

SHAREHOLDER'S LOAN

1. INTRODUCTION

1.1 Global Logistic Properties Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 23 November 2015 entered into an agreement with Iowa China Offshore Holdings (Hong Kong) Limited (“**China Holdco**”) for the grant by the Company to China Holdco of a loan of US\$311 million¹ (the “**Shareholder's Loan**”).

1.2 As at the date of this announcement, the Company holds approximately 66.2% of the issued share capital of China Holdco through its wholly-owned subsidiary, CLH Limited; approximately 30.2% is held by Khangai Company Limited (“**Khangai I**”) and Khangai II Company Limited (“**Khangai II**”), each an exempted company incorporated in the Cayman Islands (Khangai I and Khangai II each a “**Khangai Entity**” and collectively, the “**Khangai Entities**”) while the remaining 3.6% is held by entities representing employees of the Company, China Holdco and subsidiaries of the Company in China (these employees include Mr. Ming Z. Mei, the Chief Executive Officer and Executive Director of the Company).

The directors of each of the management companies that is the relevant general partner of the relevant fund which is the sole shareholder of the relevant Khangai Entity could be accustomed to act in accordance with the directions of Mr. Fang Fenglei, a Non-Executive Director of the Company. In view of the foregoing, Mr. Fang is deemed interested in the shares of China Holdco which are held by the Khangai Entities. Mr. Fang is one of the directors of the management company that is the general partner of the fund which is the sole shareholder of Khangai I. Save for the foregoing, none of the directors of the management companies have any material connections (including any material business relationship) with the Company, the Directors and the substantial shareholders of the Company.

2. SHAREHOLDER'S LOAN

2.1 Principal Terms

The Company has agreed to grant a loan of US\$311 million¹ to China Holdco. The principal terms of the Shareholder's Loan are as follows:

Amount : US\$ 310,549,314²

¹ Rounded up to the nearest hundred million.

² Rounded up to the nearest dollar.

Any amount which is repaid may not be reborrowed.

Commencement Date : 23 November 2015

Repayment : The Shareholder's Loan shall be repaid on the earliest of:

- (i) upon demand by the Company providing not less than 14 calendar days' notice in writing;
- (ii) the date falling 60 months after the commencement date of the Shareholder's Loan; or
- (iii) the date falling one month prior to (a) the date of the launch of the initial public offering of shares of China Holdco in connection with the listing of the shares of China Holdco on a securities exchange; or (b) the date of the completion of a qualified trade sale transaction in respect of China Holdco as described in the circular to shareholders dated 4 April 2014 (being an agreed exit, by one or more shareholder(s) of China Holdco, which may be by way of (but is not limited to) a sale of shares of China Holdco to a third party by such shareholder(s)), whichever is earlier.

Subject to the foregoing, China Holdco may repay the Shareholder's Loan at any time.

Interest Rate : Interest shall be chargeable at 3.95%³ per annum.

Security : Unsecured.

2.2 Rationale

The Shareholder's Loan is intended for the purpose of providing funding to China Holdco for payment of the Company's 15.5% equity investment in China Materials Storage and Transportation Development Company ("CMSTD") under the strategic partnership arrangement between CMSTD and the Company.

The Directors of the Company believe that the Shareholder's Loan is favourable to the Group on the basis of the following:

- (i) the Shareholder's Loan is provided to China Holdco which is a subsidiary of the Company in order to support the business growth of such subsidiary in connection with the strategic partnership arrangement with CMSTD. As a shareholder of China Holdco, the Company will in turn benefit from such business growth of the subsidiary; and

³ Rounded up to the nearest 2 decimal places.

- (ii) the value of the Shareholder's Loan has been determined by the Company to be consistent with the amount payable for the Company's equity investment in CMSTD.

2.3 Chapter 9 of the Listing Manual

China Holdco is deemed an associate (as defined in the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual (the "Listing Manual")) of Mr. Fang. As Mr. Fang is an interested person of the Company, any transaction entered into by the Company or any of its subsidiaries with Mr. Fang or any of his associates would be deemed to be an interested person transaction in accordance with Chapter 9 of the Listing Manual. Accordingly, the Shareholder's Loan from the Company to China Holdco would constitute an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual.

The amount at risk to the Company is a combination of:

- (i) the aggregate interest payable on the Shareholder's Loan. For illustrative purposes only, assuming the Shareholder's Loan is repaid on the date falling 60 months from the commencement date of the Shareholder's Loan, the aggregate interest payable on the Shareholder's Loan is US\$62 million⁴; and
- (ii) the value of the Shareholder's Loan, being US\$311 million¹,

amounting to an aggregate of US\$373 million¹, which represents approximately 3.0% of the latest audited net tangible assets ("NTA") of the Group of approximately US\$12.3 billion as at 31 March 2015.

Save for the transactions mentioned in sub-paragraphs (a) to (c) below, the Company, its subsidiaries (other than China Holdco and its subsidiaries) and its associated companies which, for the purposes of Chapter 9 of the Listing Manual, are considered to be "entities at risk", have not entered into transactions with the Company's interested persons or their associates (including China Holdco and its subsidiaries) since 1 April 2015 up to the date of this announcement:

- (a) the Shareholder's Loan (which is the subject matter of this announcement);
- (b) the shareholder's loan approved at an extraordinary general meeting of the Company on 29 July 2015; and
- (c) transactions of less than S\$100,000 in value.

3. AUDIT COMMITTEE'S STATEMENT

Pursuant to Rule 917(3) of the Listing Manual, the Audit Committee, having reviewed, *inter alia*, the terms, the rationale for and the benefits of the Shareholder's Loan, is of the view that the Shareholder's Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

⁴ Rounded up to the nearest million.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr. Mei and Mr. Fang who are interested in the shares of China Holdco, none of the Directors or controlling shareholders have any direct or indirect interest in the Shareholder's Loan.

By Order of the Board of
GLOBAL LOGISTIC PROPERTIES LIMITED

Fang Xie, Heather
Chief Financial Officer

23 November 2015