



FRASERS CENTREPOINT LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196300440G)

ACQUISITION OF LOGISTICS CROSS-DOCK FACILITIES LOCATED IN GERMANY

1. INTRODUCTION

- 1.1 The Board of Directors of Frasers Centrepoint Limited (“**FCL**”, and together with its subsidiaries, the “**Group**”) wishes to announce that FPE Investments RE5 B.V., FPE Investments RE6 B.V., FPE Investments RE7 B.V., FPE Investments RE8 B.V., FPE Investments RE9 B.V. and FPE Investments RE10 B.V., wholly-owned subsidiaries of FCL, have entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with ECE Projektmanagement GmbH (the “**Vendor**”), a Hamburg-based developer, owner and manager of commercial real estate, for the acquisition (the “**Acquisition**”) of six cross-dock facilities totalling 75,478 square metres (“**sq m**”) of lettable area on 426,439 sq m of land (the “**Properties**”). The Properties are located in some of Germany’s key logistic markets in Heilbronn, Mainz, Berlin, Augsburg, Hamburg and near Leipzig.

2. INFORMATION ON THE PROPERTIES

2.1 General information on all the six Properties

The cross-dock facilities in each of the six Properties are state-of-the art facilities equipped with above-market specifications to meet a wide range of e-commerce and general goods logistics requirements. Dock-doors have been provided on all four sides of the facilities in each of the Properties, which allows a flexible stream of goods within the buildings. The facilities are designed to meet “DGNB Gold” certification in line with the German Society for Sustainable Construction (comparable with “LEED” or “BREEAM”). The Properties are newly built or are to be built, and are all 100% pre-leased to Hermes Germany GmbH (“**Hermes**”) for a term of 15 years. Hermes has invested substantially in the internal fit outs of the Properties which include customised conveyor belt systems to maximise operational efficiency.

2.2 Heilbronn Facility

The cross-dock facility in Heilbronn (the “**Heilbronn Facility**”) is located close to Stuttgart and has excellent access to the West-East freeway linking the larger Frankfurt region with Nuremberg as well as the A81 freeway, the direct access in the direction of Stuttgart. The Heilbronn Facility has a current land size of 65,794 sq m, and with a net lettable area (“**NLA**”) of 13,120 sq m. It is also located near a densely populated area in the South-West region in Germany where logistic zoning permits are difficult to obtain. This enhances the attractiveness of this facility for last mile fulfilment purposes as such facilities are scarce in the region.

2.3 **Mainz Facility**

The cross-dock facility in Mainz (the “**Mainz Facility**”), which is located in the Rhine/Mainz region, belongs to the larger Frankfurt market, which is one of Germany’s largest logistics submarkets in a key economic region in Europe. The Mainz Facility has a current land size of 68,616 sq m with an NLA of 13,220 sq m.

2.4 **Augsburg Facility**

The cross-dock facility in Augsburg (the “**Augsburg Facility**”) has a current land size of 59,995 sq m with an NLA of 11,449 sq m, and is located in the province of Bavaria approximately 60 km of Munich, which is a favourable location for logistics use since it is located at the intersection of the region’s West-East and North-South trade routes. The region in which the Augsburg Facility is located has a substantial population and is one of Europe’s strongest economic region, and regarded as one of the ‘Big-Five’ logistics hubs in Germany as well as one of the key distribution hubs in Europe.

2.5 **Berlin Facility**

The cross-dock facility in Berlin (the “**Berlin Facility**”) is situated in Berlin, the capital and the largest city of Germany, and also the second most populous city in the European Union and the seventh most populous urban area in the European Union. The Berlin Facility is located at the freeway-ring A10 providing access to all parts of Berlin including downtown and the highway network in the western direction of Germany as well as Czech Republic. It has a current land size of 86,308 sq m with an NLA of 13,120 sq m.

2.6 **Hamburg Facility**

The cross-dock facility in Hamburg (the “**Hamburg Facility**”) has a current land size of 45,596 sq m with an NLA of 11,449 sq m. It is located in Hamburg, one of the most strategic logistics submarkets in Europe and which has Europe’s second-largest container port. The facility also benefits from Hamburg being the main entry point and distribution hub for processing, packaging and shipping of many goods entering Germany and Eastern Europe, particularly from Asia.

2.7 **Halle Facility**

The cross-dock facility in Halle (the “**Halle Facility**”) is located next to the Airport Leipzig, one of Germany’s important cargo airports and hub for Central Europe, and has immediate access to the A9 (Berlin- Munich) and A14 (Hanover- Prague/ Czech Republic) highways. The Leipzig Facility has a current land size of 100,130 sq m with an NLA of 13,120 sq m.

3. SALIENT TERMS OF THE ACQUISITION

3.1 Consideration for the Acquisition

The consideration for the Acquisition (the “**Consideration**”) pursuant to the Sale and Purchase Agreement is a gross amount (including closing costs) of approximately of €257 million¹ (approximately S\$408.63 million²) and was arrived at on a willing-buyer willing-seller basis based on the aggregate valuation of the Properties of €246.4 million (approximately S\$391.78 million).

The Consideration is payable in cash and will be funded from borrowings and internal resources.

3.2 Valuation

The aggregate valuation of the Properties as at October 2017 by Jones Lang LaSalle SE Germany is €246.4 million (approximately S\$391.78 million). The valuation has been determined in accordance with the RICS Valuation – Professional Standards 2014 (Red Book 2017) of the Royal Institution of Chartered Surveyors (RICS), and was carried out using the discounted cash flow method.

3.3 Principal Terms of the Acquisition

The Sale and Purchase Agreement contains customary provisions relating to the Acquisition, including representations and warranties, indemnities, pre-completion covenants and market standard closing conditions.

3.4 Completion

The Augsburg Facility which is currently under construction, and the Hamburg Facility and the Halle Facility which are to be constructed will be transferred upon their respective completion dates of the construction in accordance with the Sale and Purchase Agreement. Completion of the Acquisition will take place on the following dates (or such other dates as may be mutually agreed):

- | | |
|----------------------|--|
| (a) 28 February 2018 | The Heilbronn Facility, the Mainz Facility and the Berlin Facility |
| (b) 31 March 2018 | The Augsburg Facility |
| (c) 30 November 2018 | The Hamburg Facility |
| (d) 31 March 2019 | The Halle Facility |

4. RATIONALE

The Acquisition is in line with FCL's strategy and will deliver benefits to FCL, including:

¹ The Consideration amount payable is subject to adjustments arising from the actual NLA being more or less than the estimated NLA of the Properties.

² In this announcement, unless otherwise stated, translations of amounts from the Euro to Singapore dollars have been made on the basis of €1: S\$1.59 as at 22 December 2017.

- (a) growing FCL's proportion of recurring income. The Acquisition will allow FCL to strengthen its platform in Europe by growing its portfolio of recurring income assets in Germany as well as reinforcing FCL's "network effect";
- (b) entry into the German last-mile logistic sector. The Acquisition complements FCL's current portfolio in Europe, which comprises logistics and light industrial properties, and positions FCL to benefit from e-commerce logistical requirements. The last-mile logistics sector has demonstrated resilience, with rental and occupancy rates on an uptrend due to strong demand and limited supply; and
- (c) the Acquisition offers strong defensive characteristics. The Properties are high quality, state-of-the-art and strategically located with excellent connectivity to major cities such as Berlin, Hamburg, Stuttgart, Leipzig and Munich. On a long-term lease to a reputable German logistics company, the Properties will contribute stable, recurring income to FCL.

5. FINANCIAL EFFECTS OF THE ACQUISITION AND CHAPTER 10 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL (THE "LISTING MANUAL")

5.1 Financial Effects of the Acquisition

There is no material impact on earnings per ordinary share ("**Share**") of FCL, net tangible asset and net asset value per Share of the Group pursuant to the Acquisition based on the Group's latest announced audited consolidated financial statements for the financial year ended 30 September 2017.

5.2 Chapter 10 of the Listing Manual

The Acquisition is in the ordinary course of business of FCL and in line with its strategy for growth of long-term recurring income in Germany and Europe, and deepening its presence in key markets.

6. DIRECTORS AND CONTROLLING SHAREHOLDERS

6.1 No person is proposed to be appointed to the board of FCL in connection with the Acquisition, and hence no director's service contract is proposed to be entered into by FCL with any person in connection with the Acquisition.

6.2 None of the directors or controlling shareholders of FCL have any interest, direct or indirect, in the Acquisition other than in their capacity as directors or shareholders of FCL.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office

of FCL at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours for a period of three (3) months from the date of this announcement:

- (a) the Sale and Purchase Agreement; and
- (b) the valuation reports for the Properties issued by Jones Lang LaSalle SE Germany.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary

23 December 2017