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天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 8348)

MAJOR TRANSACTION FINANCE LEASE ARRANGEMENT

FINANCE LEASE ARRANGEMENT

Bonded Warehouse (as the vendor, the lessee and the mortgagor), a wholly-owned subsidiary of the Company, proposes to enter into the Finance Lease Agreement and the Mortgage Agreements with CIMC Capital for the Finance Lease Arrangement, pursuant to which Bonded Warehouse proposes to sell the Leased Assets to CIMC Capital at a total consideration of RMB56,000,000, and Bonded Warehouse proposes to lease back the Leased Assets from CIMC Capital by way of finance lease for a period of five years. At the same time, Bonded Warehouse proposes to pledge the Leased Assets and the Non-leased Pledged Asset to CIMC Capital as guarantee in discharging the debts of Bonded Warehouse under the Finance Lease Agreement. The Company and TEDA Holding, the controlling shareholder of the Company, propose to sign the Guarantee Letter with CIMC Capital respectively to provide guarantee in favour of Bonded Warehouse in relation to the Finance Lease Arrangement. Upon expiry of the lease period and subject to fulfillment of all obligations by Bonded Warehouse under the Finance Lease Agreement, Bonded Warehouse shall have the right to acquire the ownership of the Leased Assets by paying RMB100 to CIMC Capital.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Finance Lease Arrangement exceeds 25% but is less than 75%, the Finance Lease Arrangement and the transactions contemplated thereunder constitute a major transaction and are subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A circular of the Company containing further details of the Finance Lease Arrangement, the notice convening the Extraordinary General Meeting together with the proxy form and any other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 20 December 2022.

INTRODUCTION

Bonded Warehouse (as the vendor, the lessee and the mortgagor), a wholly-owned subsidiary of the Company, proposes to enter into the Finance Lease Agreement and the Mortgage Agreements with CIMC Capital for the Finance Lease Arrangement, pursuant to which Bonded Warehouse proposes to sell the Leased Assets to CIMC Capital at a total consideration of RMB56,000,000, and Bonded Warehouse proposes to lease back the Leased Assets from CIMC Capital by way of finance lease for a period of five years. At the same time, Bonded Warehouse proposes to pledge the Leased Assets and the Non-leased Pledged Asset to CIMC Capital as guarantee in discharging the debts of Bonded Warehouse under the Finance Lease Agreement. The Company and TEDA Holding, the controlling shareholder of the Company, propose to sign the Guarantee Letter with CIMC Capital respectively to provide guarantee in favour of Bonded Warehouse in relation to the Finance Lease Arrangement. Upon expiry of the lease period and subject to fulfillment of all obligations by Bonded Warehouse under the Finance Lease Agreement, Bonded Warehouse shall have the right to acquire the ownership of the Leased Assets by paying RMB100 to CIMC Capital.

FINANCE LEASE AGREEMENT

The principal terms of the proposed Finance Lease Agreement are set out below:

- Date : After the approval in the Extraordinary General Meeting
- Parties : (1) CIMC Capital, as the purchaser and the lessor; and
(2) Bonded Warehouse, as the vendor and the lessee
- Leased Assets : CIMC Capital shall purchase the Leased Assets from Bonded Warehouse and lease them to Bonded Warehouse for use by way of finance lease. Bonded Warehouse shall lease the Leased Assets from CIMC Capital and pay rent and other payables.
- Consideration : In respect of the transfer of ownership of the Leased Assets, CIMC Capital shall pay RMB56,000,000 to Bonded Warehouse as the consideration for the purchase of the Leased Assets. After deducting the security deposit in the amount of RMB2,800,000, CIMC Capital shall pay the balance of RMB53,200,000 to Bonded Warehouse by wire transfer.

The appraised value of the right to use the Leased Assets appraised by the Independent Valuer using the income method as at 30 August 2022 was RMB58,376,300. The consideration of the Leased Assets was determined after arm's length negotiation between Bonded Warehouse and CIMC Capital on a fair and prudent market basis with reference to approximately 95% of the appraised value of the right to use the Leased Assets. The book value of the Leased Assets as at 30 August 2022 was RMB6,886,563.

Conditions precedent : The conditions precedent of the payment of consideration by CIMC Capital to Bonded Warehouse are as follows:

1. CIMC Capital having received the valuation report of the Leased Assets provided by Bonded Warehouse or other supporting documents specifying the value of the Leased Assets acceptable to CIMC Capital;
2. Bonded Warehouse having signed the Mortgage Agreement (Leased Assets as pledged assets);
3. Bonded Warehouse having signed the Mortgage Agreement (Non-leased Pledged Asset as pledged asset), and having completed the mortgage registration with CIMC Capital as the mortgagee;
4. The Company having signed the Guarantee Letter;
5. TEDA Holding having signed the Guarantee Letter; and
6. Upon payment by CIMC Capital, there being no material changes to the fiscal, taxation and financial policies, or government regulatory measures on the finance and financial leasing industries in the PRC as compared to that when the Finance Lease Agreement is signed, and the market financing cost having not increased significantly.

CIMC Capital may at its discretion determine whether to waive part of the conditions precedent temporarily before making payments. Notwithstanding the above, in any event, CIMC Capital is entitled to require Bonded Warehouse to fulfill the conditions precedent after making payments, and Bonded Warehouse shall fulfill the same, failing which will constitute events of default under the Finance Lease Agreement by Bonded Warehouse.

The Finance Lease Arrangement is conditional upon obtaining of the approval of the Shareholders.

Ownership of the Leased Assets : The ownership of the Leased Assets shall be transferred in whole from Bonded Warehouse to CIMC Capital once CIMC Capital has paid the consideration in accordance with the Finance Lease Agreement. The ownership of the Leased Assets during the lease period shall vest in CIMC Capital.

Upon expiry of the lease term, Bonded Warehouse will be entitled to obtain the ownership of the Leased Assets by paying a nominal consideration of RMB100 to CIMC Capital after it has paid all the rent and other relevant fees to CIMC Capital in accordance with the Finance Lease Agreement, without other breaches by it. All fees and taxation incurred from the transfer of the ownership of the Leased Assets and registration of change of ownership shall be borne by Bonded Warehouse.

Lease Period : A total of 60 months from the commencement date of the lease.

The commencement date of the lease shall be the date on which the first tranche of consideration of the Leased Assets has been paid by CIMC Capital in accordance with the Finance Lease Agreement.

Rent : The rent comprises the lease principal and lease interest. The amount of the lease principal shall be RMB56,000,000. The rent shall be calculated on equal instalments. The lease interest rate is floating interest rate, and fluctuates with the changes in the loan prime rate (“LPR”) over 5 years as promulgated by the National Interbank Funding Center. The reference annual lease interest rate is 4.3%, being the LPR as at the date of this announcement.

The rent shall be payable by 20 instalments on a quarterly basis. The rent of each instalment shall be approximately RMB3,393,600. Bonded Warehouse shall pay the rent by self-owned funds. Payment shall be made every three months from the commencement date of the lease and the payment date of rent shall be determined by the following circumstances:

1. If the consideration of the Leased Assets is paid on a lump sum basis, the payment date of the rent shall be no later than the following closing dates:

**Payment date of the consideration
of the Leased Assets**

Closing Date

6 th — 15 th day of the month	15 th day of the month
16 th day — 25 th day of the month	25 th day of the month
26 th day of the month — 5 th day of the next month	5 th day of the next month

2. If the consideration of the Leased Assets is paid in instalments, the closing date of the rent shall be no later than the 15th day of the respective rent payment months.

The effective date of the change in the lease interest rate shall be determined in accordance with the following rules:

1. If there is a change in the LPR at the commencement date of the lease from the signing date of the Finance Lease Agreement, the annual lease interest rate shall be adjusted in accordance with the LPR in effect at the commencement date of the lease; and
2. The annual lease interest rate shall be adjusted annually after the commencement date of the lease, with the adjustment date being 1 July of each year, i.e. the lease interest rate in effect on 1 July of the year shall apply from 1 July of the year to 30 June of the following year.

Default amount : If Bonded Warehouse delays in paying rent, or fails to pay the same in full, CIMC Capital shall have the right to recognize the outstanding rent as overdue rent as of the closing date, and to charge default amount for the overdue payment as follows: Overdue rent × Number of days overdue (including holidays) × 0.05%.

Other fees : Bonded Warehouse is required to pay a security deposit of RMB2,800,000 for the performance of its obligations under the Finance Lease Agreement. The security deposit shall be deducted directly by CIMC Capital from the consideration of the Leased Assets payable to Bonded Warehouse.

The security deposit cannot be used by Bonded Warehouse to offset the rent. If Bonded Warehouse is required to pay default amount or compensation to CIMC Capital in the event of default, CIMC Capital shall have the right to deduct the same directly from the security deposit. Bonded Warehouse shall replenish the security deposit within 10 working days after the security deposit has been deducted in part or in full. If Bonded Warehouse fails to replenish the security deposit within the aforesaid period, it shall be regarded as a serious breach by Bonded Warehouse, and CIMC Capital shall have the right to forfeit the balance of the security deposit.

After Bonded Warehouse has fulfilled all of its obligations under the Finance Lease Agreement, CIMC Capital shall return the balance of the security deposit (if any) without interest to Bonded Warehouse.

Insurance : Bonded Warehouse shall take out property insurance for the Leased Assets during the lease period from the insurance company designated or recognized by CIMC Capital, in favour of CIMC Capital being the first beneficiary of the insurance, and the insurance premiums shall be borne by Bonded Warehouse.

Pledge and Guarantee : Bonded Warehouse will enter into the Mortgage Agreements with CIMC Capital after obtaining the approval of the Shareholders at the Extraordinary General Meeting in respect of the Finance Lease Agreement and the transactions contemplated thereunder. Pursuant to the Mortgage Agreements, Bonded Warehouse shall pledge the Leased Assets and the Non-leased Pledged Asset to CIMC Capital as guarantee in discharging the debts of Bonded Warehouse under the Finance Lease Agreement.

As at 30 August 2022, the book value of the Leased Assets and the valuation of the right to use the Leased Assets were RMB6,886,563 and RMB58,376,300, respectively.

As at 30 August 2022, the book value of the Non-leased Pledged Asset was RMB3,388,562. The valuation of the right to use the Non-leased Pledged Asset as at 30 August 2022, as assessed by the Independent Valuer using the benchmark land price coefficient correction approach, was RMB67,872,000. The benchmark land price coefficient correction approach is one that appraises the value using the urban benchmark land price and the correction coefficient of the benchmark land price. It follows the substitution principle and compares the geographical and individual conditions of the valuation target with the average conditions in that region, and corrects the benchmark land price using a correction coefficient with reference to the correction coefficient table in order to obtain the price of the valuation target on the valuation benchmark date.

TEDA Holding and the Company agreed to provide a joint liability guarantee for Bonded Warehouse's performance of its obligations under the Finance Lease Agreement. TEDA Holding and the Company propose to provide the Guarantee Letters in this regard respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT

The Company has been seeking a variety of financing methods to supplement its working capital, including but not limited to borrowings from financial institutions such as banks. The Board considers that the term of finance leases is usually longer, which allows the Company to attain its financing needs by obtaining long-term funds and reduces the short-term liquidity risk of the Company. The Leased Assets are currently used for the daily operations. The Directors consider that the Finance Lease Arrangement will not have any material impact on the actual production or operation of the Company and will help to revitalize the Company's stock assets and provide financial support for the Company's business, which will in turn meet the funding needs of the Group and optimize its financing structure, thus benefiting the Group as a whole. The cooperation with CIMC Capital is determined after comparing and screening several financial leasing companies. The annual interest rate for the rent payable under the Finance Lease Agreement is in line with the market rate which ranges from 6% to 8%. If the Finance Lease Arrangement materialises, the Finance Lease Arrangement will be entered into in the ordinary and usual course of business of the Group, and the Board considers that the Finance Lease Agreement, Mortgage Agreements and the transactions contemplated thereunder will be entered into on normal commercial terms, and their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Finance Lease Arrangement exceeds 25% but is less than 75%, the Finance Lease Arrangement and the transactions contemplated thereunder constitute a major transaction and are subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Chapter 20 of the GEM Listing Rules, TEDA Holding, the controlling shareholder of the Company, is a connected person of the Company, therefore, the guarantee provided by TEDA Holding in favour of Bonded Warehouse (a wholly-owned subsidiary of the Company) in respect of the Finance Lease Arrangement constitutes a financial assistance. The guarantee provided by TEDA Holding in favour of Bonded Warehouse is fully exempt under Rule 20.88 of the GEM Listing Rules as it is conducted on normal or better commercial terms and it is not secured by the assets of the Group.

A circular of the Company containing further details of the Finance Lease Arrangement, the notice convening the Extraordinary General Meeting together with the proxy form and any other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 20 December 2022.

INFORMATION ON THE PARTIES

Information on Bonded Warehouse and the Group

Bonded Warehouse is a company incorporated in the PRC with limited liability and has a registered capital of RMB80,000,000, which is owned entirely by the Company. Bonded Warehouse is principally engaged in warehouse operations and logistics services.

The principal businesses of the Group are supply chain and logistics services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, cold chain logistics services and bonded warehouse services, container yard service and other services such as supervision, agency, and transportation services.

Information on CIMC Capital

CIMC Capital is a company incorporated in the PRC with limited liability, with its principal business being finance lease. Shenzhen Capital Group holds a total of 53.3185% shareholding in CIMC Capital directly and indirectly. Shenzhen Capital Group is a wholly state-owned limited liability company established in the PRC and is primarily engaged in investments in and establishment of various industries, investment business, investment management and asset management. Shenzhen Capital Group is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CIMC Capital and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

There is no assurance that the Finance Lease Arrangement will materialise. Shareholders and potential investors of the Company are reminded that the Finance Lease Arrangement is subject to the fulfillment of certain conditions as set out in this announcement. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Bonded Warehouse”	TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), a wholly-owned subsidiary of the Company
“CIMC Capital”	CIMC Capital Ltd., a company incorporated in the PRC with limited liability
“Company”	Tianjin Binhai Teda Logistics (Group) Corporation Limited* (天津濱海泰達物流集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are listed on the GEM (Stock code: 8348)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	the extraordinary general meeting to be convened by the Company to consider and, if thought fit, to approve (among other things) the Finance Lease Arrangement
“Finance Lease Agreement”	the finance lease (sale and leaseback) agreement to be entered into between Bonded Warehouse and CIMC Capital
“Finance Lease Arrangement”	the finance lease arrangement by way of sale and leaseback to be carried out between Bonded Warehouse and CIMC Capital through the entering into of the Finance Lease Agreement and the Mortgage Agreements
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Guarantee Letter(s)”	the two letters of guarantee to be entered into between TEDA Holding and the Company with CIMC Capital respectively in relation to the proposed guarantee in favour of Bonded Warehouse in respect of the Finance Lease Arrangement, each known as “Guarantee Letter”

“H Share(s)”	overseas-listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the GEM
“Independent Valuer”	Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司)
“Leased Assets”	two special railway lines with the length of 1.2 kilometers located in the yard of Bonded Warehouse
“Mortgage Agreement(s)”	the two mortgage agreements to be entered into between Bonded Warehouse and CIMC Capital in relation to the pledge on the Leased Assets and the Non-leased Pledged Asset respectively, each known as “Mortgage Agreement”
“Non-leased Pledged Asset”	the land located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone, Tianjin
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders(s)”	shareholder(s) of the Company
“Shenzhen Capital Group”	Shenzhen Capital Holdings Co., Ltd.* (深圳市資本運營集團有限公司), a wholly state-owned corporation established in the PRC with limited liability
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“TEDA Holding”	Tianjin TEDA Investment Holding Co., Ltd.* (天津泰達投資控股有限公司), the controlling shareholder of the Company
“%”	per cent

By order of the Board
天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited*
Yang Weihong
Chairman

Tianjin, the PRC
5 December 2022

As at the date of this announcement, the Board comprises Mr. Yang Weihong as executive Director; Mr. Li Jian, Mr. Jo Shibin, Mr. Zhou Zhiyuan and Mr. Zhang Yan as non-executive Directors; and Mr. Cheng Xinsheng, Mr. He Yongjun, Mr. Japhet Sebastian Law and Mr. Peng Zuowen as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this announcement or any statement herein misleading.

This announcement will remain on the “Latest Listed Company Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.tbtl.cn.

** For identification purposes only*