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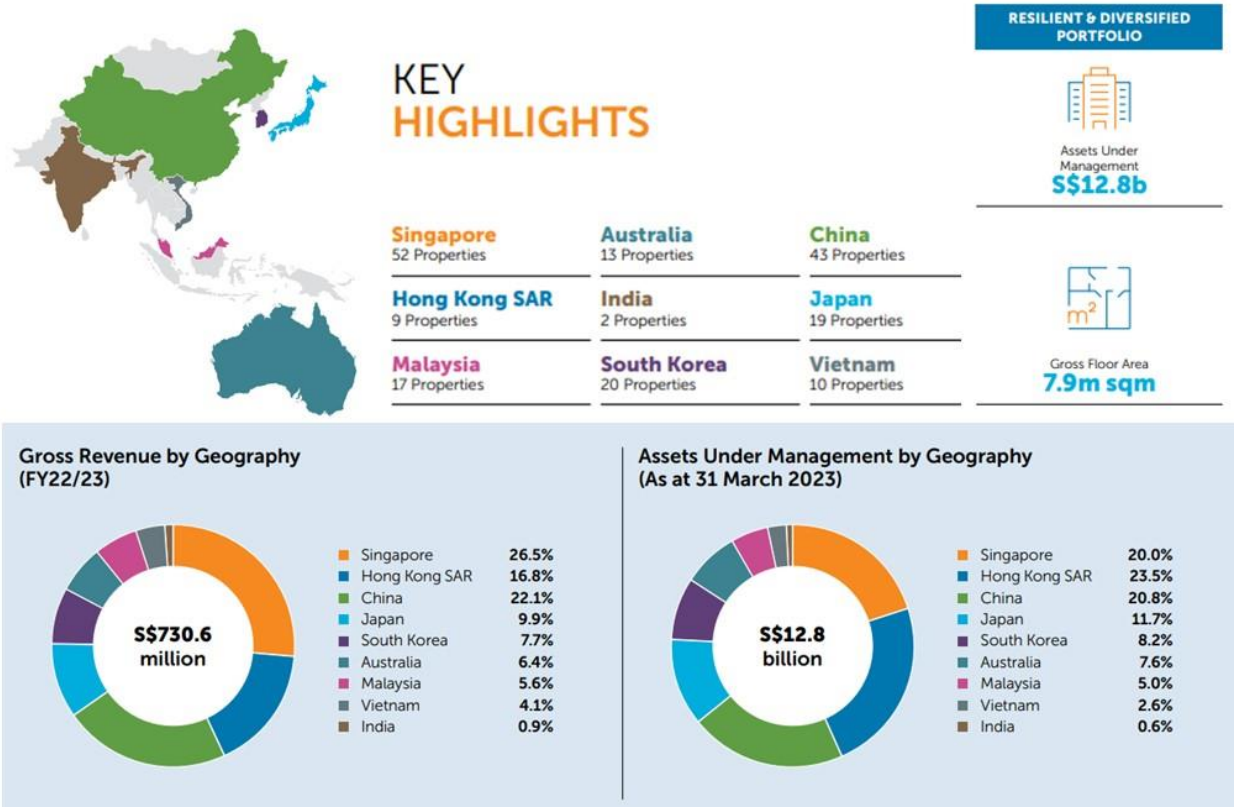
REIT: Mapletree Logistics Trust
(Manager: Mapletree Logistics Trust Management Ltd.)

Stock code: M44U

Meeting details:
Date: 20 July 2023
Time: 2.30 p.m.
Venue: 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and by way of electronic means

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Q1. As at 31 March 2023, the REIT has a diverse portfolio of 185 properties in key Asian markets valued at S$12.8 billion. An extract of the REIT's key highlights from the annual report is shown below.



(Adapted from annual report 2022/23)

In terms of acquisitions, the REIT announced on 30 March 2023 the proposed purchase of eight modern logistics properties in Japan, Australia, and South Korea for a total purchase price of S$904.4 million. These properties are freehold logistics assets that aim to strengthen the REIT's presence in Tokyo, Sydney, and Seoul, where demand for logistics facilities is strong and vacancy rates are low. The assets are fully leased to a diverse range of reputable blue-chip tenants, potentially contributing to the resilience and growth of the REIT's portfolio.

Over the course of the year, the REIT also successfully completed the acquisition of three properties in China, South Korea, and Malaysia, with a combined value of S$166.0 million.

(i) **Could the REIT manager provide further elaboration on its perspective regarding interest rates? How does the current high interest rate environment impact the REIT's investment criteria and the pace of acquisition?**

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(ii) **Can the REIT provide additional insight into the ground sentiments in China and Hong Kong? How does the manager perceive the pace of recovery in these two markets, which together account for nearly a quarter of the REIT's portfolio?**

As at 31 March 2023, the REIT holds two assets in India and ten assets in Vietnam, representing 0.6% and 2.6% of the total portfolio, respectively.

(iii) **Specifically, how does the manager view India as a growth market? What strategies will the REIT pursue to capitalise on the shifting global supply chain trends towards countries beyond China, particularly in India and Vietnam?**

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Q2. In the financial year, the REIT experienced a 2.5% decrease in valuation, primarily attributed to a forex translation loss of S$757.9 million. During FY22/23, all currencies except the Hong Kong Dollar depreciated against the Singapore Dollar. Notably, the Chinese Yuan, Japanese Yen, South Korean Won and Australian Dollar, which accounted for 46% of FY22/23 revenue and an estimated 48% by value, depreciated by 7% to 15% against the Singapore Dollar.

(i) **As 80% of the REIT's assets are located outside of Singapore, could the manager provide further insights to help unitholders better understand the strategies and framework implemented to manage foreign currency risks, particularly regarding net foreign investments so as to mitigate translation losses? To what extent has the REIT implemented natural hedging to address these risks?**

In the message from the chairman and CEO, it was highlighted that the REIT will be vigilant and proactive in managing the hedging of interest rate and foreign-sourced income to mitigate the impact of rising borrowing costs and forex volatilities on MLT's distributions.

The translation losses for the year totaled $758 million, which, in perspective, exceed the gross revenue of the REIT for FY22/23, which amounted to just $730.6 million.

(ii) **While the manager actively hedges foreign-sourced income for short-term considerations, could the manager provide their perspective on long-term currency trends? Additionally, what guidance has the board provided to the manager regarding net capital investments in foreign markets? Does a strong Singapore Dollar diminish the attractiveness, and the returns, of investing in foreign markets?**

(iii) **Is the REIT exploring ways to increase the level of natural hedging?**

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Q3. The REIT has an internal audit function (IA) that is outsourced to the sponsor. The IA prepares a risk-based audit plan annually to review the adequacy and effectiveness of the group's system of internal controls and this audit plan is approved by the audit committee (AC) before execution.

(i) **Could the AC provide additional information to help unitholders better understand its involvement in the development of the internal audit plan? Specifically, what insights and guidance did the AC provide to enhance the effectiveness of the internal audit?**

(ii) **What is the size of the IA team? Does the IA have local teams situated in other key cities?**

(iii) **What were the scope, key findings and recommendations by the internal auditor for FY2022/23?**

As disclosed in the corporate governance report (page 90), upon the completion of each IA review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. The sponsor's IA department monitors and reports on a quarterly basis the implementation of the action plans to management and the AC.

(iv) **Can the AC provide clarification on the party responsible for implementing the recommendations?**

(v) **Besides receiving quarterly updates from the IA, what level of ownership and oversight does the AC have regarding the actions taken to address the recommendations?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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