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# **China Logistics Property Holdings Co., Ltd** **中國物流資產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1589)**

**Sole Placing Agent**



## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 9 June 2021, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent of the Company, to procure, on a best effort basis, places to subscribe for an aggregate of 220,000,000 new Shares at the Placing Price upon the terms and conditions set out in the Placing Agreement.

The Placing Shares represent approximately 6.76% of the issued share capital of the Company as at the date of this announcement and approximately 6.33% of the Company's issued share capital as enlarged by the issue of the Placing Shares (assuming there will be no change in the issued share capital of the Company between the date of this announcement and closing of the Placing, other than the issue of the Placing Shares).

The Placing Shares will be allotted and issued under the General Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

**As closing of the Placing is subject to the fulfilment of certain conditions precedent and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

On 9 June 2021, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent of the Company, to procure, on a best effort basis, places to subscribe for an aggregate of 220,000,000 new Shares at the Placing Price upon the terms and conditions set out in the Placing Agreement.

## **THE PLACING AGREEMENT**

### **Date**

9 June 2021

### **Parties**

- (1) the Company as the issuer; and
- (2) Citigroup Global Markets Limited as the Placing Agent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is independent of, and not connected with, the Company and connected persons of the Company.

### **The Placing**

The Company agreed to appoint the Placing Agent, and the Placing Agent, agreed to act as placing agent of the Company, and to procure, on a best effort basis, places to subscribe for an aggregate of 220,000,000 Shares at a price of HK\$3.54 per Share.

### **Number of Placing Shares**

The Placing Shares comprise 220,000,000 new Shares to be allotted and issued by the Company having an aggregate nominal value of US\$13,750 and represent:

- (i) approximately 6.76% of the issued share capital of the Company as at the date of this announcement; and

- (ii) approximately 6.33% of the Company's issued share capital as enlarged by the issue of the Placing Shares (assuming there will be no change in the issued share capital of the Company between the date of this announcement and closing of the Placing, other than the issue of the Placing Shares).

### **Placing Price**

The Placing Price of HK\$3.54 per Placing Share represents:

- (1) a discount of approximately 18.24% to the closing price of HK\$4.33 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 16.11% to the average closing price of approximately HK\$4.22 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and
- (3) a discount of approximately 16.11% to the average closing price of approximately HK\$4.22 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The Placing Price of HK\$3.54 per Placing Share was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market condition and the recent closing prices per Share. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Rights of the Placing Shares**

The Placing Shares will, on allotment and issue, rank *pari passu* in all respects with other existing Shares upon issuance free from all pledges, liens and encumbrances, equities, security interests or other claims, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares.

### **Independence of the Placees**

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six placees, who, together with their respective ultimate beneficial owners, are third parties independent of, not acting in concert and not connected with the Company or its connected persons. It is not expected that any placee will become a substantial shareholder of the Company immediately upon closing of the Placing.

## Closing of the Placing

The closing of the Placing shall take place on the Closing Date.

## Conditions of the Placing

Closing of the Placing is conditional upon the fulfilment of the following conditions:

- (i) before the Closing, there shall not have occurred:
  - a. any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
  - b. any suspension or limitation of trading (x) in any of the Company's securities by the Stock Exchange (save and except for any trading halt in relation to the Placing), or (y) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
  - c. any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States or the United Kingdom (together, the "**Relevant Jurisdictions**") of a national emergency or war or other calamity or crisis; or
  - d. any material disruption in commercial banking or securities settlement or clearance services in the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in the Relevant Jurisdictions; or
  - e. any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in the Relevant Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,  
  
that, in the sole judgment of the Placing Agent, would make the Placing impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;
- (ii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- (iii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date;

- (iv) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked); and
- (v) the Placing Agent having received the legal opinions as required by the Placing Agent.

In the event that (a) any of the events set out in condition (i) above occurs at any time between the date of the Placing Agreement and the Closing Date, or (b) the Company does not deliver the Placing Shares on the Closing Date, or (c) any of the conditions set out in conditions (ii) to (v) has not been satisfied or waived in writing on the dates specified therein, the Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement forthwith.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

### **Lock-up Undertakings**

The Company has undertaken to the Placing Agent that the Company shall not, without the prior written consent of the Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to (a) the issue of the Placing Shares under the Placing Agreement, (b) the issue of the Hong Kong dollar denominated convertible bonds in the principal amount of HK\$1,109,000,000 at the rate of 6.95% due 2024 (the “**2019 Convertible Bonds**”) and the issue of the Hong Kong dollar denominated convertible bonds in the principal amount of HK\$775,050,000 at the rate of 6.95% due 2025 (the “**2020 Convertible Bonds**”, together with the 2019 Convertible Bonds, the “**Convertible Bonds**”) in accordance with their terms and conditions, and the issue of new Shares pursuant to the conversion of the Convertible Bonds, (c) the issue of new Shares pursuant to the exercise of options which have been or may be granted under the pre-IPO share option scheme adopted by the Company on 10 March 2016, or (d) the issue of new Shares pursuant to the share award scheme adopted by the Company on 30 March 2020.

### **General mandate to allot and issue the Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate, pursuant to which the Directors are authorised to allot and issue up to 647,052,999 new Shares, representing 20% of the number of issued Shares as at 29 June 2020.

Since the grant of the General Mandate on 29 June 2020 and up to the date of this announcement, the Directors have not exercised their power to allot and issue any new Shares pursuant to such General Mandate. Accordingly, the allotment and issue of the Placing Shares will not be subject to any further approval by the Shareholders.

## USE OF PROCEEDS

The gross proceeds from the Placing are expected to be approximately HK\$779 million. The net proceeds from the Placing are estimated to be approximately HK\$767 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses, representing a net issue price of approximately HK\$3.49 per Placing Share. The Company intends to use the net proceeds from the Placing amounted to (i) approximately 50% of the net proceeds for its investments and acquisitions in land, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone; (ii) approximately 40% of the net proceeds for the construction and development of warehousing facilities in the Group's projects under development; and (iii) approximately 10% of the net proceeds for general working capital of the Group.

As at the date of this announcement, (a) the Company has not identified any specific investment or acquisition targets; (b) no agreement has been entered by the Group in respect of any such investments or acquisitions. The Company will make announcement(s) in respect of any such investment(s) or acquisition(s) in compliance with the requirements of the Listing Rules where appropriate.

## REASONS FOR AND BENEFITS OF THE PLACING

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company. The Group is principally engaged in the leasing of storage facilities and the related management services in the PRC.

The Placing is being undertaken to supplement the Group's long-term funding of its expansion plan and growth strategies. The Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement, including the Placing Price, are fair and reasonable and believe that the Placing is in the best interests of the Company and the Shareholders as a whole.

**As completion of the Placing is subject to the fulfilment of certain conditions precedent and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after closing of the Placing will be as follows:

Shareholder	As at the date of this announcement		Immediately after closing of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Li Shifa (Note 1)	916,488,000	28.16%	916,488,000	26.38%
RRJ Capital Master Fund II, L.P. (Note 2)	759,934,000	23.35%	759,934,000	21.87%
ESR Cayman Limited (Note 3)	612,235,000	18.81%	612,235,000	17.62%
Places	—	—	220,000,000	6.33%
Other public Shareholders	965,626,058	29.68%	965,626,058	27.80%
<b>Total</b>	<b>3,254,283,058</b>	<b>100.00%</b>	<b>3,474,283,058</b>	<b>100.00%</b>

Notes:

- (1) Mr. Li Shifa, who is the chairman and an executive Director of the Company, holds the entire issued share capital of Lee International Investment Management Co., Ltd, which in turn holds 90% interest in Yupei International Investment Management Co., Ltd. Ms. Ma Xiaocui is the wife of Mr. Li Shifa and is deemed to be interested in the Shares which are interested by Mr. Li Shifa under the Securities and Futures Ordinance.
- (2) RRJ Capital Master Fund II, L.P. holds the entire issued share capital of Berkeley Asset Holding Ltd, which holds 747,524,000 shares of the Company and 184,639,498 shares underlying the Company's convertible bonds listed on the Stock Exchange in long position and 208,749,000 shares underlying the Company's unlisted physically settled derivatives in short position. RRJ Capital Master Fund II, L.P. also holds the entire issued share capital of Travis Asset Holding Ltd, which in turn holds the entire issued share capital of Sherlock Asset Holding Ltd, which holds 12,410,000 shares of the Company in long position. Accordingly, RRJ Capital Master Fund II, L.P. is deemed to be interested in 747,524,000 shares and 184,639,498 underlying shares in long position and 208,749,000 underlying shares in short position held by Berkeley Asset Holding Ltd, and each of RRJ Capital Master Fund II, L.P. and Travis Asset Holding Ltd is deemed to be interested in the 12,410,000 shares in long position held by Sherlock Asset Holding Ltd.
- (3) ESR Cayman Limited holds the entire issued share capital of ESR HK Management Limited, which holds 559,228,000 Shares. ESR Cayman Limited holds 53,007,000 Shares. As a result, ESR Cayman Limited is a beneficial owner as to 53,007,000 Shares and is deemed to be interested in 559,228,000 Shares held by ESR HK Management Limited.

The Directors confirm that, immediately after closing of the Placing, the public float of the Company will be no less than 25% of the Company's issued share capital as enlarged by the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the issue of the Placing Shares).

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed in this announcement and apart from the equity fund-raising activity mentioned below, the Company has not conducted any fund-raising activity involving issuing equity securities during the 12 months immediately before the date of this announcement.

Date of announcements/ circular	Event	Amount of net proceeds	Intended use of net proceeds	Actual use of net proceeds as of 31 May 2021	Timeframe for unused balance
The announcements of the Company dated 29 June 2020, 7 July 2020, 31 July 2020, 14 August 2020, 19 November 2020 and 23 November 2020, and the circular of the Company dated 27 July 2020	Issue of HK\$775,050,000 6.95% convertible bonds due 2025	US\$97,000,000	(i) Approximately US\$90 million will be used for the repayment in full of the outstanding principal amount and accrued interests of the November 2020 Notes; and  (ii) Approximately US\$7 million will be used for the Company's general corporate purposes, such as development of new projects	(i) Approximately US\$90 million was used for the repayment in full of the outstanding principal amount and accrued interests of the November 2020 Notes; and  (ii) Approximately US\$7 million was used for the Company's general corporate purposes including development of new projects	Not applicable



## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Closing Date”	the second business day immediately upon which the conditions referred to under “Conditions of the Placing” is fulfilled or waived but in any event no later than five business days after the date of the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing
“Company”	China Logistics Property Holdings Co., Ltd, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 29 June 2020 to issue a maximum of 647,052,999 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	8 June 2021, being the last trading day prior to the signing of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“November 2020 Notes”	the U.S. dollar-denominated senior secured notes due 30 November 2020 issued by the Company in the outstanding principal amount of US\$84,000,000
“Placing”	the placing of an aggregate of 220,000,000 new Shares by the Placing Agent under the Placing Agreement
“Placing Agent”	Citigroup Global Markets Limited
“Placing Agreement”	the placing agreement entered into among the Company and the Placing Agent in relation to the Placing on 9 June 2021

“Placing Price”	HK\$3.54 per Placing Share
“Placing Shares”	an aggregate of 220,000,000 Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of US\$0.0000625 each in the capital of the Company
“Shareholders”	holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

*In this announcement, the terms “associate”, “connected person”, “controlling shareholder” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

By Order of the Board  
**China Logistics Property Holdings Co., Ltd**  
**Li Shifa**  
*Chairman*

Hong Kong, 9 June 2021

*As at the date of this announcement, Mr. Li Shifa, Mr. Wu Guolin, Ms. Li Huifang, Ms. Shi Lianghua, Mr. Xie Xiangdong and Mr. Wu Guozhou are the executive directors, Ms. Li Qing and Mr. Fu Bing are the non-executive directors, and Mr. Guo Jingbin, Mr. Fung Ching Simon, Mr. Wang Tianye, Mr. Leung Chi Ching Frederick and Mr. Chen Yaomin are the independent non-executive directors of the Company.*