



GLOBAL LOGISTIC PROPERTIES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 200715832Z

LETTER TO SHAREHOLDERS

IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Directors:

Dr. Seek Ngee Huat (*Chairman of the Board, Non-Executive and Independent Director*)

Mr. Ming Z. Mei (*Chief Executive Officer and Executive Director*)

Mr. Steven Lim Kok Hoong (*Non-Executive and Independent Director*)

Dr. Dipak Chand Jain (*Non-Executive and Independent Director*)

Mr. Paul Cheng Ming Fun (*Non-Executive and Independent Director*)

Mr. Fang Fenglei (*Non-Executive and Non-Independent Director*)

Mr. Yoichiro Furuse (*Non-Executive and Independent Director*)

Mr. Luciano Lewandowski (*Non-Executive and Independent Director*)

Mr. Lim Swe Guan (*Non-Executive and Independent Director*)

Mr. Tham Kui Seng (*Non-Executive and Independent Director*)

Registered Office:

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sir/Madam

1. INTRODUCTION

- 1.1 **Background.** We refer to:
- (a) the Notice of the Annual General Meeting (“**AGM**”) of Global Logistic Properties Limited (the “**Company**”) dated 16 June 2017 (the “**Notice**”), accompanying the Annual Report for the financial year ended 31 March 2017, convening the AGM of the Company to be held on 28 July 2017 (the “**2017 AGM**”); and
 - (b) Ordinary Resolution No. 8 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 2.1 below), as proposed in the Notice.
- 1.2 **Letter to Shareholders.** The purpose of this letter is to provide shareholders of the Company (“**Shareholders**”) with information on Ordinary Resolution No. 8 relating to the proposed renewal of the Share Purchase Mandate, as proposed in the Notice.
- 1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any statements or opinions made in this letter.
- 1.4 **Advice to Shareholders.** If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 2.1 **Introduction.** At the AGM of the Company held on 29 July 2016 (the “**2016 AGM**”), Shareholders had, *inter alia*, approved the renewal of a mandate authorising the Directors of the Company (the “**Directors**”) to exercise all powers of the Company to purchase or otherwise acquire issued fully-paid ordinary shares of the Company (each a “**Share**” and together, “**Shares**”) on the terms of such mandate (the “**Share Purchase Mandate**”). The Share Purchase Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2016 AGM and will expire on the date of the forthcoming 2017 AGM to be held on 28 July 2017.
- 2.2 **Proposed Renewal of the Share Purchase Mandate.** The Directors propose that Shareholders’ approval be sought for the renewal of the Share Purchase Mandate at the 2017 AGM to authorise the Company to purchase or acquire issued Shares. The Share Purchase Mandate is set out in Ordinary Resolution No. 8 under the heading “As Special Business” in the Notice.
- 2.3 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:
- (a) Repurchased Shares which are held as treasury shares may be transferred for the purposes of or pursuant to employees’ share plans implemented by the Company, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.
 - (b) In managing the business of the Company and its subsidiaries, management will strive to increase Shareholders’ value by improving, *inter alia*, the return on equity (“**ROE**”) of the Company. In addition to growth and expansion of the business, share purchases may be considered by the Directors as one of the ways through which the ROE of the Company may be enhanced.
 - (c) The Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
 - (d) The Share Purchase Mandate will provide the Company greater flexibility to control, *inter alia*, the Company’s share capital structure with a view to enhance the earnings per Share of the Company and give Directors the ability to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken when the Directors are of the view that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit described in paragraph 2.4.1 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company and its subsidiaries (the “Group”) as a whole.

2.4 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the 2017 AGM, are summarised below:

2.4.1 **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the 2017 AGM at which the proposed renewal of the Share Purchase Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings (as defined in the listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date (as defined below) (the “Listing Manual”)) will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 4,687,009,190 Shares in issue as at 25 May 2017², being the latest practicable date prior to the printing of this letter (the “Latest Practicable Date”), and disregarding 157,356,032 Shares held as treasury shares as at the Latest Practicable Date, and assuming that:

- (a) no further Shares are issued;
- (b) no further Shares are purchased or acquired by the Company and no Shares purchased or acquired by the Company are held as treasury shares; and
- (c) no Shares are held as subsidiary holdings,

on or prior to the 2017 AGM, not more than 468,700,919 Shares (representing 10% of the total number of issued Shares (disregarding the Shares held as treasury shares)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

¹ “Subsidiary holdings” is defined in the Listing Manual to mean Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore, as amended or modified from time to time (the “Companies Act”).

² As of the Latest Practicable Date, the Company had no subsidiary holdings.

2.4.2 **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2017 AGM at which the proposed renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.4.3 **Manner of Purchases or Acquisitions of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (“Market Purchases”) transacted on the SGX-ST through the SGX-ST’s trading system through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“Off-Market Purchases”) in accordance with an equal access scheme effected pursuant to Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase in accordance with an equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same (except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will, pursuant to Rule 885 of the Listing Manual, issue an offer document containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances; and
- (iii) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.4.4 **Maximum Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors.

The purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days (a "**market day**" being a day on which the SGX-ST is open for trading in securities) on which transactions in the Shares were recorded, in the case of Market Purchases, before the day on which the purchase or acquisition of Shares was made, or in the case of Off-Market Purchases, before the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the Listing Manual for any corporate action that occurs after the relevant five-day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 2.5 **Status of Purchased Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

2.6 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act in force as at the Latest Practicable Date are summarised below:

2.6.1 **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.6.2 **Voting and Other Rights**

The Company cannot exercise any rights in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully-paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (the "**Take-over Code**"):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 **Source of Funds**

The Company may purchase or acquire its own Shares out of capital, as well as from its profits so long as the Company is solvent.

The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Purchase Mandate.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.8 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2017, are based on the assumptions set out below:

2.8.1 **Purchase or Acquisition out of Capital or Profits**

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (the "**Purchase Price**") but the amount available for the distribution of cash dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price and correspondingly reduce the amount available for the distribution of cash dividends by the Company; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

2.8.2 **Number of Shares Purchased or Acquired**

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (and disregarding the Shares held as treasury shares) and on the assumptions set out in paragraph 2.4.1 above, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 468,700,919 Shares.

2.8.3 **Maximum Price Paid for Shares Purchased or Acquired**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 468,700,919 Shares (representing 10% of the total number of issued Shares (disregarding the Shares held as treasury shares) as at the Latest Practicable Date) at the Maximum Price of S\$3.06 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 468,700,919 Shares is approximately S\$1,433 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 468,700,919 Shares (representing 10% of the total number of issued Shares (disregarding the Shares held as treasury shares) as at the Latest Practicable Date) at the Maximum Price of S\$3.20 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 468,700,919 Shares is approximately S\$1,501 million.

2.8.4 **Illustrative Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.8.2 and 2.8.3 above as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 April 2016;
- (b) the Company had purchased or acquired the 468,700,919 Shares (representing 10% of the total number of issued Shares (disregarding the Shares held as treasury shares) as at the Latest Practicable Date) on 1 April 2016;

- (c) there were no usage and/or cancellation of treasury shares after the Latest Practicable Date;
- (d) there was no issuance of Shares, whether pursuant to the vesting of awards in respect of Shares granted under the GLP Performance Share Plan and/or the GLP Restricted Share Plan or otherwise, after the Latest Practicable Date; and
- (e) such Share purchases are funded solely by internal resources,

the financial effects on the audited financial statements of the Company and the Group for the financial year ended 31 March 2017, based on a purchase or acquisition of Shares by the Company of up to 10% of the total number of issued Shares would have been as follows:

	Market Purchases				Off-Market Purchases			
	Group		Company		Group		Company	
	Before Share Purchase	After Share Purchase						
Total equity (US\$ million)	8,711	7,680	6,633	5,602	8,711	7,631	6,633	5,553
Net asset value per Share (US\$)	1.86	1.82	1.42	1.33	1.86	1.81	1.42	1.32
Profit attributable to equity holders of the Company less capital securities distribution (US\$ million)	767	767	354	354	767	767	354	354
Weighted average number of issued and paid up Shares (million)	4,699	4,230	4,699	4,230	4,699	4,230	4,699	4,230
Basic earnings per Share (US cents)	16.32	18.13	7.53	8.36	16.32	18.13	7.53	8.36
Total borrowings ¹ (US\$ million)	(5,599)	(5,599)	(2,480)	(2,480)	(5,599)	(5,599)	(2,480)	(2,480)
Cash and cash equivalents ² (US\$ million)	1,211	179	103	(929)	1,211	130	103	(978)
Net borrowings ³ (US\$ million)	(4,389)	(5,420)	(2,378)	(3,409)	(4,389)	(5,469)	(2,378)	(3,458)
Gearing ⁴ (times)	0.26	0.27	0.27	0.30	0.26	0.27	0.27	0.30
Current ratio (times)	0.93	0.57	2.65	1.18	0.93	0.55	2.65	1.11

¹ "Total borrowings" means loans and borrowings.

² A negative "Cash and cash equivalents" denotes bank overdraft.

³ "Net borrowings" means total borrowings less cash and cash equivalents.

⁴ "Gearing" is defined as the ratio of total borrowings to total assets.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 March 2017, and is not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding Shares held as treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire part of or the entire 10% of the total number of issued Shares (excluding Shares held as treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased and held as treasury shares.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.9 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of share purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.10 **Reporting Requirements.** Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis) and expressed as a percentage of the listed company's issued shares (excluding treasury shares and subsidiary holdings), the number of issued shares excluding treasury shares and subsidiary holdings, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

In addition, the Directors are required under the Companies Act to lodge with the Registrar of Companies (as appointed under the Companies Act) within 30 days of the purchase or acquisition of Shares on the SGX-ST the notice of purchase or acquisition in the prescribed form and providing certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

2.11 **Listing Rules.** While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

In particular, in conformity with the best practices on dealing with securities under Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company's results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company's annual results.

2.12 **Listing Status of the Shares.** Rule 723 of the Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. On the basis of (a) notifications and other confirmations received from substantial shareholders; and (b) the register of substantial shareholders, as at the Latest Practicable Date, approximately 46.39% of the issued Shares (excluding Shares held as treasury shares) are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue (excluding Shares held as treasury shares) held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.13 **Details of Shares Bought by the Company in the Previous 12 Months.** As at the Latest Practicable Date, the Company had not purchased or acquired any Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2016 AGM.

2.14 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.14.1 **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.14.2 **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.14.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the renewal of the Share Purchase Mandate.

Based on:

- (a) substantial shareholder notifications received by the Company as recorded in the register of substantial shareholders as at the Latest Practicable Date as set out in paragraph 3.2 below; and
- (b) the written confirmation from each Director to the Company that he is not acting in concert with any of the following companies:
 - (i) Recosia China Pte Ltd;
 - (ii) Reco Benefit Private Limited;
 - (iii) Recosia Pte Ltd;
 - (iv) GIC (Realty) Private Limited;
 - (v) GIC Real Estate Private Limited; and
 - (vi) GIC Private Limited,

and parties acting in concert with them as at the Latest Practicable Date,

none of the substantial shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of the total number of its issued Shares (excluding Shares held as treasury shares) as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 **Directors' Interests in Shares.** The interests of the Directors in the Shares as recorded in the register of Directors' shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest ¹		No. of Shares comprised in Outstanding Awards ⁶
	Number of Shares	% ²	Number of Shares	% ²	
Dr. Seek Ngee Huat ³	118,700	0.0025	400,000	0.0085	266,500
Mr. Ming Z. Mei ⁴	43,770,731	0.9339	6,750,000	0.1440	11,001,300
Mr. Steven Lim Kok Hoong	158,700	0.0034	-	-	96,000
Dr. Dipak Chand Jain	158,700	0.0034	-	-	96,000
Mr. Paul Cheng Ming Fun	158,700	0.0034	-	-	96,000
Mr. Fang Fenglei ⁵	-	-	74,325,492	1.5858	96,000
Mr. Yoichiro Furuse	158,700	0.0034	-	-	96,000
Mr. Luciano Lewandowski	79,700	0.0017	-	-	96,000
Mr. Lim Swe Guan	118,700	0.0025	-	-	96,000
Mr. Tham Kui Seng	158,700	0.0034	-	-	96,000

Notes:

- Deemed interests refer to interests determined pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time (the "SFA").
- Based on 4,687,009,190 issued Shares as at the Latest Practicable Date (this is based on 4,844,365,222 Shares in issue as at the Latest Practicable Date and disregarding 157,356,032 Shares held as treasury shares as at the Latest Practicable Date).
- Junestar Capital Limited ("Junestar") and Dreamhouse Holdings Ltd ("Dreamhouse") each holds 200,000 Shares. Dr. Seek Ngee Huat ("Dr. Seek") is deemed interested in the Shares by virtue of Section 4 of the SFA. Dr. Seek and his spouse, Au Yeung Chai Yoke, each owns 50% of the shareholdings in Junestar, while Dreamhouse is solely owned by Dr. Seek. Dr. Seek and his spouse are also the directors of both Junestar and Dreamhouse.
- Mr. Ming Z. Mei's deemed interest in 6,750,000 Shares arises from the 6,750,000 Shares which he has transferred to a counterparty pursuant to a financing transaction, in respect of which he will continue to retain financial exposure subject to certain specified cap and floor levels in respect of up to 6,750,000 Shares. Mr. Mei's direct shareholding interest in 43,770,731 Shares is registered in the name of Citibank Nominees Singapore Pte. Ltd., acting as nominee.
- Mr. Fang Fenglei is one of the directors of the management company which is the general partner of Hopu Logistics Fund L.P. (the "Fund"). The Fund is the sole shareholder of Khangai Company Limited. The directors of such management company could be accustomed to act in accordance with the directions of Mr. Fang. Accordingly, by virtue of Section 4 of the SFA, Mr. Fang is deemed to be interested in 74,278,292 Shares held by Khangai Company Limited (through a nominee) as well as the 47,200 Shares held by Hopu Fund Management Company Limited (formerly known as Hopu Fund II Management Co. Ltd.).
- Awards refer to Shares granted under the GLP Performance Share Plan and/or the GLP Restricted Share Plan.

3.2 **Substantial Shareholders' Interests in Shares.** The interests of the substantial shareholders in the Shares as recorded in the register of substantial shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest ¹		Total Interest	
	Number of Shares	% ²	Number of Shares	% ²	Number of Shares	% ²
Recosia China Pte Ltd ³	885,015,979	18.88	-	-	885,015,979	18.88
Reco Benefit Private Limited ³	845,690,838	18.04	-	-	845,690,838	18.04
Recosia Pte Ltd ³	-	-	1,730,706,817	36.93	1,730,706,817	36.93
GIC (Realty) Private Limited ⁴	-	-	1,730,706,817	36.93	1,730,706,817	36.93
GIC Real Estate Private Limited ⁵	-	-	1,730,706,817	36.93	1,730,706,817	36.93
GIC Private Limited ⁶	-	-	1,730,706,817	36.93	1,730,706,817	36.93
Gaoling Fund, L.P. ⁷	380,534,700	8.12	-	-	380,534,700	8.12
Hillhouse Capital Management Ltd ⁷	-	-	385,005,700	8.21	385,005,700	8.21
Hillhouse Capital Group Limited ⁷	-	-	385,005,700	8.21	385,005,700	8.21
Hillhouse Capital Group Holdings Limited ⁷	-	-	385,005,700	8.21	385,005,700	8.21
Gaoling Feeder, Ltd ⁷	-	-	380,534,700	8.12	380,534,700	8.12
Lei Zhang ⁷	-	-	385,005,700	8.21	385,005,700	8.21
Bank of America Corporation ⁸	-	-	424,588,808	9.06	424,588,808	9.06
NB Holdings Corporation ⁸	-	-	424,588,808	9.06	424,588,808	9.06
Merrill Lynch International Incorporated ⁸	-	-	422,957,845	9.02	422,957,845	9.02

Substantial Shareholders	Direct Interest		Deemed Interest ¹		Total Interest	
	Number of Shares	% ²	Number of Shares	% ²	Number of Shares	% ²
Merrill Lynch Group Holdings I, LLC ⁸	-	-	422,957,845	9.02	422,957,845	9.02
BofAML Jersey Holdings Limited ⁸	-	-	422,957,845	9.02	422,957,845	9.02
BofAML EMEA Holdings 1 Limited ⁸	-	-	422,957,845	9.02	422,957,845	9.02
BofAML EMEA Holdings 2 Limited ⁸	-	-	422,957,845	9.02	422,957,845	9.02
ML UK Capital Holdings ⁸	-	-	422,957,845	9.02	422,957,845	9.02
Merrill Lynch International ⁸	11,328,885	0.24	411,628,960	8.78	422,957,845	9.02
Elliott Capital Advisors, L.P. ⁹	-	-	239,150,000	5.10	239,150,000	5.10
Braxton Associates, Inc. ⁹	-	-	239,150,000	5.10	239,150,000	5.10
Elliott Asset Management LLC ⁹	-	-	239,150,000	5.10	239,150,000	5.10
Paul Elliott Singer ⁹	-	-	239,150,000	5.10	239,150,000	5.10

Notes:

1 Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

2 Based on 4,687,009,190 issued Shares as at the Latest Practicable Date (this is based on 4,844,365,222 Shares in issue as at the Latest Practicable Date and disregarding 157,356,032 Shares held as treasury shares as at the Latest Practicable Date).

3 Recosia China Pte Ltd and Reco Benefit Private Limited are wholly owned subsidiaries of Recosia Pte Ltd ("**Recosia**"). All Shares are registered in the name of DBS Nominees (Private) Limited.

4 GIC (Realty) Private Limited ("**GIC Realty**") is the holding company of Recosia. Accordingly, by virtue of Section 4 of the SFA, GIC Realty is deemed to be interested in all the Shares in which Recosia and its subsidiaries have an interest in.

5 GIC Real Estate Private Limited ("**GIC Real Estate**") manages the real estate investments which are held by GIC Realty, the holding company of Recosia. Accordingly, by virtue of Section 4 of the SFA, GIC Real Estate is deemed to be interested in all the Shares in which GIC Realty and its subsidiaries have an interest in.

6 GIC Real Estate is a wholly owned subsidiary of GIC Private Limited ("**GIC**"). Accordingly, by virtue of Section 4 of the SFA, GIC is deemed to be interested in the Shares that GIC Real Estate has an interest in.

7 Hillhouse Capital Management, Ltd. ("**Hillhouse**") is the sole management company of Gaoling Fund, L.P. ("**Gaoling**") and the sole general partner of YHG Investment, L.P. ("**YHG**").

Gaoling Feeder, Ltd. ("**Gaoling Feeder**") holds not less than 20% of the voting rights of Gaoling. Hillhouse Capital Group Limited ("**Hillhouse Group**") holds more than 50% of the voting rights of Hillhouse. Hillhouse Capital Group Holdings Limited ("**Hillhouse Holdings**") holds more than 50% of the voting rights of Hillhouse Group. Mr. Lei Zhang holds more than 50% of the voting rights of Hillhouse Holdings. Accordingly, each of Gaoling Feeder, Hillhouse, Hillhouse Group, Hillhouse Holdings and Mr. Lei Zhang may be deemed to have an interest in the Shares held by Gaoling. In addition, each of Hillhouse, Hillhouse Group, Hillhouse Holdings and Mr. Lei Zhang may be deemed to have an interest in the Shares held by YHG.

8 Based on confirmation from Merrill Lynch received by the Company.

Bank of America Corporation is the controlling shareholder of NB Holdings Corporation, and by virtue of this, has a deemed interest in the shares of the listed company that NB Holdings Corporation has an interest in.

NB Holdings Corporation is the controlling shareholder of Merrill Lynch International Incorporated and various other group entities, and by virtue of this, has a deemed interest in the shares of the listed company that these other group entities and Merrill Lynch International Incorporated have an interest in.

Merrill Lynch International Incorporated is the controlling shareholder of Merrill Lynch Group Holdings I, LLC, and by virtue of this, has a deemed interest in the shares of the listed company that Merrill Lynch Group Holdings I, LLC has an interest in.

Merrill Lynch Group Holdings I, LLC is the controlling shareholder of BofAML Jersey Holdings Limited, and by virtue of this, has a deemed interest in the shares of the listed company that BofAML Jersey Holdings Limited has an interest in.

BofAML Jersey Holdings Limited is the controlling shareholder of BofAML EMEA Holdings 1 Limited, and by virtue of this, has a deemed interest in the shares of the listed company that BofAML EMEA Holdings 1 Limited has an interest in.

BofAML EMEA Holdings 1 Limited is the controlling shareholder of BofAML EMEA Holdings 2 Limited, and by virtue of this, has a deemed interest in the shares of the listed company that BofAML EMEA Holdings 2 Limited has an interest in.

BofAML EMEA Holdings 2 Limited is the controlling shareholder of ML UK Capital Holdings, and by virtue of this, has a deemed interest in the shares of the listed company that ML UK Capital Holdings has an interest in.

ML UK Capital Holdings is the controlling shareholder of Merrill Lynch International, and by virtue of this, has a deemed interest in the shares of the listed company that Merrill Lynch International has an interest in.

Merrill Lynch International has a deemed interest in 411,628,960 Shares as it has the ability to exercise rights of use in relation to, and to dispose of, those Shares as part of its international prime brokerage business.

9 As at 15 May 2017, each of The Liverpool Limited Partnership ("**Liverpool L.P.**"), Elliott Associates, L.P. ("**Elliott Associates**") and Elliott International, L.P. ("**Elliott International**") has an interest in 30,825,184, 15,097,216 and 193,227,600 Shares representing 0.66%, 0.32% and 4.12% of the issued Shares in the Company, respectively.

Liverpool L.P. acts in accordance with the instructions of its sole general partner, Liverpool Associates, Ltd., which in turn is a wholly-owned subsidiary of Elliott Associates.

Elliott Associates acts in accordance with the instructions of its general partners, Paul Elliott Singer ("**Paul Singer**"), Elliott Special GP, LLC ("**Elliott Special GP**") and Elliott Capital Advisors, L.P. ("**Elliott Capital Advisors**").

Elliott International acts in accordance with the instructions of its sole general partner, Hambledon Inc., whose majority controlling shareholder is Elliott Capital Advisors. Elliott International has appointed Elliott International Capital Advisors Inc. ("**EICA**") as its investment manager and EICA has the authority to dispose of, or to exercise control over the disposal, the shares held by Elliott International.

Elliott Special GP acts in accordance with the instructions of its managing members, Paul Singer and Elliott Capital Advisors.

Elliott Capital Advisors acts in accordance with the instructions of its general partners, Paul Singer, Braxton Associates, Inc. ("**Braxton**") and Elliott Asset Management LLC ("**Elliott AM**").

Paul Singer is the majority controlling shareholder of Braxton and EICA and is the managing member of Elliott AM.

Accordingly, by virtue of Section 4 of the SFA:

- (i) each of Paul Singer, Braxton, Elliott AM, Elliott Capital Advisors and Elliott Special GP are deemed to have an interest in the shares held by Elliott Associates;
- (ii) each of Paul Singer, Braxton, Elliott AM, Elliott Capital Advisors, Elliott Special GP, Elliott Associates and Liverpool Associates, Ltd. are deemed to have an interest in the shares held by Liverpool L.P.; and
- (iii) each of Paul Singer, Braxton, Elliott AM, Elliott Capital Advisors, Hambledon Inc., and EICA are deemed to have an interest in the shares held by Elliott International.

4. DIRECTORS' RECOMMENDATIONS

Proposed Renewal of the Share Purchase Mandate. The Directors, having carefully considered the terms and rationale of the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 8, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2017 AGM.

5. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this letter up to the date of the 2017 AGM:

- (a) the annual report of the Company for the financial year ended 31 March 2017; and
- (b) the Constitution of the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Share Purchase Mandate, and the Company and its subsidiaries which are relevant to the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Yours faithfully
for and on behalf of the
Board of Directors of
Global Logistic Properties Limited

Ming Z. Mei
Chief Executive Officer
and Executive Director

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