

Performance

Portfolio Analysis and Review

Portfolio Highlights



5,049,412 sqm
Total Gross Floor Area

5,000,770 sqm
Total Net Lettable Area



98.0%
Portfolio Occupancy



145
Number of Properties



S\$8.9B
Total Assets Under Management



69%
Tenant Retention



33%
of leased area accounted for by multi-location tenants



839,089 sqm
of leases renewed or replaced, representing a success rate of 93%

The figures, charts and tables presented in this section set out the salient information on MLT's portfolio as at 31 March 2020 and are inclusive of its 50% interest in 15 properties in China.

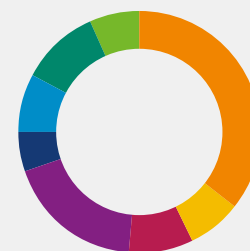
Portfolio Summary

MLT is a leading logistics space provider in Asia Pacific with a geographically diversified portfolio of 145 properties across eight markets – Singapore, Hong Kong SAR, Japan, China, Australia, South Korea, Malaysia and Vietnam. Located predominantly in key gateway cities or logistics hubs with direct access to large consumption markets, this extensive network of logistics facilities provides a key competitive advantage for MLT. It enables MLT to offer its customers a broad range of regional leasing options, as they expand regionally to capture growth opportunities presented by the large consumption markets.

Value Creation through Active Portfolio Management

MLT is committed to augmenting growth through disciplined acquisitions of quality, well-located assets that add scale and strategic value to the portfolio as well as asset enhancement initiatives that unlock and optimise value from our existing properties.

Geographical Breakdown (by NLA)



Singapore	35.6%
Hong Kong SAR	7.4%
Japan	8.4%
China	18.5%
Australia	5.3%
South Korea	7.8%
Malaysia	10.5%
Vietnam	6.5%

Acquisitions

In FY19/20, MLT acquired nine modern logistics facilities in Malaysia, Vietnam, China, South Korea and Japan with total value of S\$752.8¹ million, as well as entered into a AUD18.4 million (S\$16.7 million) forward purchase agreement for a Grade A warehouse facility in Australia.

The aforesaid acquisitions added 560,114 sqm of net lettable area ("NLA") in modern warehouse space and enhances MLT's geographic diversification. In FY19/20, total NLA of MLT's portfolio increased by 9.6% from 4.6 million sqm to 5.0 million sqm. Post-acquisitions, developed markets continue to account for the majority of MLT's portfolio, contributing approximately 84.4% and 83.2% to the enlarged portfolio's assets under management and gross revenue respectively.

Asset Enhancement Initiatives

The Manager remains committed to unlock value within its portfolio via asset enhancement initiatives. Phase two of the redevelopment of Mapletree Ouluo Logistics Park in Pudong New District, Shanghai, China is slated for completion in May 2020. The property is being rebuilt into a modern, two-storey ramp-up facility with a 2.4 times increase in gross floor area to 80,700 sqm.

Divestments

As part of its portfolio rejuvenation efforts, the Manager continually reviews the relevance and positioning of each property. Properties that are no longer relevant to customer's requirements are considered for redevelopment or divestment as a last resort. The divestments free up capital and provide the financial flexibility for MLT to pursue investments of higher-yielding, modern facilities. In FY19/20, the Manager divested five properties in Japan and one property in China.

// We continue to stay focused on enhancing the resilience of our portfolio through active asset management and accretive acquisitions of high quality properties, while maintaining a strong financial position. //

Note:

¹ Represents the aggregate agreed property value for the acquisitions which differs from the total consideration paid. Total consideration paid for Vietnam and China acquisitions is comprised of the targeted entities' adjusted consolidated net asset value and shareholders' loan.

Acquisitions in FY19/20

Property	Country	Agreed Property Value	Acquisition Completion Date
50% interest in four properties ¹	China	RMB902.0 million ² (S\$180.1 million)	November 2019
Mapletree Logistics Park Bac Ninh Phase 2 and Mapletree Logistics Park Phase 1 ¹	Vietnam	USD36.0 million ³ (S\$49.9 million)	November 2019
Mapletree Logistics Hub – Shah Alam ¹	Malaysia	MYR826.0 million ⁴ (S\$271.9 million)	December 2019
Mapletree Logistics Centre – Hobeob 2	South Korea	KRW35.8 billion ⁵ (S\$41.2 million)	February 2020
Mapletree Kobe Logistics Centre	Japan	JPY22,200.0 million ⁶ (S\$299.8 million)	February 2020
Warehouse in Truganina, Melbourne, Victoria ⁷	Australia	AUD18.4 million (S\$16.7 million)	By December 2020 ⁸

Notes:

- The properties were acquired from Mapletree Investments Pte Ltd. The total acquisition fee paid in Units to the Manager for the acquisitions amounts to S\$1.9 million, being 0.5% of the total acquisition price of S\$382.6 million.
- The agreed property value represents 100.0% interest in the four properties and a discount of approximately 3.9% and 3.7% to the independent valuations conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd (commissioned by the Trustee) and Knight Frank Petty Limited (commissioned by the Manager) respectively. Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd relied on the discounted cash flow approach and direct capitalisation approach and Knight Frank Petty Limited relied on the discounted cash flow approach and sales comparison approach.
- The agreed property value represents a discount of approximately 3.0% and 3.4% to the independent valuations conducted by Jones Lang LaSalle Vietnam Company Limited (commissioned by the Trustee) and CBRE (Vietnam) Co., Ltd (commissioned by the Manager) respectively. Jones Lang LaSalle Vietnam Company Limited relied on the discounted cash flow approach and direct capitalisation approach and CBRE (Vietnam) Co., Ltd relied on the discounted cash flow approach, direct capitalisation approach, sales comparison approach and cost approach.
- The agreed property value represents a discount of approximately 1.1% and 1.4% to the independent valuations conducted by Knight Frank Malaysia Sdn Bhd (commissioned by the Trustee) and First Pacific Valuers Property Consultants Sdn Bhd (commissioned by the Manager) respectively. Knight Frank Malaysia Sdn Bhd relied on the discounted cash flow approach and cost approach and First Pacific Valuers Property Consultants Sdn Bhd relied on the discounted cash flow approach, direct capitalisation approach and cost approach.
- The property was acquired from DC Deokpyung LLC and was valued by an independent valuer, Colliers International (Hong Kong) Limited, at KRW38.7 billion based on the market approach, discounted cash flow method and direct capitalisation method. The acquisition fee paid in cash to the Manager amounts to KRW358 million, being 1.0% of the purchase consideration.
- The agreed property value represents a discount of approximately 0.4% and 2.2% to the independent valuations conducted by CBRE K.K. (commissioned by the Trustee) and International Appraisals Incorporated (commissioned by the Manager) respectively. CBRE K.K. relied on the income approach and cost approach and International Appraisals Incorporated relied on the income approach, sales comparison approach and cost approach. The acquisition fee paid in Units to the Manager amounts to JPY21,860.3 million (approximately S\$1.4 million), being 0.5% of the effective consideration of JPY21,860.3 million. MLT acquired a 98.47% effective interest in Mapletree Kobe Logistics Centre from Ajisai TMK, an associate of Mapletree Investments Pte Ltd.
- A conditional forward purchase agreement was entered into with Wooreddy Investments Pty Ltd. The property was valued by an independent valuer, CBRE Valuations Pty Limited, at AUD18.5 million based on the market capitalisation and discounted cash flow methods. The acquisition fee paid in cash to the Manager amounts to AUD184,000, being 1% of the purchase price of the purchase consideration.
- Subject to fulfilment of the relevant conditions precedent, which include Australian Foreign Investment Review Board's approval and practical completion of the warehouse being achieved.

Asset Enhancement Initiative in FY19/20

Property	Country	Cost (\$ million)	Status
Mapletree Ouluo Logistics Park	China	70	<ul style="list-style-type: none"> Phase 1 completed in September 2018 Phase 2 to be completed in May 2020

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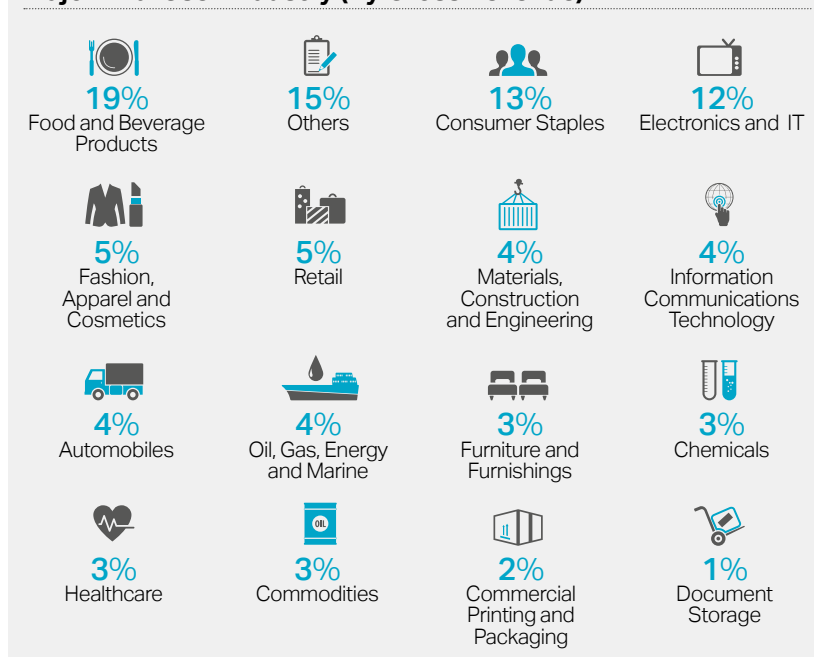
Divestments in FY19/20

Property	Country	Agreed Property Value	Divestment Completion Date
Gyoda Centre, Iwatsuki B Centre, Atsugi Centre, Iruma Centre, Mokurenji Centre ^{1, 2}	Japan	JPY17,520 million (\$211.6 million)	April 2019
Mapletree Waigaoqiao Logistics Park ^{1, 3, 4}	China	RMB333.0 million (\$63.7 million)	December 2019

Notes:

- ¹ In accordance with MLT's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the property or the sale consideration.
- ² The properties were divested to Godo Kaisha T&C on 10 April 2019. The latest appraised value of the five properties as at 31 March 2019 was JPY14,427 million. The valuation methods undertaken by independent valuer, Colliers International Japan KK, are the discounted cash flow and direct capitalisation methods.
- ³ Divested 100% equity interest in MapletreeLog Integrated (Shanghai) (HK SAR) Limited and its wholly-owned subsidiary, MapletreeLog Integrated (Shanghai) Co., Ltd, which is in turn the registered owner of Mapletree Waigaoqiao Logistics Park, to GDS Holdings Limited.
- ⁴ Represents MapletreeLog Integrated (Shanghai) (HK SAR) Limited's indirect interest in Mapletree Waigaoqiao Logistics Park. The valuation of the property as at 31 March 2019 was RMB196.9 million. Two independent valuations were obtained from Jones Lang LaSalle Property Consultants Pte Ltd (commissioned by the Trustee) and CBRE Limited (commissioned by the Manager) respectively. Both valuers relied on the capitalisation approach and discounted cash flow analysis.

Major End-User Industry (By Gross Revenue)



Top 10 Customers (By Gross Revenue)

1. CWT	8.7%
2. Coles Group	3.9%
3. Equinix	3.9%
4. Nippon Express	1.8%
5. adidas Hong Kong Limited	1.7%
6. XPO Worldwide Logistics	1.6%
7. Nippon Access Group	1.6%
8. Ever Gain Company Ltd	1.6%
9. Bidvest Group	1.4%
10. Taiun Co., Ltd	1.2%

Well-Diversified and High Quality Tenant Base

MLT has a tenant base of 693 high quality tenants, with more than three quarters of our tenants operating in the consumer sectors which provide income resilience across market cycles. Additionally, MLT has minimal exposure to tenants in sectors severely affected by COVID-19, with around 10% of its revenue derived from such sectors, whereas over 30% is derived from tenants that provide essential consumer goods.

New quality tenants added during the year include established consumer brands and e-commerce players such as Watsons, Lazada and Shopee. The top 10 tenants account for just 27.4% of MLT's gross revenue, offering income diversity within the MLT's portfolio.

Strong Portfolio Occupancy and High Tenant Retention

MLT maintained high and stable occupancy rates across its eight markets throughout the year. The portfolio occupancy ended the financial year at 98.0%, unchanged from the prior year. The Australia, Malaysia and Vietnam portfolios were maintained at 100% occupancy while the Hong Kong SAR and Japan portfolios were operating at near-full occupancy of 99.9%. MLT's properties continue to attract healthy leasing demand due to their high quality and prime locations. In addition, the Manager adopts a customer-centric approach to build strong customer relationships and drive long-term value.

In this period of heightened market uncertainty, it is more pertinent than ever to stay close to customers. Embodied in the motto of "Be the first to know", the asset management and marketing teams strive to develop an in-depth understanding of the business needs of customers. This approach also helps the teams to identify early customers who may potentially face difficulties in the current environment and work with them to develop a mutually beneficial arrangement. To address customers' changing business needs, the Manager continues to provide flexible and customised leasing solutions. The Manager also works closely with customers who have been affected by the COVID-19 outbreak, to provide support and relief measures in a targeted manner. Multi-pronged measures to support customers in cash flow management have been implemented, including granting rental rebates and deferrals, allowing rent payment by instalments and using security deposits to offset rent obligations. As a testament of the Manager's continued efforts on active lease management, tenant retention rate was maintained at a healthy level of 69%.

During the year, the Manager secured 214 new and renewal leases (excluding forward renewals) amounting to 839,089 sqm of NLA, representing a success rate of 93%. These leases have a weighted average lease term of 2.6 years (by revenue) and accounted for 17.3% of gross revenue for the month of March 2020. MLT's portfolio achieved weighted average rental reversions ranging from 0.0% to 3.6% across the eight markets. Overall, the portfolio's weighted average rental reversion was 1.8% for the year.

Stable Lease Structure and Profile

As at 31 March 2020, about 35.7% of MLT's portfolio revenue is contributed by single-user assets ("SUAs") with the balance 64.3% contributed by multi-tenanted buildings ("MTBs"). SUA leases provide portfolio stability and income visibility with their longer lease periods while MTBs enable MLT to achieve tenant diversification.

In FY19/20, 18 out of 20 SUA leases due for expiry were successfully renewed, one SUA in Singapore was converted to a MTB while the remaining SUA in Japan was divested.

The Manager actively manages the portfolio lease expiry profile to reduce the concentration of SUA lease expiries in any one year. This helps to mitigate the impact of transitional leasing downtime from conversion of SUA leases to MTB leases and the associated impact it may have on MLT's distributions. In FY20/21, 20.5% of MLT's gross revenue is due for renewal, with only 1.9% being leases of SUA and the remaining 18.6% being leases of MTBs. The Manager is proactively engaging with existing tenants on lease renewal negotiations.

Well-Staggered Lease Expiry Profile

The lease expiry profile of MLT remained well spread-out with a weighted average lease expiry ("WALE") (by NLA) of about 4.3 years, and no more than 22.8% of leases are expiring in any single financial year over the next five years. The portfolio WALE (by revenue) was approximately 4.0 years.

The portfolio WALE based on the date of commencement of the leases¹ was at 4.1 years by NLA and 3.9 years by revenue.

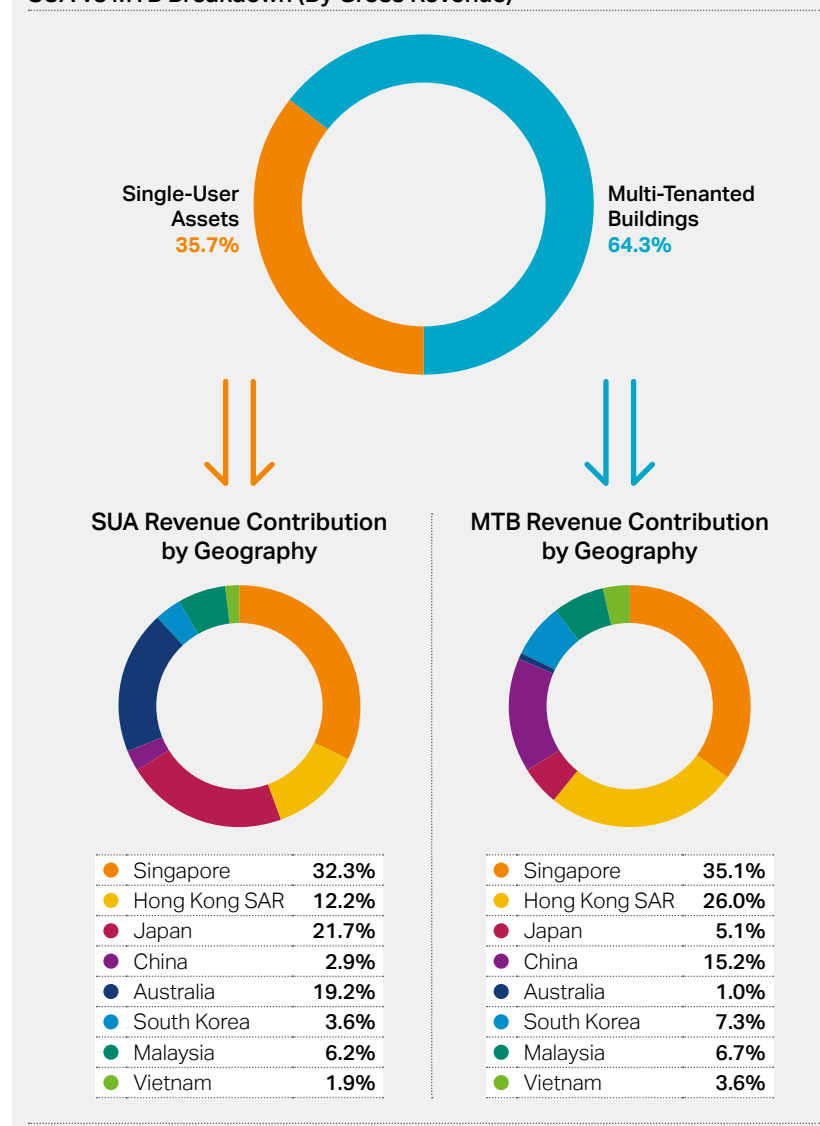
Stable Land Lease Expiry Profile

The WALE of the underlying leasehold land (excluding freehold land) was approximately 44.6 years, compared to 43.8 years in the prior year. Freehold land accounted for approximately 22.2% of the portfolio's NLA, with the remaining 77.8% on leasehold terms.

Portfolio Occupancy

1. Singapore	97.2%
2. Hong Kong SAR	99.9%
3. Japan	99.9%
4. China	96.3%
5. Australia	100.0%
6. South Korea	96.0%
7. Malaysia	100.0%
8. Vietnam	100.0%
Portfolio	98.0%

SUA vs MTB Breakdown (By Gross Revenue)



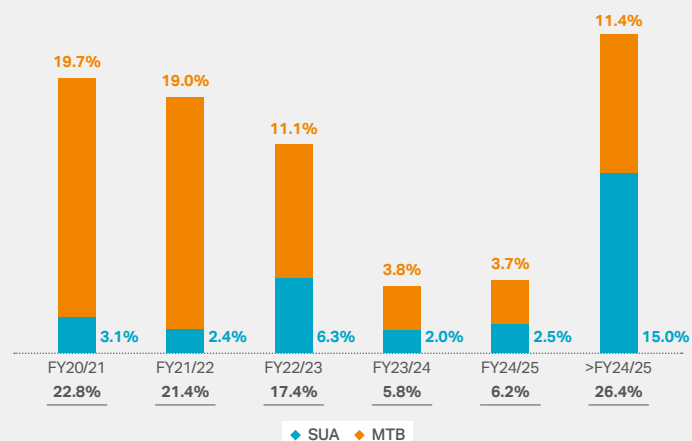
Note:

¹ Excluding fit-out periods and forward renewals.

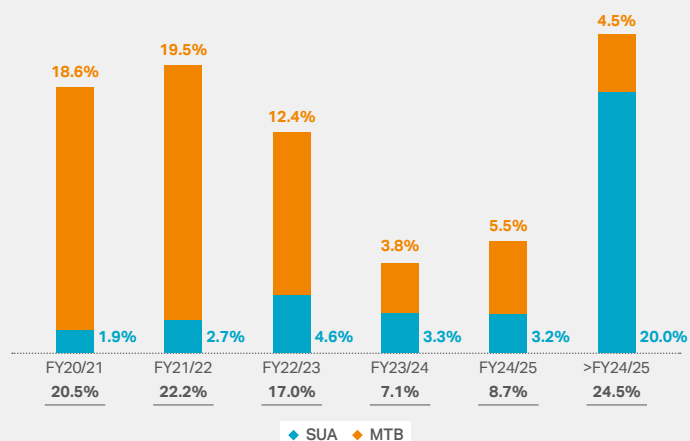
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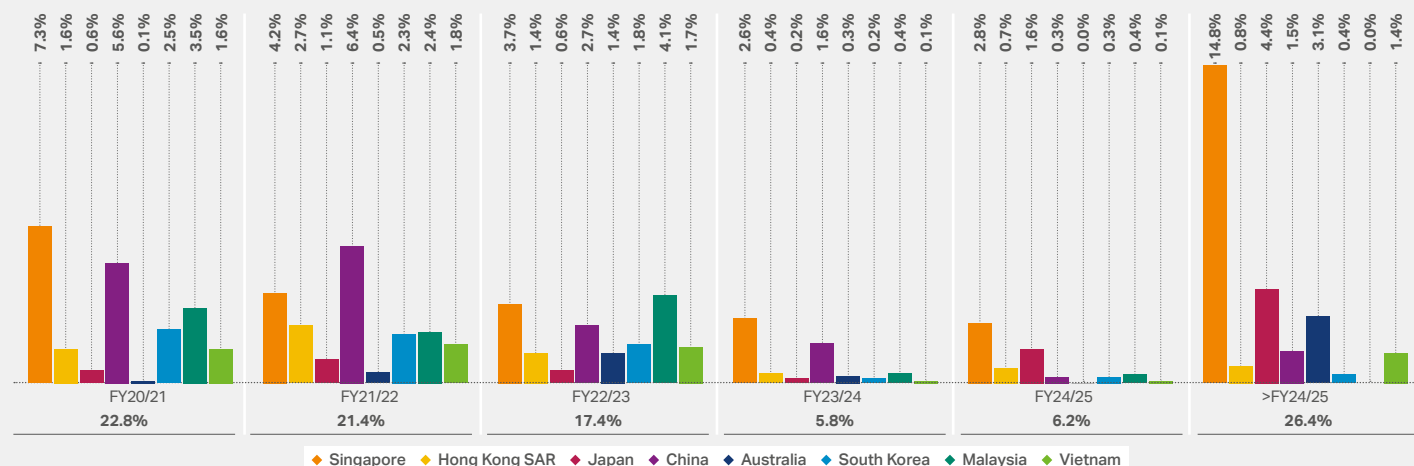
**Lease Expiry Profile by NLA
– SUA vs MTB Breakdown**



**Lease Expiry Profile by Gross Revenue
– SUA vs MTB Breakdown**



Lease Expiry Profile by NLA - Geographical Breakdown



Land Lease Expiry Profile by NLA - Geographical Breakdown

