

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set out in this Appendix II does not form part of the “Accountant’s Report” from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section entitled “Financial Information” in this prospectus and the “Accountant’s Report” set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative and unaudited pro forma statement of adjusted net tangible assets of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the conversion of the Convertible Notes, Redeemable Convertible Deemed Preferred Share and Redeemable Convertible Ordinary Shares and the Global Offering as if it had taken place on December 31, 2015 and based on the audited consolidated net tangible assets attributable to equity holders of our Company as of December 31, 2015 as shown in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus, an adjusted as described below.

This unaudited pro forma adjusted net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the conversion of the Convertible Notes, Redeemable Convertible Deemed Preferred Share and Redeemable Convertible Ordinary Shares and the Global Offering been completed as at December 31, 2015 or at any future date.

	Audited Consolidated Net Tangible Assets of the Group Attributable to Owners of the Company as at December 31, 2015	Estimated Net Proceeds from the Global Offering	Estimated Impact to the Net assets upon the Conversion of the Convertible Notes, Redeemable Convertible Deemed Preferred Shares, and redeemable convertible ordinary Shares	Unaudited Pro Forma Adjusted Net Tangible Assets Attributable to Owners of the Company	Unaudited Pro Forma Adjusted Net Tangible Assets per Ordinary Share	
	Note 1 RMB’000	Note 2 RMB’000	Note 3 RMB’000	RMB’000	Note 4 RMB	Note 4 HK\$
Based on an Offer Price of HK\$3.25 per share	1,984,299	2,735,945	3,229,356	7,949,600	2.76	3.28
Based on an Offer Price of HK\$2.55 per share	1,984,299	2,141,489	3,229,356	7,355,144	2.41	2.86

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Notes:

- (1) *The audited consolidated net tangible assets attributable to the owners of the Company as at December 31, 2015 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company as at December 31, 2015 of RMB1,984,434,000 with an adjustment for the intangible assets as at December 31, 2015 of RMB135,000.*
- (2) *The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$3.25 and HK\$2.55 per Share after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB18,314,000 which have been accounted for in the consolidated statement of comprehensive income prior to December 31, 2015) payable by the Company.*
- (3) *Adjustments have been made to reflect the estimated impact to the net tangible assets upon the Global Offering of the conversion of the Convertible Notes, Redeemable Convertible Deemed Preferred Share and Redeemable Convertible Ordinary Shares:*

Convertible Notes

Upon the Global Offering, the entire outstanding amount of the Convertible Notes plus the accrued and unpaid interest thereon will be converted into ordinary shares of the Company, under which the carrying amounts of the Convertible Notes recorded as a liability of the Company will be transferred to the Company's equity.

Redeemable Convertible Deemed Preferred Share

Upon the Global Offering, the HK\$ equivalent of US\$120,000,000 of Redeemable Convertible Deemed Preferred Shares will be settled by issuing ordinary shares of the Company, under which the carrying amounts of the HK\$ equivalent of US\$120,000,000 recorded as a liability of the Company will be transferred to the Company's equity. The portion of Redeemable Convertible Deemed Preferred Shares to be settled by issuance of ordinary shares have been predetermined as set out in the sale and purchase agreement entered into between Carlyle and the Company on February 28, 2016. The remaining carrying amounts of the Redeemable Convertible Deemed Preferred Share will be repaid in cash upon the Global Offering. For illustrative purpose, the portion of Redeemable Convertible Deemed Preferred Shares to be settled by issuance of ordinary shares are converted from U.S. dollar into Renminbi at a rate of US\$1.00 to RMB6.5452.

Redeemable Convertible Ordinary Shares

Upon the Global Offering, the entire outstanding amount of the Redeemable Convertible Ordinary Shares plus the accrued and unpaid interest thereon will be converted into ordinary shares of the Company, under which the carrying amounts of the Redeemable Convertible Ordinary Shares recorded as a liability of the Company will be transferred to the Company's equity.

- (4) *The unaudited pro forma adjusted net tangible assets per Share is arrived after adjustments referred to in the preceding paragraphs and on the basis that 2,881,563,000 Shares or 3,058,043,000 Shares were in issue based on an Offer Price of HK\$3.25 per Share or HK\$2.55 per Share respectively, assuming that the Subdivision of Shares and the Global Offering have been completed on December 31, 2015, but takes no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any Shares which may be allotted, issued or repurchased by the Company pursuant to the general mandate.*
- (5) *Save as aforesaid no adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2015.*
- (6) *For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balance stated in Renminbi are converted into Hong Kong dollars at a rate of RMB1.00 to HK\$1.1878. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.*

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The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of China Logistics Property Holdings Co., Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Logistics Property Holdings Co., Ltd (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at December 31, 2015, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated June 30, 2016, in connection with the proposed initial public offering of the shares of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at December 31, 2015 as if the proposed initial public offering had taken place at December 31, 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial information for the period ended December 31, 2015, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at December 31, 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, June 30, 2016