



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

ANNOUNCEMENT

ACQUISITION OF INTERESTS IN FIVE LOGISTICS ASSETS LOCATED IN SOUTH KOREA

1. INTRODUCTION

15 February 2021 - Mapletree Logistics Trust Management Ltd., as manager of Mapletree Logistics Trust (“**MLT**”, and as manager of MLT, the “**Manager**”), is pleased to announce that the following sale and purchase agreements (the “**Sale and Purchase Agreements**”) have been entered into in relation to the acquisition of interests in five modern, freehold logistics assets located in Yongin-Icheon, South Korea (the “**Properties**”, and the acquisitions of the Properties, the “**Acquisitions**”):

- (i) a conditional sale and purchase agreement dated 15 February 2021 between an indirect, wholly-owned subsidiary of MLT, MapletreeLog Jungbu Jeil Co., Ltd (“**MLT SPV 1**”), Kookmin Bank Co., Ltd., in its capacity as trustee of Mirae Asset MAPS Logistics Private Qualified Investor Real Estate Investment Trust No. 3 (“**Vendor Fund 1**”) and Mirae Asset Global Investments Co., Ltd., which is the manager of Vendor Fund 1, to acquire the logistics asset known as CoreLogis (as defined herein);
- (ii) a conditional sale and purchase agreement dated 15 February 2021 between an indirect, wholly-owned subsidiary of MLT, MapletreeLog Dooil Co., Ltd (“**MLT SPV 2**”), Kookmin Bank Co., Ltd., in its capacity as trustee of Mirae Asset MAPS Logistics Private Qualified Investor Real Estate Investment Trust No. 4 (“**Vendor Fund 2**”) and Mirae Asset Global Investments Co., Ltd., which is the manager of Vendor Fund 2, to acquire the logistics asset known as Gwan-ri (as defined herein);
- (iii) a conditional sale and purchase agreement dated 15 February 2021 between Shinhan Bank Co., Ltd., as trustee of IGIS Professional Investment Type Private Placement Real Estate Investment Trust No. 404 (the “**REF**”), IGIS Asset Management Co., Ltd., as manager of the REF, Kookmin Bank Co., Ltd., in its capacity as trustee of Vendor Fund 1 and Mirae Asset Global Investments Co., Ltd., which is the manager of Vendor Fund 1, to acquire the logistics asset known as AbleLogis (as defined herein);
- (iv) a conditional sale and purchase agreement dated 15 February 2021 between Shinhan Bank Co., Ltd., as trustee of the REF, IGIS Asset Management Co., Ltd., as manager of the REF, Kookmin Bank Co., Ltd., in its capacity as trustee of Vendor Fund 2 and Mirae Asset Global Investments Co., Ltd., which is the manager of Vendor Fund 2, to acquire the logistics asset known as Bukuk (as defined herein); and
- (v) a conditional sale and purchase agreement dated 15 February 2021 between Shinhan Bank Co., Ltd., as trustee of the REF, IGIS Asset Management Co., Ltd., as manager of the REF,

Kookmin Bank Co., Ltd., in its capacity as trustee of Vendor Fund 2 and Mirae Asset Global Investments Co., Ltd., which is the manager of Vendor Fund 2, to acquire the logistics assets known as Dongsan (as defined herein).

The acquisition of each of the five Properties above are conditional upon the acquisition of the other properties.

MLT through its direct, wholly-owned subsidiary Yeongdong (Korea) Pte. Ltd. (“**MLT SPV 3**”)¹, proposes to subscribe, on completion of the Acquisitions, for approximately 99.9% of the units in the REF, with the remaining 0.1% units in the REF to be subscribed by Icheon REF Pte. Ltd. (“**Icheon REF**”), an indirect, wholly-owned subsidiary of Mapletree Investments Pte Ltd (“**MIPL**”).

2. INFORMATION ON THE PROPERTIES

2.1 The Properties consist of five dry storage, high specifications logistics warehouses located within Yongin-Icheon, an established logistics cluster in the Seoul Metropolitan Area (the “**SMA**”) of South Korea, with a total gross floor area (“**GFA**”) of approximately 149,897 square meters (“**sq m**”) on a combined freehold land area of 148,818 sq m. As at 1 February 2021, the Properties have an overall occupancy rate of 100% with a weighted average lease expiry (“**WALE**”) by net lettable area (“**NLA**”) of 1.7 years².

2.2 The Properties are purpose-built with modern specifications for logistics use, including direct ramp access, floor-to-ceiling height of 9 to 12 metres and strong floor loading of 12 to 20 KiloNewton per square metre (“**kN psm**”). They are strategically located with good connectivity to major transport infrastructure.

2.3 The table below sets out a summary of selected information on the Properties:

Property	Description	Agreed Property Value (KRW billion)	Valuation (KRW billion)	GFA (sq m)	Occupancy	Tenants
Dongsan Logistics Centre (“ Dongsan ”)	3-storey dry warehouse	114.5	117.8	55,339	100%	Dongsan Logistics
AbleLogis Logistics Centre (“ AbleLogis ”)	3-storey dry warehouse	59.9	62.9	29,980	100%	TE Logis
CoreLogis Logistics Centre (“ CoreLogis ”)	3-storey dry warehouse	50.7	52.3	29,901	100%	Han Express
Bukuk Logistics Centre (“ Bukuk ”)	2-storey dry warehouse	28.2	29.8	18,706	100%	Han Express
Gwan-ri Logistics Centre (“ Gwan-ri ”)	4-storey dry warehouse	26.7	27.9	15,971	100%	DPL
Total		280.0	290.7	149,897		

¹ MLT SPV3 is a wholly-owned subsidiary of MLT established in Singapore, with an issued and paid up capital of S\$2.00.

² As at 1 February 2021.

3. DETAILS OF THE ACQUISITIONS

3.1 Valuation and Purchase Consideration

The agreed property value is KRW 280.0 billion³ (approximately S\$334.8 million⁴) (the “**Agreed Property Value**”) and was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation of the Properties. The independent valuation conducted by Chestertons Korea Co., Ltd. (the “**Valuer**”), which was commissioned by the Manager, concluded a market value for the Properties of KRW 290.7 billion² as at 13 January 2021.

The Agreed Property Value represents a discount of 3.7% to the valuation of the Properties.

The Valuer has valued the Properties based on the Market Approach and the Income Approach.

The purchase consideration payable by the REF, MLT SPV 1 and MLT SPV 2 for the Acquisitions (the “**Purchase Consideration**”) is approximately KRW 280.0 billion (S\$334.8 million), which shall be satisfied fully in cash.

3.2 Estimated Total Acquisition Cost

The estimated total cost of the Acquisitions (the “**Total Acquisition Cost**”) is approximately KRW 298.2 billion⁵ (approximately S\$356.5 million), comprising:

- (i) the Purchase Consideration of KRW 280.0 billion as described in paragraph 3.1 above;
- (ii) the acquisition fee payable to the Manager for the Acquisitions pursuant to the trust deed dated 5 July 2004 constituting MLT (as amended and restated) (the “**Trust Deed**”) of approximately KRW 2.8 billion (S\$3.3 million) (representing 1.0% of MLT’s portion of the Purchase Consideration), which is payable in cash; and
- (iii) estimated professional and other transaction fees and expenses incurred, or to be incurred, in connection with the Acquisitions (inclusive of due diligence cost, applicable taxes and costs to be incurred in relation to the valuation) of approximately KRW 15.4 billion (S\$18.4 million).

3.3 Sale and Purchase Agreements

The key terms of the Sale and Purchase Agreements include the following:

- (i) the Purchase Consideration is KRW 280.0 billion (S\$334.8 million), subject to the adjustments as set forth in the Sale and Purchase Agreements;
- (ii) customary provisions relating to the Acquisitions, including representations and warranties; and
- (iii) fulfilment of relevant conditions precedent, including the land transfer approval being obtained in respect of certain Properties.

³ Based on 100% interest in AbleLogis, Bukuk and Dongsan.

⁴ Unless otherwise stated, an illustrative exchange rate of KRW 836.40 to S\$1.00 is used in this announcement.

⁵ Excluding the KRW 300.0 million (S\$0.4 million) to be injected by Icheon REF for the subscription of 0.1% of the units in the REF, MLT is expected to incur approximately KRW 297.9 billion (S\$356.2 million) in relation to the Total Acquisition Cost payable by MLT.

3.4 Unitholders' Agreement

A unitholders' agreement will be entered into between MLT SPV 3 and Icheon REF to regulate their relationship as unitholders of the REF (the "**Unitholders' Agreement**").

MIPL has an aggregate deemed interest in 31.27% of the total number of units in MLT ("**Units**") in issue. MIPL is therefore a "controlling unitholder" of MLT under both the listing manual of the SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"). In addition, as the Manager is an indirect 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 Icheon REF is an indirect wholly-owned subsidiary of MIPL, Icheon REF is an "interested person" of MLT for the purposes of Chapter 9 of the Listing Manual. Therefore, the entry into the Unitholders' Agreement constitutes an "interested person transaction" under Chapter 9 of the Listing Manual. As at the date of this announcement, the value of all interested person transactions entered into between MLT and MIPL and its subsidiaries and associates during the course of the current financial year ending 31 March 2021 is approximately S\$648.4 million, which is approximately 14.2% of the net tangible asset and net asset value of MLT as at 31 March 2020. Save as described above, there were no interested person transactions entered into for the current financial year.

The Audit and Risk Committee of the Manager has considered the terms of the Unitholders' Agreement, and is of the view that the entry into the Unitholders' Agreement is on normal commercial terms and is not prejudicial to the interests of MLT and its minority Unitholders.

3.5 The Asset Manager

The asset manager of the REF is IGIS Asset Management Co., Ltd, which is a licensed asset manager in Korea.

4. RATIONALE FOR AND BENEFITS OF THE ACQUISITIONS

The Acquisitions are in line with the Manager's investment objective to deliver regular and stable distributions to MLT's unitholders ("**Unitholders**") through the acquisition of yield-accretive, quality income-producing assets. The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

4.1 Strengthen MLT's portfolio quality and competitive positioning in South Korea with the addition of high quality, modern assets

The Acquisitions represent an attractive strategic opportunity for MLT to acquire a portfolio of high specifications warehouses that will significantly scale up MLT's competitive positioning. Post-Acquisitions, the total gross gross floor area in MLT's South Korea portfolio will increase by almost 40.0% to over 537,000 sq m.

The Properties are modern warehouses with a weighted average age (by NLA) of 4.2⁶ years. The Properties have high quality building specifications which include strong floor loading of 12 to 20 kN psm, high floor-to-ceiling height of 9 to 12 metres and large contiguous floor plates of up to 21,000 sq m, catering to the modern requirements of third-party logistics firms ("**3PLs**") and e-commerce tenants.

⁶ As at 1 February 2021.

The Properties also provide direct ramp access, offering greater efficiency in the movement of cargo and lower operating and maintenance costs.

The Acquisitions are in line with the Manager's strategy to rejuvenate MLT's portfolio through the addition of modern logistics facilities from acquisitions and redevelopment. With their modern specifications and favourable locations with excellent connectivity, the Properties are well positioned to attract users from high-value industries and the e-commerce sector. The Acquisitions will enlarge MLT's network in South Korea to 18 properties with 538,318 sq m of net lettable space.

4.2 Deepen MLT's presence in Yongin-Icheon, a prime logistics cluster supporting the Seoul Metropolitan Area

The Properties are strategically located in the Yongin-Icheon area, a prime logistics cluster in the south-east region of the SMA. It is traditionally the logistics market of the SMA and is home to over 50.0% of the SMA's logistics facilities. The Yongin-Icheon area is a highly sought-after location by logistics and e-commerce companies due to its superior access to Gyeongbu and Jungbu Expressways, two major expressways running north-south, and to Yeongdong Expressway, the major expressway connecting the east and west coasts. These expressways provide good access to the densely populated areas in the SMA.

Dongsan, AbleLogis and Gwanri situated in close proximity to Yangji Interchange on the Yeongdong Expressway, are well located to serve the population in Seoul, as well as the densely populated areas south of Seoul. Bukuk and CoreLogis, with direct accessibility to the Jungbu Expressway, are well suited for distribution to the eastern part of Seoul.

4.3 Strong tenant base

The Properties are 100% leased to four established local 3PLs with a WALE (by NLA) of approximately 1.7 years⁷. Approximately 45.0% of the Properties' revenue base⁸ is accounted for by tenants engaged in e-fulfilment activities. These tenants include Dongsan Logistics and TE Logis, which are supporting Coupang and e-Bay respectively, the leading e-commerce players in South Korea. The other tenants, Han Express and DPL, are also supporting end-users from the consumer sectors, including a multinational footwear company and a global consumer electronics retailer. Following the Acquisitions, e-commerce related businesses will represent approximately 25.0% of MLT's South Korea portfolio gross revenue, up from approximately 15.0% previously.

4.4 Capitalise on growth opportunities from accelerated e-commerce adoption

South Korea is the third largest e-commerce market in Asia Pacific with sales value of approximately US\$103 billion in 2019⁹. Online sales have grown significantly at a compound annual growth rate of 26.0% from 2015 to 2019¹⁰, with online retail sales as a proportion of total retail sales increasing from 13.2% in 2015 to 28.4%¹⁰ in 2019. The COVID-19 pandemic has further accelerated e-commerce adoption. Amidst lockdowns and social distancing measures, brick-and-mortar stores pivot to e-

⁷ As at 1 February 2021.

⁸ For the month ended 31 December 2020.

⁹ Source: eMarketer, "Global Ecommerce 2019". eMarketer has not provided its consent to the inclusion of the information extracted from its report in this announcement and eMarketer is not responsible for the information extracted from its report in this announcement.

¹⁰ Source: Korea Statistical Information Service ("**KSIS**"), <https://kosis.kr/eng/index/index.do>. KSIS has not provided its consent to the inclusion of the information extracted from its report in this announcement and KSIS is not responsible for the information extracted from its report in this announcement.

commerce platforms as more consumers become accustomed to online shopping. In South Korea, online shopping sales in 2020 rose 18.4% year-on-year despite a 3.6% decline in overall retail sales due to the COVID-19 pandemic¹¹.

E-commerce players typically require 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. Given their modern specifications and favourable locations with excellent connectivity, the Properties are well positioned to capture the growing demand for quality logistics space.

4.5 The Acquisitions are expected to be accretive

The Acquisitions are expected to generate an initial net property income yield of approximately 4.5% based on the Agreed Property Value of KRW 280.0 billion. The Manager expects the Acquisitions to be accretive to MLT's distribution per unit.

5. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE ACQUISITIONS

5.1 Method of Financing

The Total Acquisition Cost payable by MLT is expected to be funded 100% by debt. Post completion of the Acquisitions, MLT's aggregate leverage ratio is estimated to increase to 38.9%¹².

6. OTHER INFORMATION

6.1 Disclosure under Rule 1010(13) of the Listing Manual

The relative figures for the Acquisitions using the applicable bases of comparison set out in Rule 1006(b) and Rule 1006(c) of the Listing Manual are set out in the table below.

¹¹ Source: Ministry of Trade, Industry and Energy ("**MOTIE**"), Republic of Korea, "2020 retail sales in Korea expand 5.5% due to strong online sales" MOTIE has not provided its consent to the inclusion of the information extracted from its report in this announcement and MOTIE is not responsible for the information extracted from its report in this announcement.

¹² Based on MLT's unaudited financial statements for 31 December 2020 and as if the Acquisitions were completed on 31 December 2020. Pro forma aggregate leverage will be 39.6% if including the acquisition of Mapletree Logistics Hub – Tanjung Pelepas in Malaysia as announced on 19 October 2020 and which is pending completion.

Comparison of	Properties	MLT	Relative figure
Net Property Income (S\$ million) ⁽¹⁾	11.5 ⁽²⁾	362.4 ⁽³⁾	3.2%
Consideration against market capitalisation (S\$ million)	339.9 ⁽⁴⁾	8,261.2 ⁽⁵⁾	4.0%

Note(s):

- (1) In the case of a real estate investment trust, the NPI is a close proxy to the net profits attributable to its assets.
- (2) Assuming that the Acquisitions had a portfolio occupancy rate of 100% for the entire three financial quarters ended 31 December 2020, all leases, whether existing or committed as at the date of this announcement, were in place since 1 April 2019, and that all tenants were paying their rents in full throughout the period.
- (3) Based on MLT's latest announced financial statements for the three quarters ended 31 December 2020.
- (4) This figure represents the Purchase Consideration payable by MLT¹³ of KRW 279.7 billion.
- (5) Based on 4,280,436,661 Units in issue and the closing price of S\$1.93 per Unit on the SGX-ST on 11 February 2021, being the market day immediately prior to the date of entry of the Sale and Purchase Agreements.

As the relative figures computed on the bases set out above do not exceed 5.0%, the Acquisitions are classified as non-discloseable transactions under Chapter 10 of the Listing Manual.

7. 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 the announcement up to and including the date falling three months after the date of the announcement:

- (i) the Sale and Purchase Agreements; and
- (ii) the valuation report by the Valuer.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MLT is in existence.

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

15 February 2021

¹³ Based on MLT's approximately 99.9% interest in the REF.

Important Notice

The value of units in MLT ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, Mapletree Logistics Trust Management Ltd., as manager of MLT (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 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.