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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)

**CONSENT SOLICITATION IN RELATION TO HK\$1,109,000,000
6.95% CONVERTIBLE BONDS DUE 2024
(DEBT STOCK CODE: 5578, ISIN: XS1999871863, COMMON CODE: 199987186)**

References are made to the Rule 3.5 Announcement, the Announcements and the Circular.

This announcement does not contain the full terms and conditions of the Supplemental Trust Deed, which are contained in the Consent Solicitation Memorandum prepared by the Company, which is available to Holders from the Information and Tabulation Agent, via the Consent Website: https://glas.agency/investor_reporting/china-logistics-property-holdings-co-ltd. This announcement must be read in conjunction with the Consent Solicitation Memorandum.

CONSENT SOLICITATION

On 2 December 2021, the Company commenced the Solicitation from the Holders to the Proposed Amendments and the Proposed Waivers to the Trust Deed in a manner more fully described in the Consent Solicitation Memorandum, which is summarized in this announcement below.

BACKGROUND AND PURPOSE OF THE CONSENT SOLICITATION

On 26 June 2019, the Company entered into the Trust Deed and issued HK\$1,109,000,000 6.95% Convertible Bonds due 2024.

The Offeror entered into the Sale and Purchase Agreement, pursuant to which Yupei International Investment Management Co., Ltd conditionally agreed to sell, and the Offeror conditionally agreed to acquire, 916,488,000 Shares. Upon completion of the Sale and Purchase Agreement, the Offeror and parties acting in concert with it will become interested in 1,290,274,999 Shares, representing approximately 37.14% of the issued share capital of the Company. Pursuant to the Takeovers Code, the Offeror will then be required to make the Share Offer and the Convertible Bond Offer.

The purpose of the Solicitation is to seek Holders consent to approve the Proposed Amendments and the Proposed Waivers in order to amend or waive the terms of the Trust Deed and the Conditions to give the Company the flexibility to redeem some or all of the 2024 Convertible Bonds following completion of the Offers.

PROPOSED AMENDMENTS AND PROPOSED WAIVERS

The proposed principal amendments to the Trust Deed and the Conditions are set out below:

	Existing Terms	Amendments
Redemption at the option of the Company — Clean up call	Callable anytime on giving not less than 30 nor more than 60 days' notice, in whole but not in part, at 100% of the principal amount, together with accrued but unpaid interest, if prior to the date the relevant notice is given, conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the 2024 Convertible Bonds originally issued.	In respect of 2024 Convertible Bonds except those held by any person directly or indirectly Controls the Company, callable anytime on giving not less than 5 nor more than 60 days' notice, in whole or in part, in the Company's sole discretion, at 100% of the principal amount being redeemed, together with accrued but unpaid interest, if prior to the date the relevant notice is given, at least 51% in the principal amount of the 2024 Convertible Bonds originally issued has already been converted, redeemed, purchased or cancelled by the Company or by a person that directly or indirectly Controls the Company.

	Existing Terms	Amendments
Redemption at the option of the bondholders — Change of Control Put	A Holder of the 2024 Convertible Bonds may require the Company to redeem all or some only of such Holder's 2024 Convertible Bonds at 100% of the principal amount of the 2024 Convertible Bonds, together with accrued but unpaid interest if any, following the occurrence of a Change of Control (as defined in the Circular).	The redemption right at the option of the Holders upon occurrence of Change of Control (as defined in the Circular) is proposed to be deleted in its entirety.
Listing of the Shares	The Company undertakes to maintain a listing for all the issued Shares on the Stock Exchange and to maintain a listing for all the Shares issued on the exercise of the 2024 Convertible Bonds, so long as any 2024 Convertible Bonds remain outstanding.	The undertaking to maintain a listing is proposed to be deleted in its entirety.

The Proposed Waivers propose to waive any defaults or events of default under the Trust Deed arising, or that may arise in the future, as a result of a failure to notify either the Trustee, the Security Trustee or the Holders of the occurrence of a Change of Control (as defined in the Circular) pursuant to and in the manner set out in the Trust Deed.

Please refer to the Consent Solicitation Memorandum for the full text and details of the Proposed Amendments and Proposed Waivers.

CONSENT CONDITIONS

The Proposed Waivers will become effective and operative upon receipt of the Requisite Consents and the approval of the Extraordinary Resolution.

The Supplemental Trust Deed and the Proposed Amendments incorporated therein will only become operative on the seventh business day after the Convertible Bond Offer Closing Date (for the avoidance of doubt, this condition cannot be waived by the Company), but once operative, will have effect as of the Effective Date. The consummation of the Solicitation is also subject to the satisfaction of the following conditions:

- (a) the approval of the Extraordinary Resolution;
- (b) the execution and delivery of the Supplemental Trust Deed incorporating the Proposed Amendments; and

- (c) the absence of any existing or proposed law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, make unlawful or invalid or enjoin or delay the implementation of the Proposed Amendments and the Proposed Waivers or the entering into of the Supplemental Trust Deed, or that would question the legality or validity of any thereof.

If the Convertible Bond Offer Closing Date has not occurred on or prior to the Longstop Date, (a) the Supplemental Trust Deed and the Proposed Amendments incorporated therein will terminate with effect from and including the date of the required officers' certificate and be of no force or effect, and (b) the Proposed Waivers will cease to be effective from and including the date of such officers' certificate and shall be of no force or effect.

REQUISITE CONSENTS

The Trust Deed provides that under certain circumstances the Trustee as trustee and the Company, among others, may enter into a supplemental trust deed amending certain provisions of the Trust Deed with the Requisite Consents, that is, consent of relevant Holders of (a) not less than 90% of the aggregate principal amount of the 2024 Convertible Bonds before the Early Consent Deadline or (b) not less than 75% of the votes cast at the Meeting (in circumstances where insufficient electronic consents were submitted in favour of the Extraordinary Resolution prior to the Meeting to approve the Extraordinary Resolution by way of electronic consent).

KEY DATES

The following table summarizes the anticipated key dates for the Solicitation. This summary is qualified in its entirety by more detailed information in the Consent Solicitation Memorandum and the Company's right to amend, extend and/or terminate the Solicitation, as described in the Consent Solicitation Memorandum.

<u>Date and Time</u>	<u>Event</u>
2 December 2021	Commencement of the Solicitation and Consent Solicitation Memorandum available. <i>Notice of Meeting published and delivered to Clearing Systems for communication to Direct Participants.</i>
13 December 2021, 5:00 p.m. (London time)	Early Consent Deadline. <i>Deadline for Holders to submit or procure delivery on their behalf to the Information and Tabulation Agent of valid Consent Instructions in order to vote on the Extraordinary Resolution by way of an electronic consent or at the Meeting, as applicable.</i>

If insufficient Consent Instructions are submitted in favour of the Extraordinary Resolution prior to the Early Consent Deadline in order to approve the Extraordinary Resolution by way of electronic consent, and the Meeting (or any adjourned Meeting) is held, all Consent Instructions received prior to the Early Consent Deadline shall continue to count towards the quorum of the Meeting (and any adjourned Meeting) and the Information and Tabulation Agent (as proxy of the Holders) shall vote in the manner specified or identified in such Consent Instructions in respect of the Extraordinary Resolution at the Meeting (or any adjourned Meeting).

20 December 2021, 5:00 p.m.
(London time)

Form of Proxy Deadline.

Deadline for Holders to request a form of proxy to attend and vote in person at the Meeting in accordance with the provisions of the Trust Deed.

20 December 2021, 5:00 p.m.
(London time)

Expiration Deadline.

Deadline for Holders to submit or procure delivery on their behalf to the Information and Tabulation Agent of valid Consent Instructions in order to vote on the Extraordinary Resolution at the Meeting.

Tabulated final results available.

23 December 2021, 9:00 a.m.
(London time)

Meeting.

Announcement via the Clearing Systems of the results of the Meeting as soon as reasonably practicable after the Meeting.

For the avoidance of doubt, if Holders representing not less than 90% of the aggregate principal amount of the 2024 Convertible Bonds deliver Consent Instructions in favour of the Extraordinary Resolution prior to the Early Consent Deadline, the Extraordinary Resolution shall be approved by way of electronic consent and no Meeting shall be required with respect to the 2024 Convertible Bonds to vote on the Extraordinary Resolution.

In light of the ongoing developments in relation to Coronavirus (Covid-19), it may become impossible or inadvisable to hold the Meeting at the offices of Kirkland & Ellis International LLP. In that event, the Company and the Trustee may prescribe further or alternative regulations regarding the holding of the Meeting, which may include holding the Meeting by conference call. In such circumstances, those Holders who have indicated that they wish to attend the Meeting in person will be provided with further details about attending the Meeting. Holders who have appointed one or more representatives of the Information and Tabulation Agent as their proxy to attend and vote at the Meeting on their behalf will be unaffected by these alternative regulations and will not be required to take any further action.

On or about
23 December 2021

Effective Date.

Date on which the Supplemental Trust Deed is executed and the Proposed Amendments become effective.

The Proposed Waivers will become effective, and operative upon receipt of the Requisite Consents and the approval of the Extraordinary Resolution. The Company anticipates that, promptly after the approval of the Extraordinary Resolution, it will give written notice thereof to the Holders, the Trustee and the Security Trustee, and the Company and such parties, among others, will execute the Supplemental Trust Deed and the Proposed Amendments will become effective. The Supplemental Trust Deed and the Proposed Amendments will only become operative on the seventh business day after the Convertible Bond Offer Closing Date (for the avoidance of doubt, this condition cannot be waived by the Company), but once operative, will have effect as of the Effective Date.

Longstop Date.

Date by which the Company shall deliver an officers' certificate to the Trustee and the Security Trustee confirming whether the Convertible Bond Offer Closing Date has or has not occurred and if the Convertible Bond Offer Closing Date has occurred, the Convertible Bond Offer Closing Date.

If the Convertible Bond Offer Closing Date has occurred on or prior to the Longstop Date, the Supplemental Trust Deed and the Proposed Amendments incorporated therein will become operative on the seventh business day after the Convertible Bond Offer Closing Date, but once operative, will have effect as of the Effective Date. If the Convertible Bond Offer Closing Date has not occurred on or prior to the Longstop Date, the Supplemental Trust Deed and the Proposed Amendments incorporated therein will terminate with effect from and including the date of the officers' certificate and be of no force or effect. If the Convertible Bond Offer Closing Date has not occurred on or prior to the Longstop Date, the Proposed Waivers will cease to be effective from and including the date of the officers' certificate and shall be of no force or effect.

PROCEDURES FOR DELIVERING CONSENTS

To deliver a consent, a Holder must validly deliver a consent prior to the Expiration Deadline pursuant to the procedures described in the Consent Solicitation Memorandum.

Holders may not revoke consents once given other than in the limited circumstances described in “*Extension, Amendment and Termination*” in the Consent Solicitation Memorandum.

FURTHER DETAILS

For a detailed statement of the terms and conditions of the Solicitation, Holders should refer to the Consent Solicitation Memorandum.

GLAS Specialist Services Limited has been retained to act as Information and Tabulation Agent in relation to the Solicitation.

Questions and requests for assistance in respect of the Solicitation may be directed to:

GLAS Specialist Services Limited

55 Ludgate Hill, Level 1 West

London EC4M 7JW

Telephone: + 44 203 597 2940

Email: lm@glas.agency

Consent Website: https://glas.agency/investor_reporting/china-logistics-property-holdings-co-ltd

The Consent Solicitation Memorandum will be distributed in electronic format to Holders via the Clearing Systems. A copy of the Consent Solicitation Memorandum in electronic format is available on the Consent Website: https://glas.agency/investor_reporting/china-logistics-property-holdings-co-ltd. A hard copy version of the Consent Solicitation Memorandum is available on request from the Information and Tabulation Agent at the address specified above.

INFORMATION ABOUT THE COMPANY

The Company was incorporated in the Cayman Islands with limited liability, the issued 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.

LISTING RULES IMPLICATIONS

The 2024 Convertible Bonds are debts issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. The Company has informed the Stock Exchange of the transactions contemplated under the Supplemental Trust Deed and no conditions have been imposed by the Stock Exchange under Rule 37.49 of the Listing Rules.

As the Proposed Amendments and Proposed Waivers do not alter the conversion price nor the number of Conversion Shares issuable, the Conversion Shares will be allotted and issued under the specific mandate granted at the extraordinary general meeting of the Company held on 25 June 2019.

Further announcements in respect of the Solicitation will be made by the Company as and when appropriate. As the Solicitation may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings set out in this announcement:

“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 announcement, which is listed on the Stock Exchange (debt stock code: 5578, ISIN: XS1999871863, Common Code: 199987186)
“Announcements”	the announcement of the Company dated 23 May 2019 and 28 May 2019 in relation to the 2024 Convertible Bonds
“Board”	the board of Directors
“Circular”	the circular of the Company dated 10 June 2019 in relation to the 2024 Convertible Bonds and published on the website of the Stock Exchange
“Clearing Systems”	Euroclear Bank SA/NV and/or Clearstream Banking S.A.
“Company”	China Logistics Property Holdings Co., Ltd, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 01589)
“Consent Instruction”	the electronic voting instruction delivered by each Direct Participant through the relevant Clearing System to the Information and Tabulation Agent, appointing one or more representatives of the Information and Tabulation Agent as its proxy to attend the Meeting (and any adjourned Meeting) on its behalf and stating that the vote(s) attributable to the 2024 Convertible Bonds which are the subject of such Consent Instruction should be cast in a particular way in relation to the Extraordinary Resolution (either in favour of the Extraordinary Resolution or against the Extraordinary Resolution), which instruction shall form part of a Block Voting Instruction (as defined in the Consent Solicitation Memorandum) to be issued by the Information and Tabulation Agent in relation to the Meeting
“Consent Solicitation Memorandum”	the consent solicitation memorandum dated 2 December 2021
“Consent Website”	https://glas.agency/investor_reporting/china-logistics-property-holdings-co-ltd , operated by the Information and Tabulation Agent for the purpose of the Solicitation

“Control”	the acquisition or control of more than 50.0% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority members of the Company’s board of directors or similar governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Shares”	Shares to be allotted and issued by the Company upon exercise of the conversion right attaching to the 2024 Convertible Bonds
“Convertible Bond Offer”	the possible mandatory conditional cash offer to be made by Merrill Lynch (Asia Pacific) Limited for and on behalf of the Offeror 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 the Rule 3.5 Announcement
“Convertible Bond Offer Closing Date”	the date on which the Convertible Bond Offer closes in accordance with the Takeovers Code
“Direct Participant”	each person who is shown in the records of Clearing Systems as a holder of the 2024 Convertible Bonds
“Director(s)”	director(s) of the Company
“Early Consent Deadline”	5:00 p.m. (London time) on 13 December 2021
“Effective Date”	the date on which the Supplemental Trust Deed is executed and the Proposed Amendments become effective
“Expiration Deadline”	5:00 p.m. (London time) on 20 December 2021
“Extraordinary Resolution”	the extraordinary resolution of the Holders to approve the Supplemental Trust Deed, the Proposed Amendments and the Proposed Waivers, as fully described in the Consent Solicitation Memorandum
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Holder(s)”	holder(s) of the 2024 Convertible Bonds
“Information and Tabulation Agent”	GLAS Specialist Services Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longstop Date”	30 September 2022
“Meeting”	the meeting of the Holders to be held at the offices of Kirkland & Ellis International LLP, 30 St Mary Axe, London EC3A 8AF, United Kingdom, at 9:00 a.m. (London time) on 23 December 2021 to approve the Extraordinary Resolution
“Offeror”	JD Property Group Corporation
“Offers”	the Share Offer and the Convertible Bond Offer
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments of certain provisions of the Trust Deed, as fully described in the Consent Solicitation Memorandum
“Proposed Waivers”	the proposed waivers of certain provisions of the Trust Deed, as fully described in the Consent Solicitation Memorandum
“Requisite Consents”	consent of relevant Holders of (a) not less than 90% of the aggregate principal amount of the 2024 Convertible Bonds before the Early Consent Deadline or (b) not less than 75% of the votes cast at the Meeting (in circumstances where insufficient electronic consents were submitted in favour of the Extraordinary Resolution prior to the Early Consent Deadline to approve the Extraordinary Resolution by way of electronic consent)
“Rule 3.5 Announcement”	the joint announcement of the Company and the Offeror dated 3 September 2021 in relation to, among others, the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 September 2021 between the Offeror, Mr. Li Shifa and Yupei International Investment Management Co., Ltd, pursuant to which Yupei International Investment Management Co., Ltd has conditionally agreed to sell, and the Offeror has agreed to acquire, 916,488,000 Shares
“Security Trustee”	Citicorp International Limited
“Share(s)”	ordinary share(s) of US\$0.0000625 each in the share capital of the Company
“Shareholders”	the shareholder(s) of the Company

“Share Offer”	the possible mandatory conditional cash offer to be made by Merrill Lynch (Asia Pacific) Limited for and on behalf of the Offeror 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 the Rule 3.5 Announcement
“Solicitation”	the invitation to Holders to approve the Proposed Amendments and Proposed Waivers to the terms and conditions of the 2024 Convertible Bonds and the Trust Deed, as fully described in the Consent Solicitation Memorandum
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Trust Deed”	the supplemental trust deed proposed to be entered into by the Company, the subsidiary guarantors, the Trustee and the Security Trustee in relation to the Proposed Amendments
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust Deed”	the trust deed dated 26 June 2019 constituting the 2024 Convertible Bonds, as amended and supplemented from time to time
“Trustee”	Citicorp International Limited
“Yupei International”	Yupei International Investment Management Co., Ltd
“%”	per cent.

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

Hong Kong, 2 December 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.