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China Logistics Property Holdings Co., Ltd
中國物流資產控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1589)

HK\$1,109,000,000 6.95% Convertible Bonds due 2024 (Debt Stock Code: 5578)

SUPPLEMENTAL ANNOUNCEMENT

**(1) DISCLOSEABLE TRANSACTION
DISPOSAL OF 100% SHAREHOLDING INTEREST IN
YUPEI WUXI LOGISTICS PROPERTY
DEVELOPMENT CO., LIMITED**

AND

**(2) DISCLOSEABLE AND CONNECTED TRANSACTION
WITHDRAWAL OF LIMITED PARTNER FROM YUPEI
LOGISTICS PROPERTY FUND I LIMITED PARTNERSHIP**

Reference is made to the announcement of China Logistics Property Holdings Co., Ltd (the “**Company**”) dated 17 September 2021 in relation to, among other things, the Group’s disposal of 100% shareholding interests in Yupei Wuxi Logistics Property Development Co., Limited (the “**Announcement**”) and the announcement of the Company dated 21 December 2018 in relation to the establishment of the Fund and the transfer of certain project companies (including the Project Company) of the Group to the Fund (the “**Fund Announcement**”, together with the Announcement, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement have the same meanings as defined in the Announcement.

The Company wishes to provide the Shareholders and potential investors of the Company with additional information and the latest development in relation to the Fund, the Withdrawal and the Purchase and additional information on the Purchaser as follows:

COMPLETION OF THE SALE AND PURCHASE AGREEMENT, THE WITHDRAWAL AND THE PURCHASE

The Company announces that completion of the Sale and Purchase Agreement, the Withdrawal and the Purchase took place on 5 October 2021.

INFORMATION ON THE FUND, THE WITHDRAWAL AND THE PURCHASE

As disclosed in the Announcements, the Fund is an exempted limited partnership and was established by the General Partner under the laws of Cayman Islands on 11 December 2018. The General Partner serves as the general partner to and manages the Fund, and Yupei Logistics Property Management 22 Co., Ltd. (“**Yupei LP**”) and ICBCI LP are the limited partners of the Fund holding 51.0% and 49.0% of the limited partnership interests in the Fund, respectively.

The Fund owns the entire issued share capital in Yupei Logistics Property Management 21 Co., Ltd, which in turn owns the entire issued share capital in the Seller. As of the date of the Sale and Purchase Agreement, the Target Company was a wholly-owned subsidiary of the Seller which holds the entire equity interests in the Project Company. Therefore, as of the date of the Sale and Purchase Agreement, both the Target Company and the Project Company were indirectly wholly-owned by the Fund.

As disclosed in the Announcements, ICBCI LP wishes to dispose of its interests in the Fund and has therefore been in discussions with the Group in relation thereto. The Withdrawal of ICBCI LP was effected by a withdrawal deed entered into among the Fund, Yupei LP and ICBCI LP (the “**Withdrawal Deed**”) on 5 October 2021.

Pursuant to the Withdrawal Deed, ICBCI LP applied for a voluntary withdrawal from the Fund as a limited partner according to the relevant provision under the Partnership Agreement and an amount of up to RMB929 million shall be paid to ICBCI LP (the “**Repayment**”) on or around the date of the execution of the Withdrawal Deed (the “**Effective Date**”). With effect from the Effective Date, all the limited partnership interest held by ICBCI LP in the Fund shall be cancelled in whole and ICBCI LP shall be released from its obligations under the Partnership Agreement in relation thereto. The Repayment of up to RMB929 million was satisfied by applying the net proceeds from the Disposal.

As an ancillary action to complete the Withdrawal and being another back-to-back arrangement, Yupei Investment entered into a sale and purchase agreement with Achiever Edge to purchase 50% of the issued share capital of the General Partner held by it (that is, the “**Purchase**”). Upon completion of the Purchase, the General Partner became an indirect wholly-owned subsidiary of the Company.

Upon completion of the Withdrawal, ICBCI LP ceased to be a limited partner of the Fund and the total value of the Fund was reduced as a result of the Repayment. Also, the General Partner became a wholly-owned subsidiary of the Company after the Purchase. Therefore, the Company holds the entire interests in the Fund after the Withdrawal and the Purchase.

Following the completion of the Sale and Purchase Agreement, the Withdrawal and the Purchase, the Company, via the Fund, no longer hold any interest in the Target Company and the Project Company.

However, although the Company became indirectly interested in 100% of the interests in the Fund (which was 51% prior to the Withdrawal and Purchase), the actual economic interests of the Group in the Fund do not expect to have any substantial increment given the value of the Fund has been reduced in light of the Repayment.

Taking into account the reasons for and benefits for the Disposal as disclosed in the Announcement, the Directors (including the independent non-executive Directors) consider that the terms of the Withdrawal are normal commercial terms, fair and reasonable, and that although the Withdrawal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Withdrawal and is required to abstain from voting on the board resolutions approving the Withdrawal Deed and the transactions contemplated thereunder.

FINANCIAL INFORMATION OF THE FUND

The total net assets of the Fund as at 31 December 2020 was RMB1,670,712,000 as disclosed in Note 34(b) to the consolidated financial statements of the Company for the year ended 31 December 2020 disclosed in the annual report of the Company for the year ended 31 December 2020.

The financial results of the Fund for the years ended 31 December 2019 and 2020 were as follows:

	For the year ended 31 December,	
	2019	2020
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue ^(Note)	97,075	136,181
Net profit before taxation	252,245	118,267
Net profit after taxation ^(Note)	188,013	89,685

Note: Such financial information is extracted from Note 34(b) to the consolidated financial statements of the Company for the year ended 31 December 2020 disclosed in the annual report of the Company for the year ended 31 December 2020.

INFORMATION ON YUPEI LP AND ICBCI LP

Yupei LP is a company with limited liability incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company. 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.

ICBCI LP is a wholly-owned subsidiary of ICBC International Investment Management Limited. ICBC International Investment Management Limited is a wholly-owned subsidiary of ICBC International Holdings Limited, which is in turn wholly owned by Industrial and Commercial Bank of China Limited, which is a commercial bank listed both on the Main Board of the Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398).

INFORMATION ON THE PURCHASER

The Purchaser is a private limited company incorporated in Singapore. It is indirectly wholly-owned by AREAP Core I LP, a Singapore domiciled limited partnership managed by Allianz Real Estate Asia Pacific Pte. Ltd.

LISTING RULES IMPLICATIONS

In view of the nature of the Withdrawal as disclosed above, the Withdrawal constitutes a “transaction” as defined under Chapter 14 or Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Withdrawal is more than 5% but all of them are less than 25%, the Withdrawal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements under the Listing Rules.

Given ICBCI LP holds 49% of the limited partnership interest in the Fund (which is a non-wholly owned subsidiary of the Company) and Achiever Edge is an associate of ICBCI LP, ICBCI LP is a connected person of the Company at the subsidiary level. As such, each of the Withdrawal and the Purchase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the Board has approved the Withdrawal and the Directors (including the independent non-executive Directors) have also confirmed that the terms of the Withdrawal Deed are fair and reasonable, and the Withdrawal is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole, the Withdrawal is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from circular, independent financial advice and shareholders’ approval requirement by virtue of Rule 14A.101 of the Listing Rules. As the Purchase is conducted on normal commercial terms or better and all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Purchase are less than 5% and the consideration for the Purchase is less than HK\$3,000,000, the Purchase is fully exempt from shareholders’ approval, annual review and all disclosure requirements by virtue of Rule 14A.76(1) of the Listing Rules.

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

Hong Kong, 8 October 2021

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