

For Immediate Release

## Mapletree Logistics Trust Granted Option to Purchase Logistics Property in Singapore

**Singapore, 9 July 2021** – Mapletree Logistics Trust Management Ltd., as manager (the “Manager”) of Mapletree Logistics Trust (“MLT”), is pleased to announce that pursuant to an Option to Purchase agreement (“OTP”), HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of MLT) has been granted an option to acquire 9 Changi South Street 2 in Singapore (the “Property”) from RSH Holdings Pte Ltd for a purchase price of S\$24.5 million (the “Proposed Acquisition”). The Proposed Acquisition is subject to, among others, approval from JTC Corporation and exercise of the OTP by MLT.

### Rationale for the Proposed Acquisition

Ms Ng Kiat, Chief Executive Officer of the Manager said, “With a limited supply of logistics properties in the eastern part of Singapore, 9 Changi South Street 2 is an attractive property given its prime location and a relatively long remaining land tenure of over 33 years. The property is also adjacent to our existing property at 15 Changi South Street 2, thus presenting the opportunity for potential economies of scale.”

The Property is easily accessible by the ECP expressway and in close proximity to Changi Airport (~7km) and the Expo MRT (~850m). Its favourable location will attract demand from industries involved in high-value and time-sensitive goods such as electronics and pharmaceutical, as well as e-commerce firms and third-party logistics players (“3PLs”) looking to expand in the Changi South/East region.

The Property is well-poised to benefit from Singapore’s position as a key logistics hub due to the country’s excellent infrastructure and connectivity. Ranked as Asia’s top logistics hub for 10 years in

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a row, Singapore has attracted the top 25 global logistics firms to set up operations locally<sup>1</sup>. The future air cargo facility at Changi Airport Terminal 5 will see an increase in annual handling capacity from 3 million tonnes to 5.4 million tonnes and the adoption of enhanced technologies, giving Singapore a competitive advantage in handling pharmaceutical, perishable and e-commerce cargo.

The Property will be sold with vacant possession and the Manager is in talks with an international 3PL to lease the Property as the anchor tenant.

The Property has been valued at \$24.6 million by Savills as at 25 June 2021 based on the Income Capitalisation, Discounted Cash Flow Analysis and Direct Comparison methods.

#### **Funding and Financial Effects of the Proposed Acquisition**

If the OTP is exercised, MLT is expected to incur an estimated total transaction cost of approximately S\$2.7 million which includes the initial land premium and the acquisition fee payable to the Manager of approximately S\$0.2 million, being 1% of the purchase consideration of S\$24.5 million. The purchase consideration will be satisfied in cash. MLT has paid an option fee amounting to 1% of purchase consideration, and will pay a further 4% upon exercise of the OTP, with the balance 95% being payable upon completion of the Proposed Acquisition. The Proposed Acquisition will be funded by debt and is expected to be completed by 3Q FY21/22, subject to approval from JTC Corporation. Upon completion, MLT's aggregate leverage ratio will be approximately 38.5%<sup>2</sup>, while MLT's total portfolio will comprise 164 properties with total assets under management of S\$10.8 billion.

The Proposed Acquisition is expected to generate a stabilised property income yield of approximately 6.2% based on the purchase price and initial land premium, and it is also expected to be accretive to MLT's distribution.

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<sup>1</sup> The Singapore Economic Development Board, <https://www.edb.gov.sg/en/our-industries/logistics-and-supply-chain-management.html>

<sup>2</sup> Based on MLT's financials as at 31 March 2021.

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### About the Property

9 Changi South Street 2 is a part 3-storey, part 4-storey temperature controlled warehouse building with ancillary offices. It has a gross floor area of approximately 11,506 square metres and is sited on leasehold land with a balance tenure of approximately 33.3 years comprising the initial land tenure expiring in October 2024 and a further 30-year term expiring in October 2054.

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### About Mapletree Logistics Trust (MLT)

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. MLT's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 31 March 2021, it has a portfolio of 163 logistics assets in Singapore, Hong Kong SAR, Japan, Australia, China, Malaysia, South Korea, Vietnam and India with assets under management of S\$10.8 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit [www.mapletruelogisticstrust.com](http://www.mapletruelogisticstrust.com).

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### Important Notice

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