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京东智能产业发展
JD Property

**JD PROPERTY
GROUP CORPORATION**

(Incorporated in the Cayman Islands with limited liability)



中国物流资产 CHINA LOGISTICS
PROPERTY HOLDINGS

**CHINA LOGISTICS PROPERTY
HOLDINGS CO., LTD**

*(Incorporated in the Cayman Islands with
limited liability)*
(Stock Code: 1589)

JOINT ANNOUNCEMENT

(1) SALE AND PURCHASE AGREEMENT

**(2) POSSIBLE MANDATORY CONDITIONAL CASH OFFERS BY
MERRILL LYNCH (ASIA PACIFIC) LIMITED
FOR AND ON BEHALF OF
JD PROPERTY GROUP CORPORATION
TO ACQUIRE ALL THE ISSUED SHARES AND ALL THE OUTSTANDING
CONVERTIBLE BONDS OF
CHINA LOGISTICS PROPERTY HOLDINGS CO., LTD
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
JD PROPERTY GROUP CORPORATION
AND/OR PARTIES ACTING IN CONCERT WITH IT)**

AND

**(3) RESUMPTION OF TRADING IN THE SHARES AND DEBT SECURITIES OF
CHINA LOGISTICS PROPERTY HOLDINGS CO., LTD**

Financial Adviser to JD Property Group Corporation

BofA SECURITIES 

**Financial Adviser to
Yupei International Investment Management Co., Ltd**

 **UBS**

THE SALE AND PURCHASE AGREEMENT

The Company was informed by Mr. Li (the Chairman and an executive Director) that on 1 September 2021 (after trading hours), the Offeror entered into the Sale and Purchase Agreement with Mr. Li and Yupei International, pursuant to which Yupei International has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, 916,488,000 Shares (being all the Shares in which Yupei International has a beneficial interest) at the purchase price of HK\$4.35 per Sale Share, for a total cash consideration of HK\$3,986,722,800. The Sale Shares represent approximately 26.38% of the issued share capital of the Company as at the date of this joint announcement.

Completion of the acquisition of the Sale Shares under the Sale and Purchase Agreement is conditional upon the fulfilment or, where applicable, waiver of the Conditions described in the section headed “*Conditions of the Sale and Purchase Agreement*” of this joint announcement.

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 369,523,999 Shares, representing approximately 10.64% of the issued share capital of the Company. Upon Completion, the Offeror and parties acting in concert with it will become interested in 1,286,011,999 Shares, representing approximately 37.02% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will then be required to make the Share Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it). The Offeror will also be required to make the Convertible Bond Offer to acquire all the outstanding Convertible Bonds (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

The Share Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Convertible Bond Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. All references to the Offers in this joint announcement are references to the possible Offers which will be made if and only if Completion takes place.

The Share Offer

Subject to and upon Completion, the Share Offer will be made by BofA Securities for and on behalf of the Offeror on the following basis:

For each Offer Share HK\$4.35 in cash

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any dividends or other distributions the record date of which

is before the Unconditional Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

The Offeror will not increase the offer price under the Share Offer and does not reserve the right to do so. Shareholders, Convertible Bond Holders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the offer price under the Share Offer.

The Convertible Bond Offer

The conversion prices of the 2024 Convertible Bonds and the 2025 Convertible Bonds are subject to adjustment as a result of a “Change of Control” (as defined in the terms and conditions of the Convertible Bonds) of the Company. The “Change of Control” of the Company will take place upon Completion. As at the date of this joint announcement, it is uncertain when the “Change of Control” of the Company will take place as Completion is conditional upon the fulfilment or, where applicable, waiver of the Conditions. For illustrative purpose, in calculating the number of Shares the outstanding Convertible Bonds can be converted into for the purpose of calculating the offer price under the Convertible Bond Offer included in this joint announcement, it is assumed that the “Change of Control” of the Company takes place on the date of this joint announcement. **In accordance with Practice Note 6 to the Takeovers Code, the offer prices under the Convertible Bond Offer represent the “see-through” prices based on the offer price under the Share Offer. The offer prices under the Convertible Bond Offer set out in this joint announcement are for illustrative purpose only and may be subject to change. Convertible Bond Holders and/or potential investors of the Company should therefore exercise caution when dealing in the Convertible Bonds or exercising other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

Subject to and upon Completion, the Convertible Bond Offer will be made by BofA Securities for and on behalf of the Offeror on the following basis:

2024 Convertible Bonds

**For every HK\$1,000,000 face value
of the 2024 Convertible Bonds.....HK\$1,459,729.50* in cash
based on a conversion price of HK\$2.98 assuming that the “Change of Control” (as
defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the
date of this joint announcement**

2025 Convertible Bonds

**For every HK\$1,000,000 face value
of the 2025 Convertible Bonds.....HK\$1,412,336.25* in cash
based on a conversion price of HK\$3.08 assuming that the “Change of Control” (as
defined in the terms and conditions of the 2025 Convertible Bonds) takes place on the
date of this joint announcement and not taking into account the Conversion Price
Reset. For further information, please refer to the section headed “*POSSIBLE***

MANDATORY CONDITIONAL CASH OFFERS - The Convertible Bond Offer” of this joint announcement

****For illustrative purpose only and subject to change, depending on the date of Completion and in respect of the 2025 Convertible Bonds, whether the Conversion Price Reset has been triggered***

The Convertible Bonds to be acquired under the Convertible Bond Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive in full all interests, dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any interests, dividends or other distributions the record date of which is before the Unconditional Date will be paid by the Company to the Convertible Bond Holders who are qualified for such interests, dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

CONFIRMATION OF FINANCIAL RESOURCES

As at the date of this joint announcement, the Company has 3,474,283,058 Shares in issue. Save for (i) the 2024 Convertible Bonds with an aggregate outstanding principal amount of HK\$1,063,000,000 convertible into a maximum of 356,711,409 Shares at the adjusted conversion price of HK\$2.98 per Share (assuming that the “Change of Control” (as defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the date of this joint announcement) and (ii) the 2025 Convertible Bonds with an aggregate outstanding principal amount of HK\$775,050,000 convertible into a maximum of 307,559,523 Shares (assuming that the conversion price for the 2025 Convertible Bonds will be reset to the Floor Conversion Price, being HK\$2.52 per Share), the Company has no other relevant securities in issue as at the date of this joint announcement.

Assuming that all the Convertible Bonds are converted based on the applicable conversion prices set out in the immediately preceding paragraph and that the Share Offer is accepted in full, the maximum cash consideration for the Offers and the Sale and Purchase Agreement will be approximately HK\$16,395,280,462.

Pursuant to the terms and conditions of the 2025 Convertible Bonds, the conversion price of the 2025 Convertible Bonds may be reset on 26 June 2022. As at the date of this joint announcement, it is uncertain whether the Conversion Price Reset mechanism will be triggered before the Closing Date and if triggered, what the reset price will be, although in the event of a “Change of Control” prior to the Conversion Price Reset on 26 June 2022, the new conversion price shall not be below HK\$2.90, subject to other adjustments. Accordingly, for illustrative purpose, the Floor Conversion Price of HK\$2.52 is used in calculating the number of Shares the outstanding 2025 Convertible Bonds can be converted into.

The Offeror intends to finance the consideration payable by the Offeror under the Offers and the Sale and Purchase Agreement with its internal financial resources. BofA Securities, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial

resources are available to the Offeror to satisfy the consideration under the Sale and Purchase Agreement and the full acceptance of the Offers.

Shareholders, Convertible Bond Holders and/or potential investors of the Company should note that the Offers will only be made if Completion takes place. Completion is conditional upon the fulfilment or, where applicable, waiver of the Conditions. Accordingly, Completion may or may not take place and the Offers may or may not be made. Shareholders, Convertible Bond Holders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares and/or the Convertible Bonds or exercising other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

IRREVOCABLE UNDERTAKINGS

RRJ Irrevocable Undertaking

As at the date of this joint announcement, the RRJ Covenantors are interested in (i) an aggregate of 762,222,000 Shares, representing approximately 21.94% of the issued share capital of the Company, and (ii) 2024 Convertible Bonds in the aggregate outstanding principal amount of HK\$589,000,000, representing approximately 55.41% of the total outstanding principal amount of the 2024 Convertible Bonds.

On 2 September 2021, the RRJ Covenantors have given the RRJ Irrevocable Undertaking in favour of the Offeror, pursuant to which each of the RRJ Covenantors has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer and the Convertible Bond Offer before 1:00 p.m. on the third business day immediately after the despatch of the Composite Document in respect of all the Shares and the 2024 Convertible Bonds held by it.

The RRJ Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) by the written consent of the RRJ Covenantors and the Offeror; or (c) if this joint announcement is not published within five (5) business days after the date of the RRJ Irrevocable Undertaking, whichever is the earliest.

Joy Orient Irrevocable Undertaking

As at the date of this joint announcement, Joy Orient is interested in 114,642,000 Shares, representing approximately 3.30% of the issued share capital of the Company.

On 2 September 2021, Joy Orient has given the Joy Orient Irrevocable Undertaking in favour of the Offeror, pursuant to which Joy Orient has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer before 1:00 p.m. on the fifth business day immediately after the despatch of the Composite Document in respect of all the Shares held by it.

The Joy Orient Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) if the Offers do not become unconditional by 31 March 2022; or (c) by the written consent of Joy Orient and the Offeror, whichever is the earliest.

Dajia Baoxian Irrevocable Undertaking

As at the date of this joint announcement, Dajia Baoxian is interested in 143,726,000 Shares, representing approximately 4.14% of the issued share capital of the Company.

On 3 September 2021, Dajia Baoxian has given the Dajia Baoxian Irrevocable Undertaking in favour of the Offeror, pursuant to which Dajia Baoxian has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer before 1:00 p.m. on the seventh business day immediately after the despatch of the Composite Document in respect of all the Shares held by it.

The Dajia Baoxian Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) if the Offers do not become unconditional by 31 March 2022; or (c) by the written consent of Dajia Baoxian and the Offeror, whichever is the earliest.

COMPULSORY ACQUISITION AND LISTING STATUS OF THE COMPANY

Pursuant to Section 88 of the Companies Act and Rule 2.11 of the Takeovers Code, if the Offeror, within four (4) months of the posting of the Composite Document, has received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares, the Offeror will privatise the Company by exercising its right to compulsorily acquire those Offer Shares not already acquired by the Offeror under the Share Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established for the purpose of advising the Shareholders and the Convertible Bond Holders in respect of the Offers (if they are made).

Mr. Guo Jingbin, Mr. Fung Ching Simon, Mr. Wang Tianye, Mr. Leung Chi Ching Frederick and Mr. Chen Yaomin, being all the independent non-executive Directors and the non-executive Directors other than Ms. Li Qing and Mr. Fu Bing, are the members of the Independent Board Committee. As Ms. Li Qing, a non-executive Director, is the daughter of Mr. Li, Ms. Li Qing is excluded from the Independent Board Committee. As Mr. Fu Bing, a non-executive Director, is also the vice-president of JD and head of logistics strategy and innovative business department of JD Logistics Group, the logistics arm of JD, Mr. Fu Bing is excluded from the Independent Board Committee.

An independent financial adviser will be appointed to advise the Shareholders and the Convertible Bond Holders in respect of the Offers (if they are made). Further announcement will be made upon the appointment of the independent financial adviser.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the debt securities of the Company (namely 2024 Convertible Bonds and the senior notes with stock code 40004) on the Stock Exchange has been halted with effect from 9:00 a.m. on 2 September 2021 pending the release of this joint announcement.

Application has been made by the Company for the resumption of trading in the Shares and the debt securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 6 September 2021.

Notice to US investors in the Company

The Offers relate to all the issued Shares and all the outstanding Convertible Bonds of a Cayman Islands company and are being made by means of mandatory conditional cash offers provided for under the Companies Act and the Takeovers Code. A transaction effected by means of mandatory conditional cash offers is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, the “US Exchange Act”). Accordingly, the Offers are subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to mandatory conditional cash offers which differ from the disclosure requirements of US tender offer and proxy solicitation rules. Consistent with Rule 14e-5 under the US Exchange Act, the Offeror, BofA Securities (on behalf of the Offeror) and/or certain affiliated companies or nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Shares and/or Convertible Bonds outside such offer during the period in which such offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the US either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act and the Takeovers Code. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent required to be publicly disclosed under the Takeovers Code, will be available on the website of the SFC at <http://www.sfc.hk/> and the website of the Stock Exchange at <https://www.hkexnews.hk/>.

Financial information included in this joint announcement has been prepared in accordance with International Financial Reporting Standards, that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

The receipt of consideration by a US holder or beneficial owner for the transfer of its Shares or Convertible Bonds pursuant to the Offers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Any holder or beneficial owner of Shares or Convertible Bonds is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offers applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders of Shares or Convertible Bonds to enforce their rights and any claim arising out of the US federal laws, since the Offeror and the Company are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of the Shares or Convertible Bonds may not be able to sue a

non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

INTRODUCTION

Reference is made to the Rule 3.7 Announcement.

The Company was informed by Mr. Li (the Chairman and an executive Director) that on 1 September 2021 (after trading hours), the Offeror entered into the Sale and Purchase Agreement with Mr. Li and Yupei International, pursuant to which Yupei International has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, 916,488,000 Shares (being all the Shares in which Yupei International has a beneficial interest) at the purchase price of HK\$4.35 per Sale Share, for a total cash consideration of HK\$3,986,722,800. The Sale Shares represent approximately 26.38% of the issued share capital of the Company as at the date of this joint announcement.

THE SALE AND PURCHASE AGREEMENT

Date

1 September 2021 (after trading hours)

Parties

- (i) Yupei International;
- (ii) Mr. Li; and
- (iii) the Offeror

Yupei International is 90% owned by Lee International Investment Management Co., Ltd, which in turn is wholly-owned by Mr. Li. Mr. Li is the Chairman of the Board, an executive Director and the founder of the Group. The remaining 10% of Yupei International is owned by Lee Asset Management Co., Ltd, which is in turn wholly-owned by Ms. MA Xiaocui, being the spouse of Mr. Li. UBS acts as the financial adviser to Yupei International in respect of the transactions contemplated under the Sale and Purchase Agreement.

Sale and Purchase of the Sale Shares

On and subject to the terms of the Sale and Purchase Agreement, Yupei International has agreed to sell, and the Offeror has agreed to acquire, 916,488,000 Shares, representing approximately 26.38% of the issued share capital of the Company as at the date of this joint announcement, free from all encumbrances and from all other rights exercisable by or claims by third parties as at Completion and together with all rights attaching or accruing to them as at Completion (including all dividends and distributions declared, paid, made or accruing in respect of the Sale Shares on or after the date of Completion).

Yupei International shall (if applicable) procure the irrevocable and unconditional waiver of all rights over, or in connection with, any of the Sale Shares (including any right of pre-emption, first refusal or other restriction on transfer in respect of the Sale Shares conferred on

any person) before Completion. The Offeror shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

Immediately after Completion, Yupei International and Mr. Li will cease to hold any interest in Shares in the Company.

Consideration for the Sale Shares

The consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$3,986,722,800 to be paid in cash, representing a value of HK\$4.35 per Sale Share. As soon as practicable after the signing of the Sale and Purchase Agreement and in any event on or prior to 30 September 2021, Yupei International and the Offeror shall enter into a share charge agreement (the “**Share Charge Agreement**”), pursuant to which Yupei International shall, among other things, grant first ranking security over its right, title and interest in, to and under 214,968,276 Shares (the “**Charged Assets**”) in favour of the Offeror. On the second Business Day following the delivery by Yupei International of the relevant ancillary documents, the Offeror shall make payment in cash a sum of HK\$623,408,000 (the “**Deposit**”) by wire transfer of immediately available funds to Yupei International as a deposit. The Deposit shall be paid, repaid, forfeited or retained as follows:

- (a) if the Sale and Purchase Agreement is terminated as a result of non-satisfaction of any of the Conditions (other than as a result of non-satisfaction of the Condition set out in paragraph (a) described in the section headed “*Conditions of the Sale and Purchase Agreement*” below), or if the Sale and Purchase Agreement is terminated as a result of the Warrantors’ breach of their obligations in respect of certain restricted action as set out in the Sale and Purchase Agreement, or as a result of non-compliance by Yupei International of the completion obligations as set out in the Sale and Purchase Agreement, then Yupei International shall return the Deposit (without any interest) to the Offeror on or before the applicable refund deadline, provided that (i) in the event that the Offeror fails to receive the Deposit on or before the applicable refund deadline, the security created and constituted by the Share Charge Agreement (the “**Security Interest**”) shall be immediately enforceable; and (ii) in the event that the Offeror receives the Deposit in full on or before the applicable refund deadline, the Offeror shall forthwith release, discharge and terminate any Security Interest created over the Charged Assets under the Share Charge Agreement;
- (b) if the Sale and Purchase Agreement is terminated as a result of non-satisfaction of the Condition set out in paragraph (a) described in the section headed “*Conditions of the Sale and Purchase Agreement*” below or if the Sale and Purchase Agreement is terminated as a result of non-compliance by the Offeror of the completion obligations as set out in the Sale and Purchase Agreement, Yupei International shall be entitled to deduct or forfeit a sum of HK\$3,800,000 from the amount of the Deposit, and shall pay or repay the remaining amount of the Deposit (without interest) to the Offeror promptly and in any event on or before the applicable refund deadline, provided that (i) in the event that the Offeror fails to receive such remaining amount of the Deposit on or before the applicable refund deadline, the Security Interest shall be immediately enforceable; and (ii) in the event that the Offeror receives such remaining amount of the Deposit in full on or before the applicable refund deadline, the Offeror shall forthwith release, discharge and terminate any Security Interest created over the Charged Assets under the Share Charge Agreement; and

- (c) if the parties proceed with Completion, the Deposit shall become part payment of the consideration at Completion and an amount representing the Deposit shall be deducted from the consideration payable by the Offeror at Completion, and upon application of the Deposit towards part payment of the consideration at Completion, the Offeror shall forthwith release, discharge and terminate any Security Interest created over the Charged Assets under the Share Charge Agreement.

Subject to the terms of the Sale and Purchase Agreement, at Completion, the Offeror shall pay in cash the sum of HK\$3,363,314,800, being the balance of the consideration after deduction of the Deposit paid by the Offeror, to Yupei International, and the Deposit shall become part payment of the consideration.

The consideration was determined following arm's length negotiations among the parties, with reference to the prices of the Shares traded on the Stock Exchange, the most recent published financial information of the Company and the Offeror's assessment of the Company's business, prospects and market position.

Conditions of the Sale and Purchase Agreement

Completion is conditional upon satisfaction or waiver of the following conditions:

- (a) (i) all filings in relation to the sale and purchase of the Sale Shares and the Offers which are required pursuant to the requirements of the Anti-Monopoly Law having been made to the AML Authority and accepted by the AML Authority for examination, and (ii) the AML Authority having cleared such transactions by issuing a notice to the Offeror or its legal advisors, and the Offeror shall have received such notice that such transactions will not be prohibited, without imposing any condition on the Offeror, any of its affiliates or any member of the Group, which is not acceptable to the Offeror;
- (b) no governmental action, court order, proceeding or investigation having been taken or made at any time prior to Completion that has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Offeror or the Offers;
- (c) the Stock Exchange and the Executive advising that they have no further comments on this joint announcement;
- (d) all authorisations (if any) which are required for the entering into or the performance of the obligations under the Sale and Purchase Agreement by the parties having been obtained, all filings with any authority which are required for the entering into and the implementation of the Sale and Purchase Agreement having been made, and all such authorisations remaining in full force and effect without material variation at Completion, and there being no statement, notification or intimation of an intention to revoke or not to renew the same having been made by the relevant authority;
- (e) the waivers or consents by the LaSalle Shareholders to waive their respective rights to exercise certain call option in respect of the shares in each of the LaSalle JVs under the applicable shareholders agreements such that Yupei Development shall continue to own its current shareholding in the applicable LaSalle JV as at the date of the Sale and Purchase Agreement, and to consent that the relevant members of the Group shall continue to act as the assets managers for the applicable owned real properties, in form

and substance satisfactory to the Offeror, having been obtained, and such consents or waivers, as applicable, remaining in full force and effect without material variation;

- (f) (i) the waiver(s) or consent(s) from ICBCI LP to waive its right to exercise certain put option to require Yupei Logistics Property Management 22 Co., Ltd. (an indirect wholly-owned subsidiary of the Company) to purchase its interest in the Fund under the applicable limited partnership agreement, in form and substance satisfactory to the Offeror, having been obtained, and such consents or waivers, as applicable, remaining in full force and effect without material variation, or (ii) the Group having acquired ICBCI LP's interest in the Fund at a consideration reasonably satisfactory to the Offeror;
- (g) the Group having acquired the remaining equity interests in each of the relevant members of the Group that are held by the Third Parties at a consideration reasonably satisfactory to the Offeror, and all agreements or arrangements with the Third Parties (if any) having been terminated;
- (h) (i) the listing of the Shares not having been withdrawn; and (ii) the Shares continuing to be traded on the Stock Exchange prior to the date of Completion (save for any temporary suspension for no longer than seven consecutive trading days or such other period as the Offeror may agree in writing or the temporary suspension in connection with the transactions contemplated under the Sale and Purchase Agreement);
- (i) no default having occurred or occurring (or any event or circumstance having occurred or occurring that, with the delivery of notice or passage of time, could become a default) under any of the material indebtedness of the Group which has not been irrevocably consented to or waived by the relevant lenders, bondholders or noteholders, and (if applicable) all required consents or waivers having been obtained in respect of any default or any event of default that may have occurred or that may occur under any of the material indebtedness of the Group, and such consents and waivers not having been rescinded and remaining in full force and effect; and
- (j) there has been no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the business, financial condition, operating results, operations, assets or the business prospects or condition of the Group taken as a whole, provided that in no event shall any change, fact, event, or circumstance, individually or in the aggregate, constitute or be taken into account in determining the occurrence of a material adverse effect if such material adverse effect relates to (i) changes in general or economic conditions in Hong Kong, the PRC or jurisdictions relevant to the business of the Group, (ii) changes in conditions generally affecting the industry in which the Group operates, or (iii) any outbreak or escalation of any military conflict, war, armed hostilities, or acts of foreign or domestic terrorism, or any hurricane, flood, tornado, earthquake, or epidemics, in each case, other than to the extent that such changes or events materially and disproportionately adversely affect members of the Group, taken as a whole, by comparison to other similarly situated participants in the industries in which they operate.

The Offeror may waive any or all of the Conditions set out in paragraphs (d) to (j) above, and the Conditions set out in paragraphs (a), (b) and (c) cannot be waived. The Long Stop Date for satisfying the above Conditions is 30 June 2022 or such later date as Yupei International, Mr. Li and the Offeror may agree in writing.

As at the date of this joint announcement, it is expected that the Condition set out in paragraph (a) above will be satisfied within six months of the date of this joint announcement. In relation to the Condition set out in paragraph (d) above, save for the Condition set out in paragraph (a) above, as at the date of this joint announcement, the parties to the Sale and Purchase Agreement do not reasonably foresee any necessary authorisations which are material and which may be required for the entering into or the performance of the obligations under the Sale and Purchase Agreement. In relation to the Condition set out in paragraph (g) above, there are over 30 such companies within the Group.

Completion

Completion will take place on the fifth Business Day after the last in time of the Conditions (except such Conditions which are expressed to be satisfied on or as at the date of Completion but subject to the satisfaction or waiver of such Conditions) are satisfied or waived in accordance with the Sale and Purchase Agreement, or on such other date as Yupei International and the Offeror may agree in writing.

Termination

If:

- (a) one or more of the Conditions are not satisfied or waived before the Long Stop Date, the Offeror may (by notice in writing to Yupei International) terminate the Sale and Purchase Agreement; or
- (b) the Condition set out in paragraph (a) described in the section headed “*Conditions of the Sale and Purchase Agreement*” above is not satisfied before the Long Stop Date, Yupei International may (by notice in writing to the Offeror) terminate the Sale and Purchase Agreement, provided that Yupei International shall not have such termination right if the failure to satisfy the aforementioned Condition by the Long Stop Date is solely due to a breach of the Sale and Purchase Agreement by the Warrantors; or
- (c) any of the Conditions is not satisfied or waived on or before the Long Stop Date, and neither Yupei International nor the Offeror serves a written notice to the other party to terminate the Sale and Purchase Agreement pursuant to paragraphs (a) or (b) above, the Sale and Purchase Agreement shall terminate with immediate effect.

If at any time prior to Completion, the Warrantors are in breach of their obligations in respect of certain restricted action as set out in the Sale and Purchase Agreement, the Offeror shall be entitled to terminate the Sale and Purchase Agreement by written notice to Yupei International.

If any of the completion obligations as set out in the Sale and Purchase Agreement is not fully complied with, the Offeror (in the case of non-compliance by Yupei International) or Yupei International (in the case of non-compliance by the Offeror) shall be entitled by written notice to the other party to elect not to proceed with Completion and terminate the Sale and Purchase Agreement.

Warranties and Undertakings

In connection with the sale of the Sale Shares under the Sale and Purchase Agreement, the Warrantors have given certain representations and warranties to the Offeror, in respect of capacity and authority of the Warrantors, organization, capitalization and solvency of the

members of the Group, ownership of the Sale Shares, compliance matters, accounts, tax, intellectual property, real property, environmental matters and other representations and warranties in relation to the underlying business and operations of the Group.

Each of the Warrantors has undertaken to procure the Group to (a) conduct its business as a going concern in compliance with all applicable laws and in the ordinary course, (b) preserve intact in all material respects the business organisation of the Group, including maintaining its existing relationships with authorities, material suppliers and customers, (c) not make any material changes to the organisational or operational structure of Yupei International or the Group, and (d) ensure that all material authorisations required for the business of the Group are maintained and/or renewed as necessary upon expiry.

Under the Sale and Purchase Agreement, each of the Warrantors has also given the following undertakings:

- (a) the Warrantors shall use their best endeavours to procure the Group to, as soon as reasonably practicable and in any event before the date of Completion, obtain the written consent from ICBCI LP to consent that the relevant members of the Group shall act as the assets managers for the applicable owned real properties, in form and substance satisfactory to the Offeror;
- (b) the Warrantors shall use their best endeavour to procure the relevant member of the Group to, upon the request of the Offeror, facilitate discussions between the Offeror, on the one hand, and the relevant lenders and authorities, on the other hand, in connection with the applicable financing documentation and contracts in respect of certain owned real properties of the Group and provide all assistance as may be reasonably requested by the Offeror in connection with such discussions;
- (c) the Warrantors shall use their best endeavours to procure that the terms and conditions of the 2024 Convertible Bonds shall be amended on terms reasonably satisfactory to the Offeror such that the Company has the right to redeem all or some only of the 2024 Convertible Bonds that any holder of the 2024 Convertible Bonds holds;
- (d) the Warrantors shall use their best endeavour to procure the relevant members of the Group to (i) obtain written consents or waivers from or (ii) provide written notice to, the lenders and other parties (as applicable), in each case, whose contracts with the relevant members of the Group contain a change of control, event of default, termination right, early repayment or similar provisions that would be triggered by the transactions contemplated under the Sale and Purchase Agreement, in form and substance reasonably satisfactory to the Offeror;
- (e) the Warrantors shall use their best endeavour to procure the relevant members of the Group to obtain written consents or waivers from the applicable authorities or other parties whose material contracts with the relevant members of the Group in respect of any owned real property of the Group contain restrictive covenants, in form and substance reasonably satisfactory to the Offeror; and
- (f) the Warrantors shall use their best endeavour to procure the relevant members of the Group to obtain the waivers or consents by the relevant authority to waive any change of control, change of senior management, event of default, termination right, early repayment or similar provision under the applicable material contract in respect of any

owned real property of the Group that would be triggered by the transactions contemplated under the Sale and Purchase Agreement, in form and substance reasonably satisfactory to the Offeror.

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 369,523,999 Shares, representing approximately 10.64% of the issued share capital of the Company. Upon Completion, the Offeror and parties acting in concert with it will become interested in 1,286,011,999 Shares, representing approximately 37.02% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will then be required to make the Share Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it). The Offeror will also be required to make the Convertible Bond Offer to acquire all the outstanding Convertible Bonds (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

The Share Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Convertible Bond Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. All references to the Offers in this joint announcement are references to the possible Offers which will be made if and only if Completion takes place.

The Share Offer

Subject to and upon Completion, the Share Offer will be made by BofA Securities for and on behalf of the Offeror on the following basis:

For each Offer Share HK\$4.35 in cash

The offer price of HK\$4.35 for each Offer Share under the Share Offer will be the same as the price to be paid per Sale Share by the Offeror pursuant to the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any dividends or other distributions the record date of which is before the Unconditional Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

The Offeror will not increase the offer price under the Share Offer and does not reserve the right to do so. Shareholders, Convertible Bond Holders and potential investors should

be aware that, following the making of this statement, the Offeror will not be allowed to increase the offer price under the Share Offer.

The Convertible Bond Offer

The conversion prices of the 2024 Convertible Bonds and the 2025 Convertible Bonds are subject to adjustment as a result of a “Change of Control” (as defined in the terms and conditions of the Convertible Bonds) of the Company. The “Change of Control” of the Company will take place upon Completion. As at the date of this joint announcement, it is uncertain when the “Change of Control” of the Company will take place as Completion is conditional upon the fulfilment or, where applicable, waiver of the Conditions. For illustrative purpose, in calculating the number of Shares the outstanding Convertible Bonds can be converted into for the purpose of calculating the offer price under the Convertible Bond Offer included in this joint announcement, it is assumed that the “Change of Control” of the Company takes place on the date of this joint announcement. **The offer prices under the Convertible Bond Offer represent the “see-through” prices based on the offer price under the Share Offer in accordance with Practice Note 6 to the Takeovers Code. The offer prices under the Convertible Bond Offer set out in this joint announcement are for illustrative purpose only and may be subject to change. Convertible Bond Holders and/or potential investors of the Company should therefore exercise caution when dealing in the Convertible Bonds or exercising other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

Subject to and upon Completion, the Convertible Bond Offer will be made by BofA Securities for and on behalf of the Offeror on the following basis:

2024 Convertible Bonds

**For every HK\$1,000,000 face value
of the 2024 Convertible Bonds.....HK\$1,459,729.50* in cash
based on a conversion price of HK\$2.98 assuming that the “Change of Control” (as
defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the
date of this joint announcement**

2025 Convertible Bonds

**For every HK\$1,000,000 face value
of the 2025 Convertible Bonds.....HK\$1,412,336.25* in cash
based on a conversion price of HK\$3.08 assuming that the “Change of Control” (as
defined in the terms and conditions of the 2025 Convertible Bonds) takes place on the
date of this joint announcement and not taking into account the Conversion Price Reset**

****For illustrative purpose only and subject to change, depending on the date of Completion and in respect of the 2025 Convertible Bonds, whether the Conversion Price Reset has been triggered***

The Convertible Bonds to be acquired under the Convertible Bond Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive

in full all interests, dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any interests, dividends or other distributions the record date of which is before the Unconditional Date will be paid by the Company to the Convertible Bond Holders who are qualified for such interests, dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

The Convertible Bond Offer will apply to all outstanding Convertible Bonds in issue on the date on which the Convertible Bond Offer is made (other than those already owned by the Offeror and/or parties acting in concert with it) and will not apply to any Convertible Bonds which are or have been redeemed or converted into Shares prior to the Closing Date. In the event that the Convertible Bonds or part thereof are converted after the date of this joint announcement and new Shares are issued pursuant to such conversion, such Shares will form part of the Offer Shares and be subject to the Share Offer. Based on a conversion price of HK\$2.98 assuming that the “Change of Control” (as defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the date of this joint announcement, the offer price for the 2024 Convertible Bonds is HK\$1,459,729.50 for every HK\$1,000,000 face value of the 2024 Convertible Bonds. Based on a conversion price of HK\$3.08 assuming that the “Change of Control” (as defined in the terms and conditions of the 2025 Convertible Bonds) takes place on the date of this joint announcement, the offer price for the 2025 Convertible Bonds is HK\$1,412,336.25 for every HK\$1,000,000 face value of the 2025 Convertible Bonds.

The offer prices under the Convertible Bond Offer are determined in accordance with Practice Note 6 to the Takeovers Code as the “see-through” consideration for each Convertible Bond, being the number of Shares into which the Convertible Bonds are convertible (being 356,711,409 Shares in the case of the 2024 Convertible Bonds at the adjusted conversion price of HK\$2.98 per Share (assuming that the “Change of Control” (as defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the date of this joint announcement), and 251,639,610 Shares in the case of the 2025 Convertible Bonds at the adjusted conversion price of HK\$3.08 per Share (assuming that the “Change of Control” (as defined in the terms and conditions of the 2025 Convertible Bonds) takes place on the date of this joint announcement)) multiplied by the offer price under the Share Offer (being HK\$4.35 per Share). The conversion prices of the 2024 Convertible Bonds and the 2025 Convertible Bonds are subject to adjustment as a result of a “Change of Control” (as defined in the terms and conditions of the Convertible Bonds) of the Company. For the Convertible Bond Holders’ ease of reference, set out below are the formulae in accordance with which the conversion prices of the Convertible Bonds will be adjusted:

2024 Convertible Bonds

$$NCP = \frac{OCP}{1 + (CP \times \frac{c}{t})}$$

Where:

“NCP” means the new conversion price after such adjustment (which, in any event, shall not be below HK\$2.90, but for any other adjustments that may be made under the terms and conditions of the 2024 Convertible Bonds)

“OCP”	means the conversion price before such adjustment, being HK\$3.15 per Share as at the date of this joint announcement
“CP”	means the conversion premium of 10%
“c”	means the number of days from and including the CoC Date to but excluding the maturity date of the 2024 Convertible Bonds
“t”	means the number of days from and including the date of issue of the 2024 Convertible Bonds to but excluding the maturity date of the 2024 Convertible Bonds

2025 Convertible Bonds

$$NCP = \frac{OCP}{1+(CP \times \frac{c}{t})}$$

Where:

“NCP”	means the new conversion price after such adjustment (which, in any event, shall not be below HK\$2.90 but for any other adjustments that may be made under the conditions of the 2025 Convertible Bonds, except in the event of a Conversion Price Reset, in which case, the new conversion price after such adjustment shall not be below 85% of the initial conversion price of HK\$3.19)
“OCP”	means the conversion price before such adjustment, being HK\$3.15 per Share as at the date of this joint announcement
“CP”	means the conversion premium of 2.68%
“c”	means the number of days from and including the CoC Date to but excluding the maturity date of the 2025 Convertible Bonds
“t”	means the number of days from and including the date of issue of the 2025 Convertible Bonds to but excluding the maturity date of the 2025 Convertible Bonds

Under the terms and conditions of the Convertible Bonds, in addition to the adjustment mechanism, the conversion price is also subject to the Conversion Price Reset on the prescribed reset dates, namely 26 June 2020 and 2021 for the 2024 Convertible Bonds and 26 June 2021 and 2022 for the 2025 Convertible Bonds. As at the date of this joint announcement, both Conversion Price Reset dates for the 2024 Convertible Bonds as well as the first Conversion Price Reset date for the 2025 Convertible Bonds have passed with no Conversion Price Reset triggered. The terms and conditions of the 2025 Convertible Bonds provide for the following Conversion Price Reset mechanism:

“Conversion price reset to the relevant Reset Reference Share Price (i.e. the arithmetic average of the daily volume weighted average prices of each Share on each of the 20 consecutive trading days immediately prior to the relevant reset date) on each of the reset dates, in the event that the Reset Reference Share Price on the reset date is at least 10% lower than the then conversion price, subject to an 80.0% adjustment floor of the initial conversion price (as adjusted to reflect any adjustments which may have occurred prior to the relevant reset date).”

As at the date of this joint announcement, the prevailing conversion prices for the Convertible Bonds are HK\$3.15 per Share. The “Change of Control” of the Company will take place upon

Completion, and accordingly the CoC Date will be the date of Completion. As at the date of this joint announcement, it is uncertain when the CoC Date will be as Completion is conditional upon the fulfilment or, where applicable, waiver of the Conditions. For illustrative purpose, in calculating the number of Shares the outstanding Convertible Bonds can be converted into for the purpose of calculating the offer price under the Convertible Bond Offer included in this joint announcement, it is assumed that the “Change of Control” of the Company takes place on the date of this joint announcement. The announcement to be jointly published by the Offeror and the Company upon Completion will disclose the definitive offer price for the 2024 Convertible Bonds as well as the definitive offer price for the 2025 Convertible Bonds (if Completion takes place after the Conversion Price Reset date for the 2025 Convertible Bonds). In the event that Completion takes place before the Conversion Price Reset date for the 2025 Convertible Bonds, the definitive offer price for the 2025 Convertible Bonds will be disclosed as soon as practicable and in any event before trading hours on the business day immediately after the Conversion Price Reset date for the 2025 Convertible Bonds.

2024 Convertible Bonds

Based on the “Change of Control” conversion price adjustment formula set out above, the later the CoC Date is, the higher the conversion price will be. In accordance with the method of calculating the “see-through” offer price as set out in Practice Note 6 to the Takeovers Code, the higher the conversion price is, the lower the offer price will be. Considering that the CoC Date will be after the date of this joint announcement, the definitive offer price for the 2024 Convertible Bonds under the Convertible Bond Offer will be lower than the illustrative offer price disclosed in this joint announcement.

2025 Convertible Bonds

Based on the “Change of Control” conversion price adjustment formula set out above, the later the CoC Date is, the higher the conversion price will be. In accordance with the method of calculating the “see-through” offer price as set out in Practice Note 6 to the Takeovers Code, the higher the conversion price is, the lower the offer price will be. Considering that the CoC Date will be after the date of this joint announcement, the definitive offer price for the 2025 Convertible Bonds under the Convertible Bond Offer will be lower than the illustrative offer price disclosed in this joint announcement, *unless* the conversion price has been reset on the Conversion Price Reset date (being 26 June 2022), in which case the conversion price of the 2025 Convertible Bonds may be reset to a price lower than the “Change of Control” conversion price and the definitive offer price for the 2025 Convertible Bonds may be higher than the illustrative offer price disclosed in this joint announcement. As at the date of this joint announcement, the Offeror and the Company do not expect the Conversion Price Reset for the 2025 Convertible Bonds to take place or the conversion price to be below the Floor Conversion Price of HK\$2.52, irrespective of whether Completion is prior to or after the Conversion Price Reset date.

In any event, in accordance with Practice Note 6 to the Takeovers Code, the definitive offer prices under the Convertible Bond Offer will represent the “see-through” prices based on the offer price under the Share Offer.

Comparisons of Value

The offer price under the Share Offer of HK\$4.35 per Share represents:

- (a) a premium of approximately 17.25% over the closing price of HK\$3.7100 per Share as quoted on the Stock Exchange on 25 August 2021, being the last full trading day immediately prior to publication of the Rule 3.7 Announcement;
- (b) a premium of approximately 3.08% over the closing price of HK\$4.2200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 7.41% over the closing price of HK\$4.0500 per Share as quoted on the Stock Exchange on 1 September 2021, being the last trading day immediately prior to publication of this joint announcement;
- (d) a premium of approximately 15.38% over the average of the closing prices as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$3.7700 per Share;
- (e) a premium of approximately 18.37% over the average of the closing prices as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$3.6750 per Share;
- (f) a premium of approximately 24.47% over the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$3.4947 per Share;
- (g) a premium of approximately 22.69% over the average of the closing prices as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$3.5455 per Share;
- (h) a premium of approximately 14.65% over the average of the closing prices as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$3.7943 per Share;
- (i) a premium of approximately 8.86% over the audited consolidated net asset value of the Company of approximately RMB3.3232 (equivalent to approximately HK\$3.9961) per Share as at 31 December 2020; and
- (j) a discount of approximately 3.13% over the unaudited consolidated net asset value of the Company of approximately RMB3.7345 (equivalent to approximately HK\$4.4907) per Share as at 30 June 2021.

Conditions of the Offers

The Share Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Convertible Bond Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects.

Further announcement(s) in relation to the revision, extension or lapse of the Offers or the fulfilment of the conditions of the Offers shall be made in accordance with the Takeovers Code and Listing Rules in due course.

Highest and Lowest Share Prices

During the six-month period up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.69 per Share on 12 March 2021 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$3.25 per Share on 27 July 2021.

CONFIRMATION OF FINANCIAL RESOURCES

As at the date of this joint announcement, the Company has 3,474,283,058 Shares in issue. Save for (i) the 2024 Convertible Bonds with an aggregate outstanding principal amount of HK\$1,063,000,000 convertible into a maximum of 356,711,409 Shares at the adjusted conversion price of HK\$2.98 per Share (assuming that the “Change of Control” (as defined in the terms and conditions of the 2024 Convertible Bonds) takes place on the date of this joint announcement) and (ii) the 2025 Convertible Bonds with an aggregate outstanding principal amount of HK\$775,050,000 convertible into a maximum of 307,559,523 Shares (assuming that the conversion price for the 2025 Convertible Bonds will be reset to the Floor Conversion Price, being HK\$2.52 per Share), the Company has no other relevant securities in issue as at the date of this joint announcement.

Assuming that all the Convertible Bonds are converted based on the applicable conversion prices set out in the immediately preceding paragraph and that the Share Offer is accepted in full, the maximum cash consideration for the Offers and the Sale and Purchase Agreement will be approximately HK\$16,395,280,462.

Pursuant to the terms and conditions of the 2025 Convertible Bonds, the conversion price of the 2025 Convertible Bonds may be reset on 26 June 2022. As at the date of this joint announcement, it is uncertain whether the Conversion Price Reset mechanism will be triggered before the Closing Date and if triggered, what the reset price will be, although in the event of a “Change of Control” prior to the Conversion Price Reset on 26 June 2022, the new conversion price shall not be below HK\$2.90, subject to other adjustments. Accordingly, for illustrative purpose, the Floor Conversion Price of HK\$2.52 is used in calculating the number of Shares the outstanding 2025 Convertible Bonds can be converted into.

The Offeror intends to finance the consideration payable by the Offeror under the Offers and the Sale and Purchase Agreement with its internal financial resources. BofA Securities, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration under the Sale and Purchase Agreement and the full acceptance of the Offers.

SETTLEMENT OF CONSIDERATION

Subject to the Offers having become, or having been declared, unconditional in all respects, settlement of consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within seven business days following the later of the date of receipt of a complete and valid acceptance in respect of the Offers, and the date on which the Offers become or are declared unconditional in all respects.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid. The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the

despatch of the Composite Document (or such later date to which the Executive may consent). If the Offers are withdrawn or lapse, pursuant to Rule 20.2 of the Takeovers Code, the Offeror is required to, as soon as possible but in any event within ten days thereof, post the Share certificates and the Convertible Bonds certificates lodged with the forms of acceptance and transfer to, or make such Share certificates and Convertible Bonds certificates available for collection by, those Shareholders and Convertible Bonds Holders who have accepted the Offers.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Share Offer or to a Convertible Bond Holder who accepts the Convertible Bond Offer will be rounded up to the nearest cent.

Shareholders, Convertible Bond Holders and/or potential investors of the Company should note that the Offers will only be made if Completion takes place. Completion is conditional upon the fulfilment or, where applicable, waiver of the Conditions. Accordingly, Completion may or may not take place and the Offers may or may not be made. Shareholders, Convertible Bond Holders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares and/or the Convertible Bonds or exercising other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

IRREVOCABLE UNDERTAKINGS

RRJ Irrevocable Undertaking

As at the date of this joint announcement, the RRJ Covenantors are interested in (i) an aggregate of 762,222,000 Shares, representing approximately 21.94% of the issued share capital of the Company, and (ii) 2024 Convertible Bonds in the aggregate outstanding principal amount of HK\$589,000,000, representing approximately 55.41% of the total outstanding principal amount of the 2024 Convertible Bonds.

On 2 September 2021, the RRJ Covenantors have given the RRJ Irrevocable Undertaking in favour of the Offeror, pursuant to which each of the RRJ Covenantors has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer and the Convertible Bond Offer before 1:00 p.m. on the third business day immediately after the despatch of the Composite Document in respect of all the Shares and the 2024 Convertible Bonds held by it. Each of the RRJ Covenantors has undertaken to the Offeror that it shall not:

- (a) sell, transfer, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) their respective Shares or 2024 Convertible Bonds (with respect of Berkeley Asset only) or any interest therein;
- (b) accept or give any undertaking to accept, or otherwise agree to any offer made or proposed to be made in respect of their respective Shares or 2024 Convertible Bonds (with respect of Berkeley Asset only) by any person other than the Offeror;
- (c) enter into any agreement in respect of the voting or other rights attached to any of their respective Shares, 2024 Convertible Bonds (with respect of Berkeley Asset only) or any interest therein (including entering into any swap or other arrangement that transfers to any person other than the Offeror any of the economic consequences or incidents of

ownership of their respective Shares, 2024 Convertible Bonds (with respect of Berkeley Asset only) or any interest therein);

- (d) purchase, acquire or otherwise deal in any Shares or other securities of the Company or any interest therein; or
- (e) enter into any discussion or arrangement with any person (other than the Offeror and any other person authorised by the Offeror) which will contravene or prejudice the RRJ Covenantors' undertakings, representations and warranties under the RRJ Irrevocable Undertaking (x) in relation to any of their respective Shares or 2024 Convertible Bonds (with respect of Berkeley Asset only), or (y) to do any of the acts referred to in paragraphs (a) to (d) above.

The RRJ Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) by the written consent of the RRJ Covenantors and the Offeror; or (c) if this joint announcement is not published within five (5) business days after the date of the RRJ Irrevocable Undertaking, whichever is the earliest.

Joy Orient Irrevocable Undertaking

As at the date of this joint announcement, Joy Orient is interested in 114,642,000 Shares, representing approximately 3.30% of the issued share capital of the Company.

On 2 September 2021, Joy Orient has given the Joy Orient Irrevocable Undertaking in favour of the Offeror, pursuant to which Joy Orient has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer before 1:00 p.m. on the fifth business day immediately after the despatch of the Composite Document in respect of all the Shares held by it. Joy Orient has undertaken to the Offeror that, for so long as the Joy Orient Irrevocable Undertaking is effective, it shall not:

- (a) sell, transfer, charge, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) its Shares or any interest therein;
- (b) create or permit to subsist any encumbrances over all or any of its Shares or any interest therein;
- (c) accept or give any undertaking to accept, or otherwise agree to any offer made or proposed to be made in respect of its Shares by any person other than the Offeror;
- (d) enter into any agreement in respect of the voting or other rights attached to any of its Shares or any interest therein (including entering into any swap or other arrangement that transfers to any person other than the Offeror any of the economic consequences or incidents of ownership of its Shares or any interest therein);
- (e) purchase or acquire any Shares or other securities of the Company or any interest therein; or
- (f) enter into any agreement or arrangement with any person (other than the Offeror and any other person authorised by the Offeror) in relation to any of its Shares or to do any of the acts referred to in paragraphs (a) to (e) above.

The Joy Orient Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) if the Offers do not become unconditional by 31 March 2022; or (c) by the written consent of Joy Orient and the Offeror, whichever is the earliest.

Dajia Baoxian Irrevocable Undertaking

As at the date of this joint announcement, Dajia Baoxian is interested in 143,726,000 Shares, representing approximately 4.14% of the issued share capital of the Company.

On 3 September 2021, Dajia Baoxian has given the Dajia Baoxian Irrevocable Undertaking in favour of the Offeror, pursuant to which Dajia Baoxian has irrevocably undertaken to the Offeror to accept, or procure to accept, the Share Offer before 1:00 p.m. on the seventh business day immediately after the despatch of the Composite Document in respect of all the Shares held by it. Dajia Baoxian has undertaken to the Offeror that it shall not:

- (a) sell, transfer, charge, create or grant any option over or otherwise dispose of (or permit any such action to occur in respect of) its Shares or any interest therein;
- (b) create or permit to subsist any encumbrances over all or any of its Shares or any interest therein;
- (c) accept or give any undertaking to accept, or otherwise agree to any offer made or proposed to be made in respect of its Shares by any person other than the Offeror;
- (d) enter into any agreement in respect of the voting or other rights attached to any of its Shares or any interest therein (including entering into any swap or other arrangement that transfers to any person other than the Offeror any of the economic consequences or incidents of ownership of its Shares or any interest therein);
- (e) purchase, acquire or otherwise deal in any Shares or other securities of the Company or any interest therein; or
- (f) enter into any discussion or arrangement with any person (other than the Offeror and any other person authorised by the Offeror) in relation to any of its Shares or to do any of the acts referred to in paragraphs (a) to (e) above.

The Dajia Baoxian Irrevocable Undertaking will terminate immediately (a) upon the Offers having been withdrawn or lapsed; (b) if the Offers do not become unconditional by 31 March 2022; or (c) by the written consent of Dajia Baoxian and the Offeror, whichever is the earliest.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability and is held as to approximately 83.89% by JD Property Holding Limited, which is in turn wholly-owned by Jingdong Technology Group Corporation, a wholly-owned subsidiary of JD, which is ultimately controlled by Mr. LIU Qiangdong.

The remaining shareholders of the Offeror include Nissonite Gem Investments Ltd and GMAR IIIV Holdings Limited, each holding approximately 5.64% of the issued share capital of the Offeror, and the remaining 4.83% of the issued share capital of the Offeror is held by three private equity funds which are independent third parties of JD.

The Offeror and its subsidiaries own and operate properties in China with total gross floor area in excess of 13 million square meters and total assets under management in excess of RMB30 billion.

JD is a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability, whose American depositary shares are listed on the NASDAQ (stock symbol: JD) and the Main Board of the Stock Exchange (stock code: 9618). JD is a leading technology-driven e-commerce company and retail infrastructure service provider in China.

INFORMATION ON THE GROUP

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.

Shareholding Structure of the Company

As the date of this joint announcement, the Company has 3,474,283,058 Shares in issue. Based on the register of members of the Company and the disclosure of interests notices filed by Shareholders, the following table sets out the shareholding structure of the Company as at the date of this joint announcement and upon Completion (assuming that no Convertible Bonds are converted and that there are no changes to the issued share capital of the Company after the date of this joint announcement):

Name of Shareholders	As at the date of this joint announcement		Upon Completion	
	No. of Shares	%	No. of Shares	%
Offeror and parties acting in concert with it <i>(Note 1)</i>	369,523,999	10.64	1,286,011,999	37.02
Yupei International	916,488,000	26.38	-	-
Disinterested Shareholders				
ESR Cayman Limited <i>(Note 2)</i>	628,866,000	18.10	628,866,000	18.10
RRJ Capital Master Fund II, L.P. <i>(Note 3)</i>	762,222,000	21.94	762,222,000	21.94
Other Disinterested Shareholders	797,183,059	22.94	797,183,059	22.94
Sub-total	<u>2,188,271,059</u>	<u>62.98</u>	<u>2,188,271,059</u>	<u>62.98</u>
Total Shares in issue	<u>3,474,283,058</u>	<u>100.00</u>	<u>3,474,283,058</u>	<u>100.00</u>

Note:

- (1) By reason of being the financial adviser to the Offeror, BofA Securities is presumed to be acting in concert with the Offeror under class 5 of the definition of "acting in concert" in the Takeovers Code. Details of any holdings or borrowing or lending of, and dealings in, Shares (or options, rights over Shares, warrants or derivatives in respect of them) by other parts of the BofA Securities group will be obtained as soon as possible after this joint announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code.
- (2) ESR Cayman Limited holds the entire issued share capital of ESR HK Management Limited, which holds Shares. ESR Cayman Limited also holds Shares itself. As a result, ESR Cayman Limited is a beneficial owner as to Shares and is deemed to be interested in the Shares held by ESR HK Management Limited.

(3) *RRJ Capital Master Fund II, L.P. holds the entire issued share capital of Berkeley Asset, which holds Shares and the 2024 Convertible Bonds in long position and 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, which holds Shares in long position. Accordingly, RRJ Capital Master Fund II, L.P. is deemed to be interested in the Shares and underlying Shares in long position and underlying Shares in short position held by Berkeley Asset, and each of RRJ Capital Master Fund II, L.P. and Travis Asset Holding Ltd is deemed to be interested in the Shares in long position held by Sherlock Asset.*

REASONS FOR AND BENEFITS OF THE OFFERS

Benefits of the Offers to the Shareholders and Convertible Bond Holders

An opportunity for Shareholders and Convertible Bond Holders to monetise Shares or Convertible Bonds

The average daily trading volume of Shares for the six-month period, 12-month period and 24-month period up to and including the Last Trading Day were respectively approximately 8.9 million Shares, 7.8 million Shares and 4.6 million Shares per day, representing only approximately 0.26%, 0.22% and 0.13% respectively of the total number of issued Shares as at the date of this joint announcement. The low trading liquidity of the Shares could make it difficult for Shareholders or Convertible Bond Holders (following conversion of their Convertible Bonds) to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the price of the Shares occurs.

Furthermore, as of the date of this joint announcement, the Company is in breach of the minimum public float requirement as required under the Listing Rules and there is no confirmed plan to restore the public float to a sufficient level. The public float may be further reduced as a result of Completion and the Share Offer. Failure to meet the minimum public float requirement may result in suspension of trading in the Shares. Restoration of the public float may also require a placement of newly issued Shares or sale of existing Shares which could be at a discount to the prevailing market price of the Shares at the time of issue.

As such, the Offers present an immediate opportunity for Shareholders and Convertible Bond Holders to monetise their investments for cash and redeploy the proceeds from accepting the Offers into other investment opportunities.

The offer prices under the Offers represent an attractive exit premium

The Offers allow an exit for the Shareholders and Convertible Bond Holders at a compelling premium to the current market price of the Shares. As set out in the section headed “*Comparisons of Value*” of this joint announcement, the offer prices under the Offers represent a significant premium of approximately 24.47% over the average closing price of approximately HK\$3.4947 per Share for the 30 consecutive trading days up to and including the Last Trading Day. The offer prices under the Offers also represent a premium of approximately 8.86% to the audited consolidated net asset value per Share of approximately RMB3.3232 (equal to approximately HK\$3.9961) per Share as at 31 December 2020.

Benefits of the Offers to the Company

The Offeror and JD believe they would be compelling strategic partners for the Company to capture various attractive growth opportunities and unlock value through the unique

combination of their businesses, capabilities and resources. As the Offeror and the Company share similar business models, the Offeror and JD believe that attaining a 50% or more of the voting rights in the Company will facilitate the integration of the resources of the Company and the Offeror, which will in turn further enhance the business growth and financial prospects of the Company and the Offeror.

If the Offeror successfully privatises the Company, that would permit the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from regulatory constraints, the pressure of market expectations and share price fluctuations which arise from being a publicly listed company. The take-private of the Company would also be expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

COMPULSORY ACQUISITION AND LISTING STATUS OF THE COMPANY

Pursuant to Section 88 of the Companies Act and Rule 2.11 of the Takeovers Code, if the Offeror, within four (4) months of the posting of the Composite Document, has received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares, the Offeror will privatise the Company by exercising its right to compulsorily acquire those Offer Shares not already acquired by the Offeror under the Share Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

In the event that the Offeror does not effect the compulsory acquisition of the remaining Shares, whether by reason of not having acquired the prescribed percentage as required under the Companies Act or otherwise, the Offeror may take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company maintains an adequate public float so as to comply with the applicable requirements of the Listing Rules.

Based on the register of members of the Company and the disclosure of interests notices filed by Shareholders, the public float of the Company is approximately 22.94% as at the date of this joint announcement, which is below the minimum of 25% as required under the Listing Rules. According to the Listing Rules, if, upon the close of the Share Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon the close of the Share Offer, there may be less public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Share Offer.

FURTHER TERMS OF THE OFFERS

Acceptance of the Offers

Subject to and upon Completion, the Share Offer will be made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any dividends or other distributions the record date of which is before the Unconditional Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

Subject to and upon Completion, the Convertible Bond Offer will be made on the basis that acceptance of the Convertible Bond Offer by any person will constitute a warranty by such person or persons to the Offeror that the Convertible Bonds to be acquired under the Convertible Bond Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Unconditional Date or subsequently becoming attached to them, including the right to receive in full all interests, dividends and other distributions, if any, the record date of which is on or after the Unconditional Date. Any interests, dividends or other distributions the record date of which is before the Unconditional Date will be paid by the Company to the Convertible Bond Holders who are qualified for such interests, dividends or distributions. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends and other distributions on or after the date of this joint announcement and up to the Unconditional Date, the Offeror intends to reduce the offer price by the amount of such dividends and other distributions.

Hong Kong Stamp Duty

The seller's Hong Kong ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such persons on acceptance of the Share Offer.

The seller's Hong Kong ad valorem stamp duty (if any) payable by the Convertible Bond Holders who accept the Convertible Bond Offer and calculated at a rate of 0.13% of the higher of (i) the market value of the Convertible Bonds; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Bond Offer, will be deducted from the amount payable by the Offeror to such persons on acceptance of the Convertible Bond Offer.

The Offeror will arrange for payment of the stamp duty on behalf of accepting Shareholders and accepting Convertible Bond Holders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares, and acceptance of the Convertible Bond Offer and transfer of the Convertible Bonds, respectively.

PROPOSED CHANGE TO BOARD COMPOSITION OF THE COMPANY

The Board currently consists of 13 Directors, comprising (i) Mr. Li, Mr. Wu Guolin, Ms. Li Huifang, Ms. Shi Lianghua, Mr. Xie Xiangdong and Mr. Wu Guozhou as executive Directors; (ii) Ms. Li Qing and Mr. Fu Bing as non-executive Directors; and (iii) Mr. Guo Jingbin, Mr. Fung Ching Simon, Mr. Wang Tianye, Mr. Leung Chi Ching Frederick and Mr. Chen Yaomin as independent non-executive Directors.

Following completion of the transaction contemplated under the Sale and Purchase Agreement, it is intended that the resignation of each of the Directors other than Mr. Fu Bing from the Board would take effect on the first closing date of the Share Offer.

The Offeror intends to nominate new Directors to the Board with effect from a date no earlier than the date of the Composite Document or at a date as permitted under the Takeovers Code.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

GENERAL MATTERS RELATING TO THE OFFERS

Availability of the Offers

The availability of the Offers to any overseas Shareholders and Convertible Bond Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The overseas Shareholders and Convertible Bond Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of the overseas Shareholders and Convertible Bond Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders and Convertible Bond Holders in respect of such overseas jurisdictions).

Acceptance of the Offers by any overseas Shareholders and Convertible Bond Holders will be deemed to constitute a representation and warranty from such persons to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such overseas Shareholders and Convertible Bond Holders lawfully under the laws of the relevant jurisdictions. The overseas Shareholders and Convertible Bond Holders should consult their professional advisers if in doubt.

In the event that the receipt of the Composite Document by overseas Shareholders or Convertible Bond Holders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such overseas Shareholders or Convertible Bond Holders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any arrangements for overseas Shareholders or Convertible Bond Holders to collect the Composite Document or the formal document containing details of the Share Offer and the Convertible Bond Offer, respectively, will be set out in a further announcement.

Composite Document

The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document. The Composite Document will contain among other things, (i) details of the Offers and their respective terms (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document to the Shareholders and the Convertible Bond Holders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. As the Offers are subject to Completion, which in turn is subject to satisfaction and/or waiver of the Conditions, the Offeror may apply to the Executive for consent to delay the despatch of the Composite Document pursuant to Rule 8.2 of the Takeovers Code (if required).

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

No Dividend or Other Distribution

As at the date of this joint announcement, the Company has not declared any dividend or other distribution for both the Shares and the Convertible Bonds which remains unpaid and the Company does not intend to declare or pay any dividend or other distribution to the Shareholders and the Convertible Bond Holders before the Closing Date.

Other Arrangements

As at the date of this joint announcement:

- (a) save for the Irrevocable Undertakings, the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept the Offers;
- (b) save as disclosed in the section headed "*Shareholding Structure of the Company*" in this joint announcement, the Offeror and parties acting in concert with it do not hold, own or have control or direction over any Shares, convertible securities, warrants or options in the Company;
- (c) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or parties acting in concert with it;
- (d) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (e) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (f) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities in the Company;

- (g) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholders; and (2)(a) the Offeror and any party acting in concert with the Offeror or (b) the Company and any subsidiaries or associated companies of the Company;
- (h) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Yupei International and parties acting in concert with it on one hand, and the Offeror and parties acting concert with it on the other hand; and
- (i) other than the consideration payable under the Sale and Purchase Agreement, no other consideration, compensation or benefit in whatever form has been or will be paid by the Offeror or any parties acting in concert with it to Yupei International or any party acting in concert with it in connection with the sale and purchase of the Sale Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established for the purpose of advising the Shareholders and the Convertible Bond Holders in respect of the Offers (if they are made).

Mr. Guo Jingbin, Mr. Fung Ching Simon, Mr. Wang Tianye, Mr. Leung Chi Ching Frederick and Mr. Chen Yaomin, being all the independent non-executive Directors and the non-executive Directors other than Ms. Li Qing and Mr. Fu Bing, are the members of the Independent Board Committee. As Ms. Li Qing, a non-executive Director, is the daughter of Mr. Li, Ms. Li Qing is excluded from the Independent Board Committee. As Mr. Fu Bing, a non-executive Director, is also the vice-president of JD and head of logistics strategy and innovative business department of JD Logistics Group, the logistics arm of JD, Mr. Fu Bing is excluded from the Independent Board Committee.

An independent financial adviser will be appointed to advise the Shareholders and the Convertible Bond Holders in respect of the Offers (if they are made). Further announcement will be made upon the appointment of the independent financial adviser.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the debt securities of the Company (namely 2024 Convertible Bonds and the senior notes with stock code 40004) on the Stock Exchange has been halted with effect from 9:00 a.m. on 2 September 2021 pending the release of this joint announcement.

Application has been made by the Company for the resumption of trading in the Shares and the debt securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 6 September 2021.

DEBT SECURITIES OF THE COMPANY

As at the date of this joint announcement, in addition to the Convertible Bonds, the Company has issued 8.75% senior notes in the principal amount of US\$162,475,000 due 2021 (stock code: 40004) and 8.75% senior notes in the principal amount of US\$150,000,000 due 2022 (listed in SGX-ST) (the “**2022 Exchange Notes**”). Such senior notes do not carry any right to exchange into Shares and therefore do not constitute relevant securities of the Company which are subject to Rule 13 of the Takeovers Code. Accordingly, no offer will be made for them by

the Offeror. The listing status of the aforementioned senior notes on the Stock Exchange and the SGX-ST (as appropriate) will not be affected by the Offers.

Under the indenture governing the 2022 Exchange Notes, Completion is expected to constitute a change of control of the Company, and accordingly, the Company would be required to make an offer following the change of control to purchase all the outstanding 2022 Exchange Notes at a purchase price equal to 101% of the principal amount thereof together with any accrued and unpaid interest, if any, to (but not including) the purchase date. Failure to make such offer would be expected to constitute an event of default under the indenture governing the 2022 Exchange Notes.

DEALINGS DISCLOSURE

Under Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code, including but not limited to persons who own or control 5% or more of any class of relevant securities of the Company or the Offeror) of the Company and of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2024 Convertible Bonds”	the 6.95% convertible bonds due 2024 issued by the Company with an outstanding principal amount of HK\$1,063,000,000 as at the date of this joint announcement, which is
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	listed on the Stock Exchange (stock code: 5578)
“2025 Convertible Bonds”	the 6.95% convertible bonds due 2025 issued by the Company with an outstanding principal amount of HK\$775,050,000 as at the date of this joint announcement, which is held by one Convertible Bond Holder, namely BCC Leap Holdco, L.P. as at the date of this joint announcement
“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“AML Authority”	the competent authorities in the PRC which are from time to time legally authorised to supervise, regulate and enforce the Anti-Monopoly Law pursuant to PRC law
“Anti-Monopoly Law”	the Anti-Monopoly Law of the PRC, effective as of 1 August 2008 (as amended from time to time), and related regulations and implementation rules
“Berkeley Asset”	Berkeley Asset Holding Ltd, a company incorporated under the laws of the British Virgin Islands with limited liability
“Board”	the board of Directors
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities with the SFC, which is the financial adviser to the Offeror in respect of the Offers
“business day”	has the meaning ascribed to it in the Takeovers Code
“Business Day”	a day on which banks are generally open for business in Hong Kong and the PRC (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm)

“Closing Date”	the date to be stated in the Composite Document as the first offer closing date of the Share Offer or any subsequent offer closing date of the Share Offer as may be extended or revised in accordance with the Takeovers Code
“CoC Date”	the date the “Change of Control” of the Company occurs, being the date of Completion
“Companies Act”	the Companies Act (2021 Revision) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“Company”	China Logistics Property Holdings Co., Ltd (中國物流資產控股有限公司), 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 (stock code: 1589)
“Completion”	completion of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document proposed to be jointly issued by the Offeror and the Company to all Shareholders and Convertible Bond Holders in accordance with the Takeovers Code containing, among others things, the terms and conditions of the Offers, the acceptance and transfer form in respect of the Offers
“Conditions”	the conditions under the Sale and Purchase Agreement, as set out in the paragraph headed “ <i>Conditions of the Sale and Purchase Agreement</i> ” in this joint announcement
“Conversion Price Reset”	the conversion price reset mechanism as provided under the terms and conditions of the Convertible Bonds, further details of which are set out under the section headed “ <i>POSSIBLE MANDATORY CONDITIONAL CASH OFFERS - The Convertible Bond Offer</i> ”
“Convertible Bond Holders”	holders of the Convertible Bonds

“Convertible Bond Offer”	the possible mandatory conditional cash offer to be made by BofA Securities for and on behalf of the Offeror following Completion in accordance with the Takeovers Code to acquire all the outstanding Convertible Bonds (other than those already owned by the Offeror and/or parties acting in concert with it) in accordance with the terms described in this joint announcement
“Convertible Bonds”	the 2024 Convertible Bonds and the 2025 Convertible Bonds
“Dajia Baoxian”	Anbang Investment Holdings Co. Limited, a company incorporated under the laws of Hong Kong with limited liability
“Dajia Baoxian Irrevocable Undertaking”	the irrevocable undertaking dated 3 September 2021 given by Dajia Baoxian in favour of the Offeror
“Director(s)”	director(s) of the Company
“Disinterested Shareholders”	Shareholders who are not acting in concert with the Offeror
“Disinterested Shares”	Shares held by the Disinterested Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Floor Conversion Price”	HK\$2.52 per Share, being the lowest conversion price to which the conversion price of the 2025 Convertible Bonds may be adjusted and reset as a result of the Conversion Price Reset in accordance with the terms and conditions of the 2025 Convertible Bonds
“Fund”	Yupei Logistics Property Fund I Limited Partnership
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBCI LP”	Elegant Fragrant Limited
“Independent Board Committee”	the independent committee of the Board, comprising all of the non-executive Directors (other than Ms. Li Qing and Mr. Fu Bing) and all of the independent non-executive Directors, formed pursuant to Rule 2.1 of the Takeovers Code for the purpose of making recommendations as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances
“Irrevocable Undertakings”	the RRJ Irrevocable Undertaking, the Joy Orient Irrevocable Undertaking and the Dajia Baoxian Irrevocable Undertaking
“JD”	JD.com, Inc., a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability, whose American depositary shares are listed on the NASDAQ (stock symbol: JD) and the Main Board of the Stock Exchange (stock code: 9618), the parent of the Offeror
“Joy Orient”	Joy Orient Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Joy Orient Irrevocable Undertaking”	the irrevocable undertaking dated 2 September 2021 given by Joy Orient in favour of the Offeror
“LaSalle JVs”	Yupei Logistics Property Management 10 Co., Ltd, Yupei Logistics Property Management 15 Co., Ltd, Yupei Tianjin Logistics Property Management Co., Ltd and Yupei Logistics Property Management 12 Co., Ltd
“LaSalle Shareholders”	LAO V CN Holdings III Pte. Ltd., LCLV Holdco VI Pte. Ltd. and LCLV Holdco V Pte. Ltd.
“Last Trading Day”	26 August 2021, being the last trading day of the Shares prior to publication of the Rule 3.7 Announcement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 June 2022 or such later date as Yupei International, Mr. Li and the Offeror may agree
“Mr. Li”	Mr. Li Shifa, the Chairman and an executive Director
“Offer Shares”	Shares subject to the Share Offer
“Offeror”	JD Property Group Corporation, a company incorporated in the Cayman Islands with limited liability, an indirect non-wholly owned subsidiary of JD
“Offers”	the Share Offer and the Convertible Bond Offer
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“relevant securities”	has the meaning as defined in Note 4 to Rule 22 of the Takeovers Code
“RMB”	Renminbi, the lawful currency of the PRC
“RRJ Covenantors”	Berkeley Asset and Sherlock Asset
“RRJ Irrevocable Undertaking”	the irrevocable undertaking dated 2 September 2021 given by the RRJ Covenantors in favour of the Offeror
“Rule 3.7 Announcement”	the announcement dated 26 August 2021 issued by the Company pursuant to Rule 3.7 of the Takeovers Code regarding a possible transaction involving the acquisition of interests in the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 September 2021 between the Offeror, Mr. Li and Yupei International, pursuant to which Yupei International has conditionally agreed to sell, and the Offeror has agreed to acquire, the Sale Shares
“Sale Shares”	the 916,488,000 Shares to be acquired by the Offeror from Yupei International pursuant to

	the Sale and Purchase Agreement, representing approximately 26.38% of the issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of US\$0.0000625 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Offer”	the possible mandatory conditional cash offer to be made by BofA Securities for and on behalf of the Offeror following Completion in accordance with the Takeovers Code to acquire the Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) in accordance with the terms described in this joint announcement
“Sherlock Asset”	Sherlock Asset Holding Ltd, a company incorporated under the laws of the Cayman Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Parties”	Shengtai International Group Limited (勝泰國際集團有限公司), YaoChang International Group Co., Limited (耀昌國際集團有限公司), 蕪湖宇泰企業管理有限公司 and 蕪湖宇培倉儲有限公司
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the financial adviser to Yupei International. UBS AG is

	incorporated in Switzerland with limited liability
“Unconditional Date”	the date on which the Share Offer becomes or is declared unconditional in all respects
“US”	the United States of America
“Warrantors”	Yupei International and Mr. Li
“Yupei Development”	China Yupei Logistics Property Development Co., Ltd, a wholly-owned subsidiary of the Company
“Yupei International”	Yupei International Investment Management Co., Ltd, a company indirectly owned as to 90% by Mr. Li
“%”	per cent.

In this joint announcement, unless otherwise stated, the translation of HK\$ into RMB is based on the exchange of rate of HK\$1 to RMB0.83161. Such conversion shall not be construed as a representation that amounts in HK\$ were or may have been converted into RMB using such exchange rate or any other exchange rate or at all.

By order of the board of
JD Property Group Corporation
LIU Qiangdong
Chairman

By order of the board of
China Logistics Property Holdings Co., Ltd
中國物流資產控股有限公司
LI Shifa
Chairman

Hong Kong, 3 September 2021

As at the date of this joint announcement, the Board comprises Mr. LI Shifa, Mr. WU Guolin, Ms. LI Hui Fang, Ms. SHI Lianghua, Mr. XIE Xiangdong and Mr. WU Guozhou as the executive Directors; Ms. LI Qing and Mr. FU Bing as the non-executive Directors; and Mr. GUO Jingbin, Mr. FUNG Ching Simon, Mr. WANG Tianye, Mr. LEUNG Chi Ching Frederick and Mr. CHEN Yaomin as the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are LIU Qiangdong, HU Wei, XU Ran, HE Chengfeng, Ellen Hoi Ying NG and Joseph Raymond GAGNON.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.