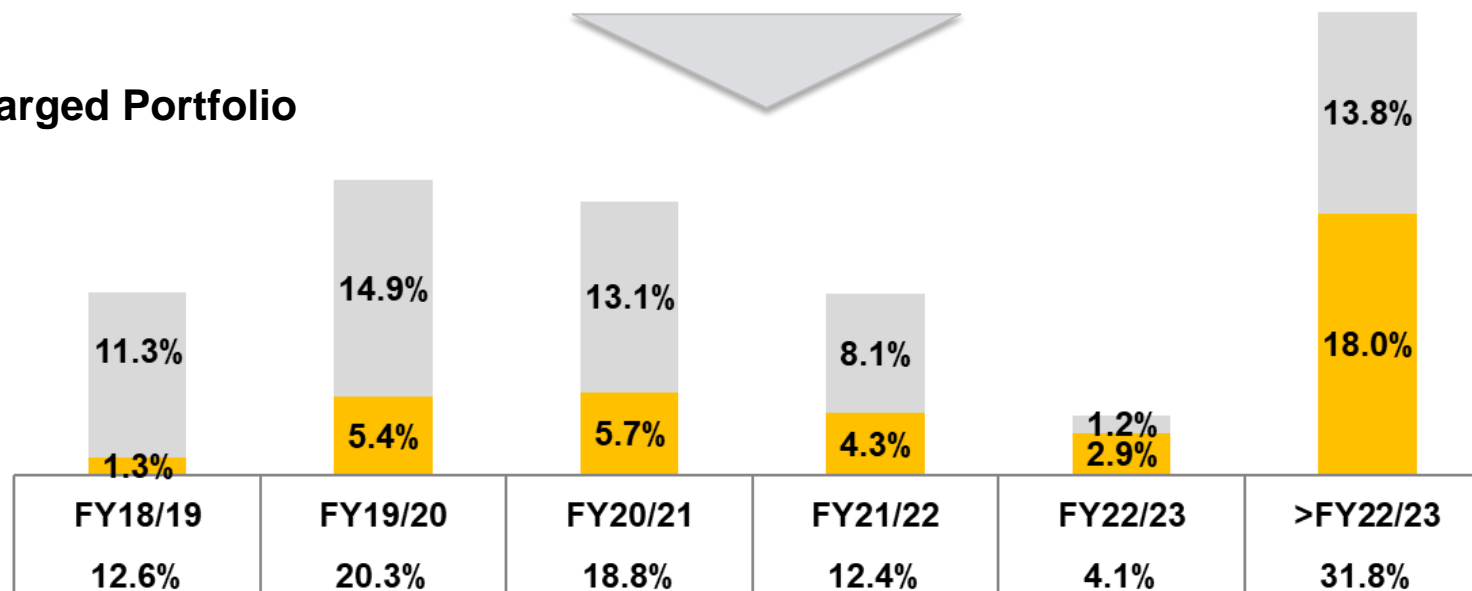
1) Based on portfolio of 139 properties as at 30 September 2018 (inclusive of MLT's 50% interest in 11 properties in China).

Lease Expiry Profile (by NLA)

Weighted average lease expiry (by NLA) increases by 0.1 to **3.9 years**

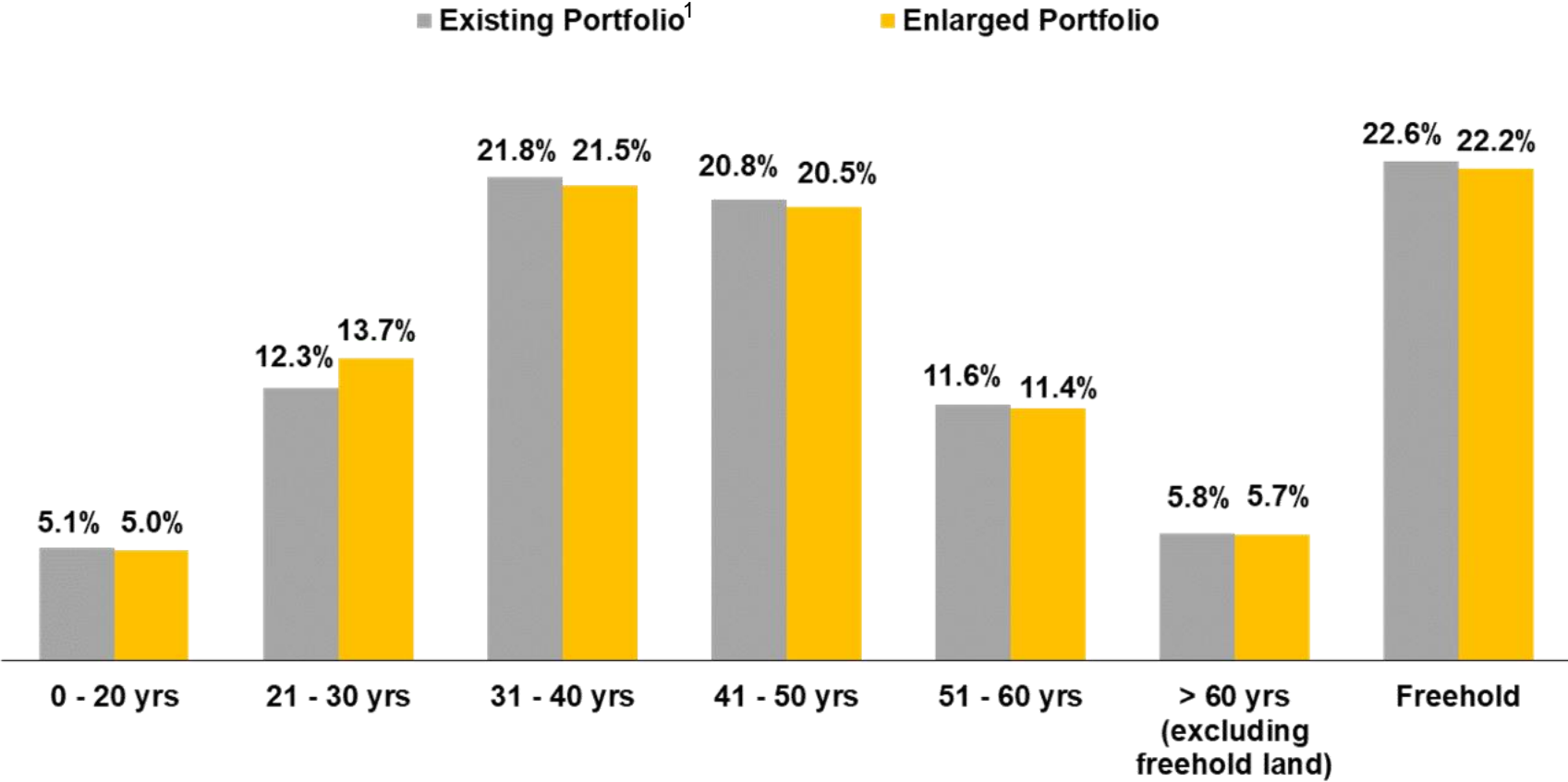


Enlarged Portfolio



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

Weighted average lease term to expiry of underlying leasehold land (excluding freehold land) is **44 years**



Footnote:
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Disclaimer

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