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Goodman signs MOU to develop premier business and logistics hub in China

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Release Immediate

Goodman Group (Goodman or the Group) announces that it has signed a Memorandum of Understanding (MOU) with the Langfang Municipal Government to participate in the development of a premier business and logistics hub for the greater Beijing-Tianjin area in northern China.

The key points relating to the MOU are:

- + **Significant mixed use development project over five square kilometres, which is expected to be delivered over the next seven years**
- + **Goodman will participate as co-ordinator and master planner for the project and will take a fee for service role**
- + **Goodman expects to generate fee income over the life of the project and will also consider making further investments for itself and its investment partners in the development of logistics and business park product on the site on a case by case basis**

Over the next seven years Goodman will work jointly with its affiliates to develop a five square kilometre parcel of land into an international standard, environmentally friendly mixed use business park. This will consist of offices and modern logistics facilities and will be co-located with residential housing and associated amenities to create a sustainable community.

Mr Greg Goodman, Goodman Group CEO said, "As the strategic partner of Langfang and the master planner of the park, Goodman will use its worldwide expertise in business park development, master planning and property management to develop a comprehensive and sustainable logistics and business hub to cater to the needs of modern day business. It will also provide tremendous opportunities for local job creation".

"Goodman will draw upon its global partners to introduce international investors and banking groups to provide full scale financing support. This provides the Group important access to development land in a capital efficient manner and allows Goodman to promote the project and development in China to international customers", he added.

Langfang occupies a key position between Beijing and Tianjin and is within the Hebei Province. Its proximity to transportation networks including rail, airports and road underscores its importance as a logistics hub. Often called "China's Silicon Valley", Langfang is set to further benefit from plans for a high-speed railway link between Shanghai and Beijing, with the travelling time between Beijing and Langfang reduced to 10-15 minutes. Extensions to the Beijing ring road network will further enhance Langfang's ability to support continued economic growth in northern China.

The MOU with Goodman will strengthen the delivery of international best practice in project development, planning, sustainability and logistics management in China. It signifies a concrete step towards enhancing the expansion of the local property development and logistics industry. Goodman's approach to sustainability was one of the key factors which attracted the Langfang Government to Goodman as they considered the Group to be well positioned to help them deliver on their vision of creating a model sustainable city.

Mr Goodman said, "This announcement, which has been made possible through the strength of our cooperation with the China Investment Corporation (CIC), marks an important step in the continued development of our Asian business and is a further indication of our growing and long-term commitment to the China market. Goodman expects to generate fee income over the life of the project and will also consider further investments for itself and its investment partners in the development of logistics and business park product at the site on a case by case basis."

The MOU builds on Goodman's successful track record in Greater China, where it manages a total portfolio value of around US\$1.6 billion in the key logistics hubs of Pearl River Delta (which includes Hong Kong), Yangtze River Delta and Bohai Rim Regions.

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About Goodman

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe and the United Kingdom. Goodman Group, comprised of the stapled entities Goodman Limited and Goodman Industrial Trust, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist fund managers of industrial property and business space globally.

Goodman's global property expertise, integrated own+develop+manage customer service offering and significant fund management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.