

Acquisition of Properties in Europe

1. INTRODUCTION

Global Logistic Properties Limited (“**GLP**” or the “**Company**” and together with its subsidiaries, the “**Group**”) will, through indirectly wholly-owned subsidiaries, acquire Gazeley, a leading European logistics platform (the “**Acquisition**”), as further described below.

2. THE ACQUISITION

2.1 Rationale for the Acquisition

The Acquisition will allow the Company to acquire one of the highest quality (in terms of class and location) logistics portfolios in Europe as well as an experienced local management team with a strong development track record.

2.2 The structure of the Acquisition is summarised as follows:

- (a) **Target Portfolio.** The target portfolio (the “**Target Portfolio**”) includes properties across 4 countries in Europe and will comprise approximately 32 million square feet (3.0 million square metres) of total gross leasable area upon full build-out of the land bank. The Target Portfolio is held by entities which are directly or indirectly owned by BSREP Bermuda Europe Holdings Limited (“**BSREP**”), which is in turn owned by BSREP Europe Holdings L.P. (the “**Seller**”), a fund affiliated with Brookfield Asset Management Inc. (“**BAM**”). The Acquisition will involve the acquisition of all of the shares of BSREP from the Seller.
- (b) **Purchase Price.** The purchase price for the Target Portfolio is approximately €2.4 billion¹, which will be funded by cash, existing credit facilities and new indebtedness. The purchase price was arrived at on a willing buyer, willing seller basis, taking into account, *inter alia*, prevailing market conditions and each party’s relative assessment of the commercial value of the Target Portfolio. There is no available appraised value of the Target Portfolio.
- (c) **Syndication.** The Group intends to syndicate its stake in the Target Portfolio as part of its long-term strategy of growing its fund management platform. Such syndication is in the ordinary course of the Group’s business.
- (d) **Sale and Purchase Agreement.** The Target Portfolio will be acquired pursuant to a definitive sale and purchase agreement. To effect the Acquisition, the Company has on 29 September 2017 incorporated the following wholly-owned subsidiaries:

¹ Subject to customary post-closing adjustments for, *inter alia*, rent, taxes, deposits and prepaid expenses.

- (i) Pearl Income Investments S.à r.l., a company incorporated in Luxembourg;
and
 - (ii) Pearl Income Investments UK Limited, a company incorporated in England,
- (together, the “**Bidcos**”).

The Bidcos have been incorporated for nominal consideration and solely for the purpose of effecting the Acquisition. The completion of the Acquisition is conditional upon customary closing conditions.

2.3 Financial Effects of the Acquisition. For illustration purposes only and based on the Group’s audited consolidated financial statements for the financial year ended 31 March 2017 (“**FY2017**”) and applying the estimated net tangible asset value and earnings of the Target Portfolio as at 31 March 2017, the financial effects of the Acquisition are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the Acquisition.

(a) **Net Tangible Assets**

Based on the audited consolidated financial statements of the Group as at 31 March 2017, and assuming that the Acquisition was completed as at 31 March 2017, the net tangible assets per share would remain unchanged at US\$1.76.

(b) **Earnings Per Share**

The net profits attributable to the Target Portfolio for the 12 months ended 31 March 2017 would have been approximately US\$5.0 million². Assuming that the Acquisition was completed as at 1 April 2016, the effect of the Acquisition on the earnings per share is as follows:

	FY2017
Profit attributable to ordinary shareholders less accrued distribution to holders of capital securities and before the Acquisition (US\$’000)	766,929
Basic earnings per share before the Acquisition (US cents)	16.32
Adjusted profit attributable to ordinary shareholders less accrued distribution to holders of capital securities and after the Acquisition (US\$’000)	771,929
Adjusted basic earnings per share after the Acquisition (US cents)	16.43

² Assuming GLP’s post-syndication stake of approximately 15% of the net profit of the Target Portfolio and fund management fees, excluding one-off transaction costs and fees.

- 2.4 **Chapter 10 of the Listing Manual.** The Acquisition is in the ordinary course of the Group's business. In view of the foregoing, the Acquisition would not fall within the scope of transactions under Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual.

3 FURTHER INFORMATION

- 3.1 **Interests of Directors and Controlling Shareholders.** None of the directors or controlling shareholders of the Company have any shareholding interest, direct or indirect, in the Acquisition save through their shareholding interests in the Company. Dr. Seek Ngee Huat, a director of the Company, is a director on the board of BAM. To mitigate any potential conflict of interests (if any), Dr. Seek has abstained from participating in all proceedings of the directors of the Company and any proceedings of the directors of BAM (if any) relating to the Acquisition.
- 3.2 **Directors' Service Contracts.** No person is proposed to be appointed as a Director of the Company in connection with the Acquisition. Accordingly no service contract is proposed to be entered into between the Company and any such person.

By Order of the Board of
GLOBAL LOGISTIC PROPERTIES LIMITED

Ming Z. Mei
Chief Executive Officer
2 October 2017