
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountants or other professional advisers.

If you have sold or transferred all your shares in Tianjin Binhai Teda Logistics (Group) Corporation Limited*, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**(1) MAJOR TRANSACTION — FINANCE LEASE ARRANGEMENT
AND
(2) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING
IN 2023**

A letter from the Board is set out on pages 4 to 17 of this circular.

A notice convening the first extraordinary general meeting (the “EGM”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited* (天津濱海泰達物流集團股份有限公司) in 2023 to be held at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC on 10 February 2023 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed with this circular and such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbtl.cn). Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM and voting in person if you so wish.

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

* For identification purposes only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This circular, 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 circular 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 any statement herein or this circular misleading.

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DEFINITIONS

In this circular, 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
“Domestic Share(s)”	ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as fully paid in RMB
“Finance Lease Agreement”	the finance lease (sale and leaseback) agreement dated 6 January 2023 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 pursuant to the Finance Lease Agreement and the Mortgage Agreements
“First Extraordinary General Meeting in 2023”	the extraordinary general meeting of the Company to be held at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC on 10 February 2023 at 9:30 am., to consider and, if thought fit, to approve (among others) the Finance Lease Arrangement
“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

DEFINITIONS

“Guarantee Letter(s)”	the two letters of guarantee dated 6 January 2023 issued by TEDA Holding and the Company to CIMC Capital respectively in relation to the 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)
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“Latest Practicable Date”	17 January 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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 dated 6 January 2023 entered into between the 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 circular shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders(s)”	shareholder(s) of the Company
“Share(s)”	the Domestic Shares and the H Shares
“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

DEFINITIONS

“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
“Valuation Report (I)”	the asset appraisal report issued by the Independent Valuer in relation to the right of use of the Leased Assets
“Valuation Report (II)”	the asset appraisal report of land use rights issued by the Independent Valuer in relation to the Non-leased Pledge Asset
“%”	per cent

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.

* For identification purposes only

LETTER FROM 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*

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

(Stock Code: 8348)

Executive Director:

Mr. Yang Weihong

(Chairman of the Board)

Non-executive Directors:

Mr. Li Jian

Mr. Jo Shibin

Mr. Zhou Zhiyuan

Mr. Zhang Yan

Independent non-executive Directors:

Mr. Cheng Xinsheng

Mr. He Yongjun

Mr. Japhet Sebastian Law

Mr. Peng Zuowen

*Registered office and principal place of
business in the PRC:*

Third Floor of the Office Building,

No. 39, Bohai Road,

Tianjin Economic and

Technological Development Zone,

Tianjin,

The PRC

Principal place of business in Hong Kong:

25th Floor, Neich Tower,

128 Gloucester Road,

Wanchai, Hong Kong

Hong Kong share registrar and transfer office:

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716, 17/F,

Hopewell Centre,

183 Queen's Road East,

Wanchai, Hong Kong

19 January 2023

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION — FINANCE LEASE ARRANGEMENT
AND
(2) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING
IN 2023**

1. INTRODUCTION

References are made to the announcements of the Company dated 5 December 2022 and 6 January 2023 in relation to the Finance Lease Arrangement.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on the Finance Lease Arrangement and the incidental documentation and other information as required under the GEM Listing Rules and to give you a notice of the First Extraordinary General Meeting in 2023 and to seek your approval of the resolution to be proposed thereat.

2. FINANCE LEASE ARRANGEMENT

On 6 January 2023, Bonded Warehouse (as the vendor, the lessee and the mortgagor), a wholly-owned subsidiary of the Company, entered into the Finance Lease Agreement and the Mortgage Agreements with CIMC Capital for the Finance Lease Arrangement, pursuant to which Bonded Warehouse agreed to sell the Leased Assets to CIMC Capital at a total consideration of RMB56,000,000, and Bonded Warehouse agreed 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 agreed 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, issued the Guarantee Letters to 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 Finance Lease Agreement are set out below:

Date	:	6 January 2023
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.

LETTER FROM THE BOARD

The book value of the Leased Assets as at 30 August 2022 was RMB6,886,563, which was accounted for in the consolidated financial statements of the Company based on cost method. The appraised value of the right to use the Leased Assets appraised by the Independent Valuer using the income approach 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. CIMC Capital offered RMB56,000,000 as consideration with reference to approximately 95% of the appraised value of the right to use the Leased Assets. The Board considered that such offer is fair and reasonable based on various factors on a collective basis, including (i) the book value of the Leased Assets, (ii) the existing operating conditions of and earnings brought by the Leased Assets and (iii) the capital needs of the Group. Details of the Board's assessment of each of such factors are as follows:

- In respect of factor (i), with reference to the prevailing market practice, it is common that the finance lease amount granted by lenders are equivalent to or lower than the book value of the leased assets provided by the borrowers. Given that (1) the book value of the Leased Assets was objectively accounted for based on cost method according to the applicable accounting standards, (2) the finance lease amount granted to Bonded Warehouse by CIMC Capital is higher than the book value (which was RMB6,886,563) and the original value (which was RMB13,343,048) of the Leased Assets and (3) Bonded Warehouse may retrieve the ownership of the Leased Assets by paying a nominal consideration of RMB100 to CIMC Capital upon expiry of the lease term, which will not cause any impact on the revenue and operation of the Group, the Board considered that the Finance Lease Arrangement as a whole are on better terms than those available in the market (as further explained below).
- In respect of factor (ii), the Leased Assets are mainly used for railway transportation, and the average net profit (after taxation) attributable to the Leased Assets for the two financial years ended 31 December 2021 was approximately RMB2,020,000, which accounted for a relatively minor part of the profit of the Group and is much lower than the finance lease amount.

LETTER FROM THE BOARD

- In respect of factor (iii), although the finance lease amount cannot satisfy all capital needs of the Group, it has a considerable significance on guaranteeing the capital security of the Group and can be applied towards repairing yards, improving and upgrading equipment, repayment of existing loans and replenishing cash flow of the Group.

Separately, the Board has taken into account the following considerations during the course of formulating the Finance Lease Arrangement:

1. The amount of finance lease to be obtained shall not be less than the higher of the book value and the original value of the Leased Assets with reference to the market information available to the Company.
2. The Leased Assets were used for obtaining a finance lease amount of RMB55,000,000 in the finance lease transaction disclosed in the announcement of the Company dated 28 April 2017. As the current financing market conditions are relatively stricter, the Company aimed at obtaining a financing amount of not less than RMB50,000,000.
3. According to the Group's demands for operating funds for 2023 and the existing borrowings of the Group, the Company aimed at obtaining a financing amount of not less than RMB50,000,000.

In light of the above, the Board considered that the consideration of the Leased Assets (which is the principal amount of the finance lease) is fair and reasonable.

- 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;

LETTER FROM THE BOARD

4. The Company having signed the Guarantee Letter;
5. TEDA Holding having signed the Guarantee Letter;
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; and
7. the Shareholders having approved the Finance Lease Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, conditions precedent 1 to 5 above have been satisfied.

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.

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 rents 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.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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 the 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 installments, 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.

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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: $\text{Overdue rent} \times \text{Number of days overdue (including holidays)} \times 0.05\%$.

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 above-said 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 has entered into the Mortgage Agreements with CIMC Capital, pursuant to which 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.

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

LETTER FROM THE BOARD

MORTGAGE AGREEMENTS

The principal terms of the Mortgage Agreement in relation to the Leased Assets are set out below:

Date : 6 January 2023
Mortgagor : Bonded Warehouse

Although the ownership of the Leased Assets was vested in CIMC Capital during the lease term according to the Finance Lease Agreement, since the ownership of the Leased Assets was transferred by mutual agreement rather than through the relevant PRC authorities, Bonded Warehouse could act as the mortgagor and mortgage the Leased Assets with CIMC Capital as the mortgagee, in compliance with the relevant PRC laws and regulations.

Mortgagee : CIMC Capital
Pledged asset : two special railway lines with the length of 1.2 kilometers located in the yard of Bonded Warehouse
Scope of mortgage : All creditor's rights of CIMC Capital under the Finance Lease Agreement, all expenses and fees paid by CIMC Capital to realize the creditor's rights and security interests, and other debts and obligations to be performed by Bonded Warehouse under the Finance Lease Agreement
Mortgage registration : Bonded Warehouse is responsible for the registration of the mortgage, and CIMC Capital shall provide assistance. Bonded Warehouse shall complete the registration procedures within five working days after the signing of the Mortgage Agreement or within other period agreed by CIMC Capital, and hand over the original mortgage registration documents or certificates of other rights and interests to CIMC Capital for custody.

The principal terms of the Mortgage Agreement in relation to the Non-leased Pledged Asset are set out below:

Date : 6 January 2023
Mortgagor : Bonded Warehouse
Mortgagee : CIMC Capital
Pledged asset : the land located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone, Tianjin

LETTER FROM THE BOARD

The Non-leased Pledged Asset is currently used as a storage land by Bonded Warehouse. It is not part of any crucial business operation of the Group.

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.

According to Valuation Report (II), since the Non-pledged Leased Asset is a storage land within the coverage of Tianjin benchmark land price system, it is appropriate to use the benchmark land price coefficient correction approach for valuation. There are few market transaction cases similar to the Non-pledged Leased Asset in the area where it is located, so the market comparison approach is not adopted. Also, since the Non-pledged Leased Asset is a storage land, the cost approach is not applicable according to the market conditions. Therefore, the benchmark land price coefficient correction approach, which is common for the type of land within the coverage of Tianjin benchmark land price system similar to the Non-pledged Leased Asset, was adopted.

- Scope of mortgage : All creditor's rights of CIMC Capital under the Finance Lease Agreement, all expenses and fees paid by CIMC Capital to realize the creditor's rights and security interests, and other debts and obligations to be performed by Bonded Warehouse under the Finance Lease Agreement
- Mortgage registration : Bonded Warehouse is responsible for the registration of the mortgage, and CIMC Capital shall provide assistance. Bonded Warehouse shall complete the registration procedures within five working days after the signing of the Mortgage Agreement or within other period agreed by CIMC Capital, and hand over the original mortgage registration documents or certificates of other rights and interests to CIMC Capital for custody.

LETTER FROM THE BOARD

The book value of the Leased Assets as at 30 August 2022 was RMB6,886,563, whereas the appraised value of the right to use the Leased Assets as at 30 August 2022 was RMB58,376,300, representing an appreciation of more than sevenfold. The Company considered that it is reasonable for CIMC Capital to request for securities in addition to the mortgage on the Leased Assets and the Guarantee Letters after taking into account such significant appreciation, the credibility level and operating conditions of the Company. As far as the Company is aware, it is common market practice in the PRC to pledge additional assets in light of a significant appreciation in the value of the leased assets as compared to their book values in finance lease transactions. The Company also considered that it is commercially acceptable to offer a mortgage on the Non-leased Pledged Asset, the book value of which was RMB3,388,562, as the additional security in the Finance Lease Arrangement.

The Company had reached out to four other finance leasing companies before agreement with CIMC Capital. After gathering information from them, the finance lease amount offered by CIMC Capital was the highest under the same terms and conditions. The Company is also concurrently liaising with banks on financing matters, but bank financing and finance lease should be complementary in nature, not replacement of one another. The major financing method of the Company is bank borrowings, the term of which is usually as short as one year. The term of the Finance Lease Arrangement is five years and will help revitalize the Company's stock assets and enhance the mobility of the long-term assets of the Company.

FINANCIAL INFORMATION OF THE LEASED ASSETS

Set out below is the net profit (before and after taxation) attributable to the Leased Assets for the two financial years ended 31 December 2020 and 31 December 2021 computed according to the PRC Accounting Standards for Business Enterprises:

	For the year ended 31 December	
	2020	2021
	<i>RMB</i>	<i>RMB</i>
Profit/(Loss) before taxation	3,848,291.00	1,537,371.69
Profit/(Loss) after taxation	2,886,218.25	1,153,028.76

REASONS FOR AND BENEFITS FOR 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 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

LETTER FROM THE BOARD

rate for the rent payable under the Finance Lease Agreement is in line with the market rate which ranges from 6% to 8%. The Finance Lease Arrangement is 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 are 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.

FINANCIAL EFFECTS OF THE FINANCE LEASE ARRANGEMENT

Pursuant to the IFRS, the Finance Lease Arrangement shall be recognised as financial liability arrangement and therefore will not give rise to any gain or loss on or result in a decrease in the value of the Leased Asset at initial recognition.

The Finance Lease Arrangement is in substance a financing arrangement rather than a lease transaction under *IFRS 16 Leases*. The transfer prices of the Leased Assets are effectively the principal amount of the finance lease granted to Bonded Warehouse by CIMC Capital. In addition, as substantial risks and rewards of the Leased Assets are retained by Bonded Warehouse under the Finance Lease Arrangement, the sale of the Leased Assets under the Finance Lease Arrangement does not satisfy the requirement of *IFRS 15 Revenue* to be accounted for as a sale of an asset. According to *IFRS16.103(a)*, Bonded Warehouse (as the seller and the lessee) shall continue to recognise the Leased Assets as property, plant and equipment and a recognition of financial liability applying *IFRS 9* Financial instruments for the cash received.

Subsequent to the commencement of the Finance Lease Arrangement, the bank deposits and loans of the Company will increase by approximately RMB53,200,000 (being the consideration of the Finance Lease Agreement (RMB56,000,000) minus the rental deposit under the Finance Lease Agreement (RMB2,800,000)) at the same time. Therefore, there will be no significant changes in the total assets less total liabilities in the consolidated statement of financial position.

Regarding the impact on the consolidated statement of profit or loss and other comprehensive income, the total amount of interest of the Finance Lease Arrangement is approximately RMB11,872,000 (being the annual interest rate of 7.62% of the rent) and the management expenses of the Finance Lease Arrangement is approximately RMB980,000 (being a fee payable to an agent for the Finance Lease Arrangement, which is an independent third party of each of Bonded Warehouse and CIMC Capital), and the interest and related financing expenses included in the annual finance costs for 2023 are approximately RMB3,995,899 and RMB980,000 respectively.

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.

LETTER FROM THE BOARD

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.

China International Marine Containers (Group) Co., Ltd., which is a joint stock company incorporated in the PRC and listed on the Shenzhen Stock Exchange (stock code: 000039) and the Stock Exchange (stock code: 2039), holds a total of 45.4318% shareholding in CIMC Capital directly and indirectly.

Tianjin Kairuikang Enterprise Management Consulting Partnership (Limited Partnership)* (天津凱瑞康企業管理諮詢合夥企業(有限合夥)) holds the remaining 1.2497% shareholding in CIMC Capital.

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.

WAIVERS FROM STRICT COMPLIANCE WITH RULES 19.62 AND 19.66(3) AND PARAGRAPH 29(2) OF APPENDIX 1B OF THE GEM LISTING RULES

The valuation of the Leased Assets was prepared based on the income approach and therefore such valuation constitutes a profit forecast under Rules 19.62 and 19.66(3) and paragraph 29(2) of Appendix 1B of the GEM Listing Rules. Accordingly, the Company is required to comply with the profit forecast requirement under Rules 19.62 and 19.66(3) and paragraph 29(2) of Appendix 1B of the GEM Listing Rules.

The Company has applied for a waiver from strict compliance with the profit forecast requirement under Rules 19.62 and 19.66(3) and paragraph 29(2) of Appendix 1B of the GEM Listing Rules on the following grounds:

- (1) Valuation Report (I) was prepared for the purpose of compliance with the relevant PRC laws and regulations by CIMC Capital, and the Company was not involved in such preparation;
- (2) Valuation Report (I) has no relevance to the Board in deciding the Finance Lease Arrangement, due to the fact that the Board mainly considered the capital needs of the Group, the book value of the Leased Assets, the existing operating conditions of and earnings brought by the Leased Assets, rather than referencing Valuation Report (I) in making decisions;

LETTER FROM THE BOARD

- (3) The Group was not involved in the preparation of Valuation Report (I), therefore it is unable to determine whether the accounting policies adopted in Valuation Report (I) are the same as those of the Group. There are practical difficulties for the Company's auditors or reporting accountants to confirm on the accounting policies and calculations of the forecast;
- (4) There are practical difficulties for the Company's financial adviser (or the Board) to render a requisite opinion under the GEM Listing Rules because the Directors did not prepare Valuation Report (I);
- (5) In view of the above, it will be unduly burdensome for the Company to comply with the profit forecast requirement under Rules 19.62 and 19.66(3) and paragraph 29(2) of Appendix 1B of the GEM Listing Rules.

The Stock Exchange has granted the Company a waiver from strict compliance with the profit forecast requirement under Rules 19.62 and 19.66(3) and paragraph 29(2) of Appendix 1B of the GEM Listing Rules.

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 for the Company 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.

As at the Latest Practicable Date, although TEDA Holding is one of the providers of the Guarantee Letters for the Finance Lease Arrangement, its interests are in line with the other Shareholders in relation to the Finance Lease Arrangement. Furthermore, TEDA Holding does not and will not obtain any benefit, fee or security from the Group by guaranteeing the obligations of Bonded Warehouse. Therefore, as at the Latest Practicable Date and to the best knowledge, information and belief of the Directors, none of the Shareholders is required to abstain from voting on the resolution approving the Finance Lease Arrangement.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING AND ACTION TO BE TAKEN

A notice convening the First Extraordinary General Meeting in 2023 is set out on pages EGM-1 to EGM-3 of this circular.

A proxy form for use at the First Extraordinary General Meeting in 2023 is enclosed with this circular and such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbtl.cn). Whether or not you intend to attend the First Extraordinary General Meeting in 2023, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the First Extraordinary General Meeting in 2023 or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the First Extraordinary General Meeting in 2023 and voting in person if you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the First Extraordinary General Meeting in 2023 must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the First Extraordinary General Meeting in 2023 in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATION

Having considered the reasons and benefits set out herein, the Board considers that the Finance Lease Agreement, Mortgage Agreements and the transactions contemplated thereunder are 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. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the First Extraordinary General Meeting in 2023 to approve the Finance Lease Arrangement.

ADDITIONAL INFORMATION

Your attention is drawn to the information as set out in the appendices to this circular.

Yours faithfully,
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

* For identification purposes only

1. The Financial Information of the Group

The audited consolidated financial statements of the Group for the years ended 31 December 2019, 2020 and 2021 together with the relevant notes to the consolidated financial statements of the Group can be found on pages 89 to 224 of the published annual report of the Company for the year ended 31 December 2019, pages 103 to 248 of the published annual report of the Company for the year ended 31 December 2020 and pages 123 to 287 of the published annual report of the Company for the year ended 31 December 2021, respectively.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 together with relevant notes to the consolidated financial statements of the Group can be found on pages 3 to 19 of the published interim report of the Company for the six months ended 30 June 2022.

All of the annual reports for the years ended 31 December 2019, 2020 and 2021 and the interim report for six months ended 30 June 2022 have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tbtl.cn).

2. Statement of Indebtedness

As at the close of business on 30 November 2022, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had secured outstanding borrowings of approximately RMB243,000,000. The Group's secured bank borrowings bear contractual interest rate ranging from approximately 5.66% to 7.00% per annum. The Group had unsecured outstanding borrowings of approximately RMB49,685,000. The Group's unsecured bank borrowings bear contractual interest rate ranging from approximately 3.20% to 4.50% per annum.

As at the close of business on 30 November 2022, the Group had lease liabilities of aggregate carrying amount of approximately RMB56,047,000 denominated in RMB relating to leased properties for own use.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any outstanding borrowings, debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts, other borrowings or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchases commitments, guarantees or contingent liabilities at the close of business on 30 November 2022.

3. Working Capital

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the effect of the transaction contemplated under the Finance Lease Arrangement and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

4. Financial and Trading Prospects

The principal businesses of the Group are logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components, materials procurement and related logistics services and bonded warehouse services. Through continuous strengthening of internal management, enhancing the internal control system, integrating various resources, improving utilization of assets, focusing on the main businesses and raising business efficiency, the Company has steadily promoted its business development alongside with industry reform and strived to mitigate risks, ensured stable operation and promoted high-quality development under an unfavorable macro-environment.

The Group will continue to adhere to the development strategy of integrated logistics business, uphold the general working principle of “tactic operation with flexible approaches and steady progress”, stick to the positioning of integrated logistics business provider, focus on automobile logistics, component logistics and cold chain logistics, maintain strategic transformation to industrial developments from non-industrial operations, magnify advantages of the main business and strive to achieve high-quality development. The Group will reinforce its two major business development platforms, i.e. automobiles and cold chain (staple food); adjust product categories of bulk commodity trade business, exercise strict selection of business partners, mitigate risks, obtain new qualification for bulk commodity trading based on existing resources, and expand on the types of business; continue to promote the transformation and upgrading of the traditional business and improve the utilization rate of existing resources and profitability. Meanwhile, the Company will, through various means, activate existing assets, expand financing channels and provide financing support for its business development. The development of the current finance lease business will further provide additional working capital for the Company and facilitate its business development. As such, the Company is filled with confidence in its future development.

5. Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited accounts of the Company have been made up.

The following is the full text of Valuation Report (I) issued by the Independent Valuer, which is prepared for the purpose of incorporation in this circular.

**Asset Valuation Report on
the “Right-of-use of the Haitai Special Railway (海泰鐵路專用線)”
Owned by
TEDA General Bonded Warehouse Co., Ltd.*
(天津開發區泰達公共保稅倉有限公司)
for Reference by
Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司)
Zhenglian Ping Zi [2022] No. V1-0050**

**Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司)
Date of submission of the Valuation Report: 5 September 2022**

Statement

- I. The registered asset valuer has no existing or expected interests in the Valuation Target, nor personal interest relationship with the Entrusting Party and relevant parties and has no bias towards the Entrusting Party and relevant parties. To the best knowledge of the registered asset valuer, the matters stated in the Valuation Report are objective.
- II. The analysis and conclusion of the Valuation Report have been formed based on the principles of independence, objectivity and impartiality, and is valid only under the valuation assumptions and limitations set out in the Valuation Report.
- III. The valuation conclusion is valid only on the Valuation Benchmark Date specified in the Valuation Report; The users of the Valuation Report shall reasonably determine the use period of the Valuation Report according to the asset status and market changes subsequent to the Valuation Benchmark Date.
- IV. The registered asset valuers and the valuation agency to which they belong has the professional qualification and relevant professional valuation experience required for this valuation. No work achievements of other valuation agencies or experts has been used in the valuation process, except for those that have been disclosed in the Valuation Report.
- V. The registered asset valuer has performed the asset valuation for the purpose of estimating the value of the Valuation Target and has expressed professional opinions and does not assume the responsibility of decision-making for the relevant parties. The valuation conclusion shall not be regarded as a guarantee of the realizable price of the Valuation Target.
- VI. It is the responsibility of the registered asset valuer to comply with relevant laws and regulations, and asset valuation standards in estimating the value of the Valuation Target and expressing professional opinions. It is the responsibility of the Entrusting Party and relevant parties to provide the necessary information, ensure the authenticity, legality and completeness of such information, and use the Valuation Report properly.
- VII. The registered asset valuer gives necessary attention to the legal ownership of the Valuation Target but does not provide any form of guarantee on the legal ownership of the Valuation Target.
- VIII. The use of the Valuation Report is only for valuation purpose as specified in the Valuation Report, and the registered asset valuers and the valuation agency to which they relate take no responsibility for the consequences arising from its improper use.

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**Summary of Asset Valuation Report on
the “Right-of-use of the Haitai Special Railway (海泰鐵路專用線)”**

Owned by

TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)

for Reference by

Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司)

Zhenglian Ping Zi [2022] No. V1-0050

Note to the users of this report

The contents of this summary are extracted from the Valuation Report, and you should read the full text of the Valuation Report to learn the full picture of this project. The use of this summary alone may lead to misunderstanding of the conclusion.

Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司) has accepted the entrustment of Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司) to perform valuation on the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司) in accordance with the national regulations on asset valuation, based on the principles of independence, objectivity, impartiality and science, by using generally accepted asset valuation methods. Our valuers have performed investigation, analysis, and market research on the assets for valuation through necessary valuation procedures, thereby arriving at a fair picture on the market value of entrusted assets for valuation as at 30 August 2022. Based on the above valuation work, we have reached the following valuation conclusions. The summary is set out as follows:

- I. The Entrusting Party is Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司), and the Asset Owner is TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司).
- II. Valuation Purpose: To quantify the market value of the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), to provide the Entrusting Party with a reference basis to the asset value.
- III. Valuation Target and Scope: The Valuation Target and scope of this valuation is the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司).
- IV. Valuation Benchmark Date: The Valuation Benchmark Date of this valuation engagement is 30 August 2022.
- V. Type of Value: The type of value of this valuation engagement is market value.

- VI. Valuation Basis, Principle and Process. We performed our valuation in accordance with the national laws and regulations on asset valuation, based on the principles of independence, objectivity, impartiality and science, and through necessary working procedures.
- VII. Valuation Method: According to relevant national laws and regulations, relevant provisions of asset valuation standards and the information collected by the valuers, the income approach was adopted for valuation.
- VIII. Valuation Process: It includes acceptance of entrustment, market research, valuation and estimation, and preparation of report.
- IX. Valuation Conclusion: The fair market value of the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司) on the Valuation Benchmark Date (i.e. 30 August 2022) is RMB58,376,300.00 (amount in words: RMB fifty-eight million three hundred and seventy-six thousand three hundred only) on an open market basis.
- X. Validity Period: The valuation conclusion in this report is valid starting from the Valuation Benchmark Date (i.e. 30 August 2022) and ending on 29 August 2023. The valuation conclusion is valid to be used as reference by the Entrusting Party in the event that the valuation purpose is achieved within one year after the Valuation Benchmark Date, and re-valuation would be required beyond one year.

Asset Valuation Report on
the “Right-of-use of the Haitai Special Railway (海泰鐵路專用線)”
Owned by
TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)
for Reference by
Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司)
Zhenglian Ping Zi [2022] No. V1-0050

Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司) has accepted the entrustment of Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司) to perform valuation on the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司) in accordance with the national regulations on asset valuation, based on the principles of independence, objectivity, impartiality and science, by using generally accepted asset valuation methods. Our valuers have performed investigation, analysis, and market research on the assets for valuation through necessary valuation procedures, thereby arriving at a fair picture on their market value as at 30 August 2022. The asset valuation and valuation results are reported as follows:

I. Introduction of the Entrusting Party and the Asset Owner, and Users of the Report

The Entrusting Party is Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司), and the Asset Owner is TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司).

(I) Introduction of the Entrusting Party

The basic profile is as follows:

Company Name	:	Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司)
Unified Social Credit Code	:	91530111MA6PLPDA86
Registered Address	:	D47, No.7 Yunxiu Road, Yunxiu Lane, the third resident group of Jiguan Community, Guandu Street, Guandu District, Kunming City, Yunnan Province (雲南省昆明市官渡區官渡街道季官社區第三居民小組雲秀小巷雲秀路7號D47)
Legal Representative	:	He Yongxing (賀勇星)
Registered Capital	:	RMB30 million
Enterprise Type	:	Limited liability company (investment or holding by natural persons)

Date of Establishment	:	2 July 2020
Business Scope	:	Finance lease business (non-financial lease) (not allowed to engage in financial services in relation to deposit absorption, financing guarantee, wealth management and raising (financing) funds from the public without the approval of financial and other regulatory authorities); purchase of leased property from home and abroad; disposal and maintenance of residual value of leased property; leasing transaction consulting; car rental; lease of construction machinery and equipment; business information consulting; economic information consulting. (For business requiring approval according to laws, operations are subject to the approval by relevant authorities)

(II) Introduction of the Asset Owner

The basic profile is as follows:

Company Name	:	TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)
Unified Social Credit Code	:	91120116735468341D
Registered Address	:	Door 2, No. 39 Bohai Road, Tianjin Development Zone (天津開發區渤海路39號2號門)
Legal Representative	:	Liu Xingbao (劉興寶)
Registered Capital	:	RMB80 million
Enterprise Type	:	Limited liability company (sole proprietorship of legal person)
Date of Establishment	:	1 December 2001

Business Scope : Warehousing of bonded materials and related services; processing and sales of materials, mechanical equipment, electronic machinery, parts and components, and electronic products; equipment maintenance; after-sales service; merchandising; technical advice; import and export business; self-operating and agency import and export of various commodities and technologies, other than those that are restricted to be operated by companies or prohibited from import or export by the state; leasing of equipment; material warehousing and related services; premise leasing services; sea, land, air international freight forwarding services and multimodal transport agency services; leasing of self-owned houses; ordinary freight, special freight transport (container); agency of declaration business; loading and unloading services; logistics information consultation, logistics technology development and technical services; inventory control management; household appliances, daily necessities, knitted textiles, apparel, computer software and hardware and accessories, packaging materials, office supplies, paper and products, building ornaments, metal materials and products, hardware and electricity, chemical materials and products (except dangerous chemicals and easily manufactured drugs), rubber and plastic products, vehicles and equipment for environmental protection, automobile accessories, refrigeration equipment, pipe fittings, valves, electric wires and cables, electric tools, electromechanical equipment, instruments and meters, telecommunications equipment, communication equipment, electronic products, coke and products, mineral products (except coal), aquatic products, automobile wholesale and retail; self-operating and agency of import and export of commodities and technologies; property management services, cleaning services, business management consulting services; wholesale and retail of frozen food products (operate with license) and agricultural and by-products; logistics management service; container storage, repair and washing services; labor service (excluding labor dispatching). (For business requiring approval according to laws, operations are subject to the approval by relevant authorities)

(III) Users of the report

This Valuation Report is provided to the Entrusting Party for use. In addition, other users of the Valuation Report are the entities (or individuals) that are closely related to the purpose of this valuation as stated in the valuation business agreement, such as the industrial and commercial administration department, and the users of the Valuation Report stipulated by national laws and regulations.

II. Valuation Purpose

Pursuant to the relevant contents of the Entrustment Agreement for Asset Valuation entered into between our company and the Entrusting Party, the purpose of this valuation is to quantify the market value of the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), to provide the Entrusting Party with a reference basis to the asset value.

III. Types of Value and their Definitions

The value type in an asset valuation refers to the value attribute of the asset valuation result and its manifestation. The formation of the value type in an asset valuation does not only lead to the specific economic behavior of asset valuation, that is, in relation to the specific purpose of asset valuation, but is also closely related to factors such as the function and status of the valuation target and market conditions prevailing at the time of valuation. The value types in asset valuation mainly include the following categories:

- (1) the types of value expressed in the form of valuation standard of asset valuation, which include replacement cost, present value of income, prevailing market value (or realizable value) and liquidation price.
- (2) the value types in asset valuation expressed from the perspective of asset valuation assumptions, which include the value in use, open market value and liquidation value.
- (3) the value types in asset valuation classified by specific purpose of the asset valuation by the nature of the asset business, which include mortgage value, insurance value, taxable value, investment value, liquidation value, transfer value, preservation value, transaction value, merger value, auction value, lease value and compensation value.
- (4) the value types of valuation result classified based on the market conditions prevailing at the time of asset valuation and the use status of the appraised assets, which include market value and the value other than market value.

According to the purpose of this valuation engagement, the valuers determine that the value type is market value.

IV. Valuation Target and Scope

The Valuation Target is the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), entrusted for valuation by Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司).

The scope of valuation is the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), entrusted for valuation by Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司).

V. Valuation Benchmark Date

The Valuation Benchmark Date of this engagement is 30 August 2022.

The Valuation Benchmark Date is determined through negotiation between the Entrusting Party and the appraised entity under the following conditions:

1. The Valuation Benchmark Date shall be close to the valuation date, to reduce the adjustment of physical quantity and improve the accuracy and transparency of market price inquiry and credit investigation.
2. The Valuation Benchmark Date is close to the greatest extent to the date of achievement of the valuation purpose, which contributed to ensuring that the valuation result can effectively serve the valuation purpose.

VI. Valuation Principles

Our valuers performed the valuation in compliance with the working principles of independence, objectivity, impartiality and science and the operational principles of continuous operation of assets, substitution, open market, and valuation timing.

VII. Valuation Assumptions and Limitations

- (1) Asset valuation, like other disciplines, is based on a series of assumptions for establishing its theoretical system and method system. Among them, transaction assumptions, open market assumptions, continuous use assumptions and liquidation assumptions are the basic assumptions in asset valuation.

1. Transaction assumption

The transaction assumption is the most fundamental assumption for the implementation of asset valuation. It assumes that all appraised assets are already in the course of transaction, and the valuers perform valuation based on a simulated market with reference to the transaction conditions of the appraised assets. On the one hand, the transaction assumption “creates” the conditions for asset valuation, and on the other hand, it expressly defines the external environment for asset valuation, i.e., the asset is placed in market transactions. Asset valuation cannot be implemented in isolation from market conditions.

2. Open market assumption

The open market assumption is a hypothetical description or qualification about the conditions of the market which the assets are intended to enter and what effects the asset will receive under such market conditions. The key to open market assumption is to understand and grasp the essence and connotation of open market. In terms of asset valuation, an open market refers to fully developed and complete market conditions and a competitive market with willing buyers and sellers, where buyers and sellers are in equal

status and have opportunities and time to obtain sufficient market information, and the transactions between buyers and sellers are conducted under voluntary, rational, non-compulsory, and unrestricted conditions. In fact, the actual market conditions may not be as complete as the above-mentioned open markets. The open market assumption assumes that there is such a relatively complete open market in which the appraised assets will be traded. Of course, the open market assumption is also based on the objective reality on the market, that is, the fact that assets can be publicly traded on the market.

3. Continuous use assumption

The continuous use assumption is also a hypothetical description or illustration of the conditions of the market which the assets are intended to enter and the conditions of the asset under such market conditions. The continuous use assumption first assumes that the appraised assets (including assets currently being employed and reserved assets) are in use and, based on the relevant data and information, such assets will continue to be used. Continuous use assumption describes the market conditions or environment for the appraised assets and particularly describes the status of continuance of the assets. According to common practice, continuous use assumption is further divided into three specific situations: first, continuing to be used as the existing usage; second, continuing to be used with a change of usage; third, continuing to be used at a different location or space. The continuous use assumption is also a particularly important assumption in asset valuation, particularly in the PRC, where the economic system is in transition stage and the market is not yet fully developed, and asset valuation activities are mostly related to changes in property rights of the stock asset of old enterprises. As a result, the appraised subjects are often subject to or presumed to be under the continuous use assumption.

4. Liquidation assumption

The liquidation assumption is a hypothetical description or qualification about the conditions of the market which the assets are intended to enter. Specifically, it is a hypothetical description of the conditions for forced sale or rapid realization of assets under non-open market conditions. The liquidation assumption is first based on the fact or possibility that the appraised assets are subject to liquidation or potential liquidation, and then based on the corresponding information, the appraised assets are presumed to be under the conditions of forced sale or rapid realization. As the liquidation assumption assumes that the appraised assets are under the conditions of forced sale or rapid realization, the appraised value of the appraised assets are usually lower than the appraised value of the identical asset under the open market assumption or the continuous use assumption. Therefore, the asset valuation results under the liquidation assumption are limited in scope of use. Of course, the use of the liquidation hypothesis itself is also quite special.

Based on the specific conditions of the valuation, the basic assumption for the valuation is determined as the open market assumption.

(II) Qualification conditions

1. This Asset Valuation Report is only for the reference of the Entrusting Party to verify the value of the assets, and shall not be used for other purposes;
2. This asset valuation conclusion is the appraised value of the entrusted asset for valuation on the Valuation Benchmark Date based on the above-mentioned principles, basis, premise, methods and procedures, and the valuation conclusion is valid only under the condition that the above-mentioned principles, basis and premise exist;
3. This asset valuation conclusion only reflects the appraised asset value of the Valuation Target for the purpose of this asset valuation, and only serves the purpose of this asset valuation;
4. Effects of the change of the national macroeconomic policy, force majeure and the special transaction mode on the asset valuation conclusions are not taken into account;
5. The valuation conclusion assumes that the right-of-use assets of the special railway are normally put into operation and could be converted into productivity, but no guarantee of future realization is provided;
6. The valuation conclusion referred to the production materials and future income forecast information provided by the Entrusting Party in the course of estimation and is based on the assumption that forecast income stated in the information can be realized. The valuation conclusions of this report shall not be applicable should the above factors change substantially.

VIII. Valuation Basis**(I) Basis of behavior**

1. the Engagement Contract entered into between the Entrusting Party and Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司).

(II) Legal basis

1. Company Law of the People's Republic of China (amended at the 6th meeting of the Standing Committee of the 13th National People's Congress on 26 October 2018);
2. Assets Valuation Law of the People's Republic of China (Order No. 46 of the President of the People's Republic of China, effective from 1 December 2016);

3. Measures for the Supervision and Administration of State-owned Assets Transactions of Enterprises (企業國有資產交易監督管理辦法) (Decree No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance of the People's Republic of China);
4. Notice on Printing and Distributing the Work Guidelines for Filing of State-owned Assets Valuation Project of Enterprises (關於印發<企業國有資產評估項目備案工作指引>的通知) (Guo Zi Fa Chan Quan No. [2013] 64);
5. Measures for the Financial Supervision and Administration of Asset Valuation Industry (資產評估行業財政監督管理辦法) (promulgated by Decree No. 86 of the Ministry of Finance on 21 April 2017, as revised in accordance with the Decision of the Ministry of Finance on Revision of Regulations of 2 Departments including Measures for the Practice Licensing and Supervision and Administration of Accounting Firms (財政部關於修改<會計師事務所執業許可和監督管理辦法>等2部門規章的決定) dated 2 January 2019);
6. Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) (amended at the 7th meeting of the Standing Committee of the 13th National People's Congress on 29 December 2018);
7. The Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法實施條例) (adopted at the 197th executive meeting of the State Council on 28 November 2007 and effective from 1 January 2008);
8. The Civil Code of the People's Republic of China (adopted at the 3rd meeting of the 13th National People's Congress on 28 May 2020);
9. The Implementation Rules of the Provisional Regulations on Value Added Tax of the People's Republic of China (中華人民共和國增值稅暫行條例實施細則) (Decree No. 65 of the Ministry of Finance and the State Taxation Administration);
10. Other laws and regulations related to asset valuation.

(III) Basis of Standards

1. Code of Ethics for Asset Valuation (資產評估職業道德準則) (CASCAS No. [2017] 30);
2. Asset Valuation Practice Standards - Asset Valuation Procedure (資產評估執業準則—資產評估程序) (CAS No. [2018] 36);
3. Asset Valuation Practice Standards - Asset Valuation Reports (資產評估執業準則—資產評估報告) (CAS No. [2018] 35);

4. Asset Valuation Practice Standards - Asset Valuation Entrustment Contracts (資產評估執業準則—資產評估委託合同) (CAS No. [2017] 33);
5. Asset Valuation Practice Standards - Asset Valuation Archives (資產評估執業準則—資產評估檔案) (CAS No. [2018] 37);
6. Asset Valuation Practice Standards - Use of Expert Work and Related Reports (資產評估執業準則—利用專家工作及相關報告) (CAS No. [2017] 35);
7. Asset Valuation Practice Standards - Asset Valuation Methods (資產評估執業準則—資產評估方法) (CAS No. [2019] 35);
8. Asset Valuation Practice Standards - Enterprise Value (資產評估執業準則—企業價值) (CAS No. [2018] 38);
9. Guidelines for Valuation Report of State-owned Assets of Enterprise (企業國有資產評估報告指南) (CAS No. [2017] 42);
10. Guidelines for Business Quality Control of Asset Valuation Agencies (資產評估機構業務質量控制指南) (CAS No. [2017] 46);
11. Guiding Opinions on Value Types of Asset Valuation (資產評估價值類型指導意見) (CAS No. [2017] 47);
12. Guiding Opinions on Legal Ownership of Assets Valuation Target (資產評估對象法律權屬指導意見) (CAS No. [2017] 48);
13. Estimation of Discount Rate in Valuation of Enterprise Value with Income Approach (收益法評估企業價值中的折現率測算) (Expert Guidelines for Assets Valuation No. 12).

(IV) Basis of property right

1. Business license and road transport permit of the Entrusting Party and the appraised unit;
2. Relevant information on the right-of-use of the Haitai Special Railway (海泰鐵路專用線).

(V) Pricing basis and others

1. Common Data and Reference Manual for Asset Valuation (《資產評估常用數據與參考手冊》) published by Scientific and Technical Documentation Press;
2. Treasury bond yields at the dates near the Valuation Benchmark Date, financial indicators and risk indicators of similar listed companies;

3. Financial operation information provided by the Entrusting Party;
4. Relevant information such as operating income and forecast of future years provided by the Entrusting Party;
5. Current and future market forecast information of main products provided by the Entrusting Party;
6. Statistical analysis data on national macro, industrial, regional market and enterprise;
7. On-site survey records and other relevant valuation information collected by valuers;
8. Other information related to the asset valuation.

IX. Assessment Approaches

Intangible assets are generally valued by the cost approach, the income approach and the market approach. Two prerequisites must be met for the use of the market approach: First, there must be a fully developed and active market for the asset. Secondly, information such as reference assets and their comparable indicators and technical parameters are collectible. After market survey conducted by our valuers, it was not possible to obtain references same as or similar to the Valuation Target, so the prerequisites for using the market approach for this valuation were not established. The cost approach is based on the calculation of the expenses generated in the process of applying for the right-of-use of the special railway and the deduction of the unnecessary and unreasonable expenses according to the actual situation, but the value of the intangible assets, especially the value of the high-tech achievements, is difficult to truly reflect its actual value with the cost approach, because the value of such assets is usually mainly manifested in the creative intellectual labor of high-tech talents, and the fruits of labor are very difficult to be simply quantified by the labor cost, so the cost approach is not adopted for this valuation. We believe that the future return of the intangible asset entrusted for valuation can be predicted and quantified, and its risk can also be measured in currency. Therefore, only the income approach is adopted for this valuation.

The income approach refers to an asset valuation method that determines the price of appraised asset by estimating the expected future income of the appraised asset and converting it into present value. This approach has certain subjectivity and is subject to assumption.

Specific method: by forecasting the profit generated from the investment of the right-of-use assets of the special railway, and comprehensively considering the contribution degree of the right-of-use assets of the special railway to the whole profit, the profit sharing rate was used to estimate the income amount of the right-of-use assets of the special railway, i.e., the value of the right-of-use assets of the special railway at the time of Valuation Benchmark Date was calculated by determining the income of the right-of-use assets of the special railway in a certain proportion (profit sharing rate), and discounting the income generated from the investment of the right-of-use assets of the special railway based on the profit generated from the investment of the right-of-use assets of the special railway.

Estimation of income of project entrusted for valuation: Through investigation and analysis of the market size and development trend of the products of the project entrusted for valuation, combined with the characteristics of the products entrusted for valuation, we determined the possible share of the product entrusted for valuation in the market, so as to arrive at the forecast value of operating revenue;

Estimation of related cost and expense: We determined the cost structure of the project entrusted for valuation by analyzing the feasibility analysis report of the relevant project, and forecast the relevant costs incurred by operation of the right-of-use of the special railway entrusted for valuation for a period of time in the future through consultation and discussion with experts, etc.

We calculated to determine the gross profit in the future: (gross profit = revenue - costs and expenses), and calculated to arrive at the net profit (net profit = gross profit - income tax)

We analyzed and calculated the sharing rate of the right-of-use assets of the special railway;

We determined the discount rate applicable to this valuation and arrived at the valuation value of the right-of-use assets of the special railway entrusted for valuation by calculating the present income value of the right-of-use assets of the special railway entrusted for valuation.

On the basic assumption on which this valuation is based, considering that it can measure the expected future income and the risk by currency for the Valuation Target the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)”, the sharing rate method in income capitalization approach is adopted for valuation. That is, according to the comprehensive analysis of relevant industries and domestic and foreign macro-economic environment, it is reasonably predicted that the future income generated by putting the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” into the market by the enterprise; According to the relevant industry characteristics and enterprise development plan to determine the forecast period, the risk factors are analyzed to determine the discount rate; Finally, the valuer comprehensively considers the contribution from the right-of-use assets of the special railway to the whole income amount, and calculates the income amount of the right-of-use assets of the special railway by using the profit sharing rate, that is, on the basis of the income generated by the investment of the right-of-use assets of the special railway, the income of the right-of-use assets of the special railway is determined according to a certain proportion (profit sharing rate), and then the income is discounted to calculate the value of the right-of-use assets of the special railway.

The formula is:

$$P = \alpha \sum_{i=1}^n \frac{R_i}{(1+r)^i}$$

- P — the valuation of the value
- α — profit sharing rate
- R_i — the net profit of the enterprise in the next i years
- i — the income calculation year
- r — Discount rate

X. Assessment Process

The income approach is a method of analyzing the expected future business income of the valuation object to determine its value. The income-based valuation method is widely accepted in the international and domestic valuation industries. The so-called profit sharing rate method is that in the course of product barter trade, the right-of-use assets of the special railway contribute to the profit or cash flow created by the operating revenue. The appropriate method is adopted to estimate and determine the contribution rate of the right-of-use assets of the special railway to the cash flow created in the course of barter trade, and then determine the contribution rate of the right-of-use assets of the special railway to the operating cash flow. Then a proper discount rate is selected to discount the annual cash flow contributed by the right of use assets of special railway into its present value and use it as the valuation value of the right of use assets of special railway. The application of this method is divided into the following four steps:

1. The economic life of the right-of-use assets of the special railway is determined to forecast the sales revenue of the products within the economic life;
2. The sharing rate (contribution rate) of the right-of-use assets of the special railway to the cash flow is analyzed and determined, and the contribution of the right-to-use assets of the special railway to the cash flow of the project product is determined;
3. Cash flows are converted to present value using an appropriate discount rate. The discount rate should consider the risk factors and capital time value of the cash flow;
4. The present value of cash flow during the economic life shall be added up to determine the valuation value of the right-of-use assets of the special railway.

Determination of main parameters:

1. Determination of expected income period

According to the feasibility study report of the enterprise project and considering the characteristics and trade level of the same industry, especially the investment recovery period and construction situation of the special railway, it can be estimated that the right-of -use of the Haitai Special Railway, which we are entrusted for valuation can be continuously used in the future, and continuously bring profits to the enterprise.

2. Determination of discount rate

The principles for determining the discount rate. The principle of no less than the risk-free return rate, the principle of matching the discount rate with the income amount and the principle of determining the discount rate according to the actual situation are adopted in this valuation.

In general, the greater the risk, the higher the required investment yield, and vice versa. In addition, the changes of political environment, market environment and industrial policy and interest rate level should be taken into account for the determination of discount rate. In this valuation, we adopt risk-free return rate and risk return rate to jointly determine the discount rate. Through the

analysis of the industry, risk-free return rate generally refers to the interest rate of treasury bonds for the same period, and risk return rate refers to the return on investment exceeding the risk-free return rate. Therefore, the discount rate is the risk-free return rate for the same period as at the Valuation Benchmark Date plus the risk return rate considered due to the competition risk of the industry.

(1). Risk-free return rate

Risk-free return rate is a return rate without risk, including actual return rate and inflation rate. The typical representative of risk-free return rate is the interest rate of medium and long-term treasury bonds issued by the PRC or medium and long-term bank deposits. This valuation selects the treasury bonds with a maturity of 5-10 years remaining from the Valuation Benchmark Date to the maturity date of the treasury bonds in Shanghai and Shenzhen stock market, calculates their yields to maturity, and takes the average yields to maturity of all treasury bonds as the risk-free return rate in this valuation.

The risk-free return rate is 3.28%.

(2). Determination of industry risk interest rate. The risk of market economy is an unavoidable problem. It is the key to the success of the company to objectively analyze the possible risk factors and take effective contingency measures to save the day.

At present this industry is in the mature stage, and the future market development is relatively stable with smaller industry risk. Based on the above factor analysis, it is determined that the industry risk interest rate is 2.70%.

(3). The determination of the inflation rate. According to the Law of the People's Republic of China on The People's Bank of China, the primary objective of central bank's monetary policy is to maintain currency stability and thereby promote economic growth. According to the actual inflation rate during the past five years, it is determined that the inflation rate is 2%.

(4) Project risk. Project risk is also called non-systematic risk, which refers to the risk compensation of a specific project and the risks related to the enterprise scale. Project risk coefficient can range from 1% to 5% for specific operations. Compared with large projects, the risk coefficient of small projects is larger.

Project risk refers to the changes of the technology, operation and management of the project itself, as well as the changes of the project operation status due to competition. According to the application characteristics of the right-of-use assets of the special railway entrusted for valuation, the service matches the existing application market, but the competition of the same kind of products is fierce at present. However, as of the Valuation Benchmark Date, the right-of-use assets of the special railway entrusted for valuation have a robust operation mode. Under the existing operation conditions, the operation of the assets entrusted for valuation still faced some uncertainties for the fulfilment of the expected operation target. Therefore, there are some risks of operation. The marketing method of the product has entered a wide range of applications. During operation of business, there is certainly unpredictability.

Based on the analysis of the above factors, the project risk (non-systematic risk) is determined to be 1.52%.

(5). Determination of discount rate. Based on the above analysis, the discount rate is determined as follows.

$$\begin{aligned}
 &\text{Discount rate} = \text{risk-free rate} + \text{industry risk rate} + \text{inflation rate} + \text{project risk} \\
 &= 3.28\% + 2.70\% + 2\% + 1.52\% \\
 &= 9.50\%
 \end{aligned}$$

the resulting discount rate is 9.50%

3. Determination of profit-sharing rate

The theoretical basis for the participation of assets in profit sharing. In the real world, the profits of enterprises were contributed by the combined effects of qualification, technology, manpower, material resources, financial resources and other factors. Therefore, as a specific production factor, the right-of-use assets of the special railway have their theoretical basis to participate in enterprise income distribution.

According to the appraisal convention, and based on the specific conditions of the Company, the appraiser opined that the investment in production could not be made without the right-of-use assets of the special railway. And considering that a certain amount of capital needs to be invested in the implementation of the project for the purposes of purchasing equipment and promoting, and depreciation and amortization of fixed assets, project management expenses and sales and promotion expenses in the product cost also account for a certain proportion, the appraiser shall, on the basis of comprehensive analysis of the necessity factors for the right-of-use assets of the special railway entrusting for valuation, based on the prudent principle, determine the profit sharing rate of the right-of-use assets of the special railway as 40.00% according to the transaction price of similar assets between both parties in the market, the score of relevant index system and the correction of empirical data.

4. Calculation of Revenue

(1). Operating revenue forecast

The revenue of the appraised enterprise in each future year shall be calculated based on the net profit that can be brought by the transaction amounts of the right-of-use assets of the special railway in the next five years. In this valuation, according to the above sales scheme of the entrusted and evaluated products, the appraiser made the following assumptions on the operating revenue of the future year based on the future business forecast of the asset owner and considering the future development of the barter trade market, the technological competitiveness and other factors:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Operating revenue (RMB)	16,185,500.00	29,133,900.00	46,614,240.00	65,259,930.00	85,492,001.59	85,492,001.59

(2). Operating cost forecast

Operating costs include material costs, labor costs, depreciation of equipment, utilities, etc. Assuming that the proportion of material costs and labor costs to revenue is relatively unchanged during the appraisal period, based on the relevant data in the operation report of relevant domestic industries and the relevant financial data provided by the appraised enterprise, the following assumptions are made for the operating costs in the future years:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Operating costs (RMB)	10,196,865.00	17,771,679.00	27,735,472.80	37,850,759.40	48,730,440.91	48,730,440.91

(3). Business taxes and surcharges

Business taxes and surcharges mainly include urban construction tax, education surcharge and local education surcharge. According to the business scale and quantity of the appraised enterprise, it is assumed that the appraised company is a VAT general taxpayer. According to the relevant national tax policies, the following assumptions are made for the business taxes and surcharges in the future years:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Taxes and surcharges (RMB)	93,422.71	177,250.65	294,508.77	427,583.06	573,480.35	573,480.35

(4). Operating expenses

Operating expenses mainly include employee salaries, travel expenses, communication expenses, promotion expenses, information expenses and advertising expenses, etc. Considering the operation of the project in the future years and based on the relevant financial data provided by the appraised enterprise, the operating expenses for the future years are predicted as follows:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Operating expenses (RMB)	971,130.00	1,660,632.30	2,563,783.20	3,458,776.29	4,360,092.08	4,360,092.08

(5). Administrative expenses

Administrative expenses mainly include salaries, welfare expenses, office expenses, depreciation expenses, communication expenses, transportation expenses, travel expenses, amortization of intellectual property, etc. Considering the operation of the project in the future years and based on the relevant financial data provided by the appraised enterprise, the administrative expenses for the future years are predicted as follows:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Administrative expenses (RMB)	1,780,405.00	3,146,461.20	4,894,495.20	6,721,772.79	8,634,692.16	8,634,692.16

(6). Financial expenses

Financial expenses mainly include the interest income and expenditure of bank deposits, the fees and transfer fees to be paid for finance lease, and possible loan interest expenses in future years, etc. The financial expenses for the future years are predicted as follows:

Project/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
Financial expenses (RMB)	77,690.40	139,842.72	223,748.35	313,247.66	410,361.61	410,361.61

(7). Income tax

This valuation does not take into account any preferential policies that may be enjoyed in the future, and the income tax rate for which preferential policies are not enjoyed is calculated at 25%.

(8) Valuation and calculation results

Based on the above assumptions and forecasts, the valuation and calculation results are detailed in the table below. Unit: RMB

Year Project	Year 1	Year 2	Year 3	Year 4	Year 5	Perpetual Year
I. Operating revenue	16,185,500.00	29,133,900.00	46,614,240.00	65,259,930.00	85,492,001.59	85,492,001.59
Less: Operating costs	10,196,865.00	17,771,679.00	27,735,472.80	37,850,759.40	48,730,440.91	48,730,440.91
Taxes and surcharges	93,422.71	177,250.65	294,508.77	427,583.06	573,480.35	573,480.35
Selling expenses	971,130.00	1,660,632.30	2,563,783.20	3,458,776.29	4,360,092.08	4,360,092.08
Administrative expenses	1,780,405.00	3,146,461.20	4,894,495.20	6,721,772.79	8,634,692.16	8,634,692.16
Financial expenses	77,690.40	139,842.72	223,748.35	313,247.66	410,361.61	410,361.61
II. Operating profit	3,065,986.89	6,238,034.13	10,902,231.68	16,487,790.79	22,782,934.49	22,782,934.49
Add: Investment income						
Subsidiary income						
Non-operating income						
Less: Non-operating expenses						
III. Total profits	3,065,986.89	6,238,034.13	10,902,231.68	16,487,790.79	22,782,934.49	22,782,934.49
Less: Income tax	766,496.72	1,559,508.53	2,725,557.92	4,121,947.70	5,695,733.62	5,695,733.62
IV. Net profit	2,299,490.17	4,678,525.60	8,176,673.76	12,365,843.10	17,087,200.87	17,087,200.87
V. Sharing rate	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
VI. Sharing amount	919,796.07	1,871,410.24	3,270,669.50	4,946,337.24	6,834,880.35	6,834,880.35
VII. Discount rate	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
VIII. Discount factor	0.9132	0.8340	0.7617	0.6956	0.6352	6.6866
IX. Net present value	839,996.41	1,560,776.66	2,491,118.02	3,440,545.03	4,341,705.08	45,702,158.80
X. Appraisal value						58,376,300.00

The appraisal value of the assets of the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” entrusted for valuation is RMB58,376,300.00 by adopting the income method.

XI. Valuation Stages

(I) Start and end time of the valuation

The valuation commenced on 22 August 2022 and concluded on 5 September 2022, and the asset valuation report was submitted.

(II) Valuation steps

On 22 August 2022, the valuers of our company accepted the formal entrustment of the Entrusting Party, and implemented the following necessary valuation procedures:

1. Acceptance of the entrustment: Listen to the Entrusting Party to introduce the assets entrusted for valuation and relevant materials, determine the purpose of this valuation, the valuation target and scope, the Valuation Benchmark Date, formulate the valuation plan, and sign the Engagement Contract for Assets Valuation.
2. Assets verification: According to the assets entrusted for valuation provided by the Entrusting Party, check the relevant certification materials of the products of the project provided by the Entrusting Party, and analyze and confirm the data.
3. Valuation and estimation: Investigate and verify the verification data according to the assets entrusted for valuation, calculate according to the valuation procedure, and determine the appraisal value.
4. Valuation summary: Analyze and determine the valuation conclusion, prepare the valuation report and description, submit the valuation report for review and approval by the asset valuation organization according to the procedure, and issue the asset valuation report.

XII. Valuation Conclusion

According to the above valuation purpose and basis, the valuation principle, and the valuation procedure, using the scientific methods, the valuation results are as follows: As of the Valuation Benchmark Date of 30 August 2022, under the premise of open market, the appraisal value of the “right-of-use of the Haitai Special Railway (海泰鐵路專用線)” entrusted for valuation by the Entrusting Party is RMB58,376,300.00 (amount in words: RMB fifty-eight million three hundred and seventy-six thousand three hundred only). The owner of the the “right-of -use of the Haitai Special Railway (海泰鐵路專用線)” is TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司). TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司) owns 100.00% of the appraisal value of the right-of-use assets of the special railway, being RMB58,376,300.00.

XIII. Description of Special Matters

- (I) The valuation conclusion is the appraisal value of the assets entrusted for valuation on the Valuation Benchmark Date based on the above principles, basis, premises, methods and procedures;
- (II) The valuation conclusion only reflects the valuation price of the valuation target under the valuation purpose, and only serves the valuation purpose;

- (III) The impact of changes in the macroeconomic policies in the PRC, force majeure and special transaction methods on the valuation conclusion are not taken into account in the valuation conclusion;
- (IV) The valuation conclusion is issued by our company and values practice according to the valuation standards on an unbiased basis.
- (V) The valuation conclusion is based on the assumption that the right-of-use assets of the special railway are normally put into production and can be converted into productivity.
- (VI) The responsibility of the Entrusting Party is to provide true and legal ownership and feasibility data, and our responsibility is to express professional opinions only for the value of the assets entrusted for valuation.

Users are advised to pay attention to the impact that the above-mentioned special matters may have on the valuation conclusion when using the report.

XIV. Description of Restrictions on the Use of the Valuation Report

During the effective period of the valuation conclusion, for the period from the Valuation Benchmark Date to the transfer date of asset rights, the changes in the quantity and pricing standard of the assets shall be handled according to the following principles:

- (I) If the quantity of assets changes, the amount of assets shall be adjusted accordingly according to the original valuation method.
- (II) The Valuation Report follows the practice and industry norms of asset valuation in the People's Republic of China. Under the assumptions and limitations of the valuation, the analytical opinions and conclusions in the valuation report are ready for use. This report shall not be valid in the event that the value of the assets after the Valuation Benchmark Date changes significantly as a result of changes in its assumptions and prerequisites beyond the profession and ability of our company and valuers.
- (III) The "appraisal value" mentioned in this Valuation Report refers to the fair opinion proposed for the valuation purpose of this Valuation Report with no changes in the existing usages and the operation on a going concern of the assets appraised during the validity period of the valuation results, and no changes in the current status of the assets and the external economic environment. This valuation has not taken into account the impact on its valuation value of possible commitments on guarantee matters and possible additional price required by special transaction methods.

- (IV) The valuation conclusion can only be legally effective under the precondition of the valuation basis listed above (behavior basis, legal basis, property right basis, pricing basis, etc.).
- (V) According to the current regulations, the valid period of this Valuation Report is one year, that is, when the valuation purpose is realized within one year after the Valuation Benchmark Date, the valuation results can be used as the value basis. The validity period of the report is from 30 August 2022 to 29 August 2023.

XV. Date of Submission of the Valuation Report

This Valuation Report was submitted on 5 September 2022.

The following is the full text of Valuation Report (II) issued by the Independent Valuer, which is prepared for the purpose of incorporation in this circular.

Valuation Report on Assets Value of Land Use Right

Zheng Lian Ping Zi (2022) No. V1-0738

Valuation Benchmark Date: 30 August 2022

Name of the Valuation Project : Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司) entrusts to appraise the market value of the land use right of 32,067.40 square meters located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)

Entrusted Valuation Agency : Beijing Zhenglian Assets Appraisal Limited* (北京正聯資產評估有限公司)

Date of Submission of Valuation Report : 23 November 2022

STATEMENT OF VALUERS

All valuers participating in this valuation solemnly declare that:

1. The facts stated in this Valuation Report are true and accurate, the relevant data cited are well documented, and we are faithful to the objective status and on-site survey data of the valuation target;
2. The analysis, comments and conclusions in this report are our own fair and professional analysis, comments and conclusions, however, they are subject to the assumptions and limitations stated in this report;
3. We have no personal interest relationship with or bias towards the parties concerned;
4. We have carried out the Valuation in accordance with the national standards of the People's Republic of China, such as Code for Real Estate Appraisal, Regulations for Urban Land Valuation and Regulations for Classification and Grading of Urban Land, formed comments and conclusions, and prepared this Valuation Report;
5. The Valuation Report shall be valid for one year from the date of issuance. During the validity period, as time lapses and market condition changes, the valuation results shall be adjusted accordingly.
6. The information on which this report is based is provided by the Entrusting Party, and the Entrusting Party is responsible for its authenticity. All data used in the Valuation Report shall be subject to the contents recorded in the Certificate of Real Estate Ownership;
7. The valuation results are the objective and reasonable price of the valuation target at the Valuation time point. If the validity period of the report has obvious impact on the Valuation value of the valuation target, the Valuation conclusion shall be adjusted if necessary;
8. This report is provided for the use of the Entrusting Party only for the purpose of this valuation and serves as the reference for the market value of the land of the valuation target under the current market conditions. The company assumes no responsibility for any improper use of the report. All or part of this report shall not be published in any public media without the written consent from the company, and copies of this report shall be invalid.
9. The data in this report were calculated using continuous computerization, and the data calculated in the report were rounded to two decimal places or rounded off. Thus, there may be cases where the individual equations are not exactly equal, but this does not affect the accuracy of the calculation and the final assessment.

**ASSUMPTIONS, LIMITATIONS AND
FACTORS NOT CONSIDERED IN THE VALUATION**

A. Valuation Assumptions:

- (I) This valuation is based on the assumption that the evaluated object can be used continuously and reasonably;
- (II) This valuation is based on the assumption that the Entrusting Party owns the use rights of the state-owned land and other rights of this land normally;
- (III) The combination of the land to be appraised and other production factors can satisfy the normal operation and management within the defined service life and ensure the sustainable development of the company;
- (IV) The real estate market shall be a fair, open and fairly balanced market on the Valuation Date;
- (V) The valuation results in the report are the prevailing market price of the land to be appraised at the Valuation time point, that is, the best price expected to be achieved at the Valuation time point. It is based on the following assumptions:
 - 1. There is consensus between the buyer and seller;
 - 2. Both parties are shrewd and prudent;
 - 3. Before the Valuation time point, there is a reasonable negotiation cycle relative to the particularity of the property and the land condition;
 - 4. During this period, the current state and price level are static;
 - 5. The influence of the uncertain factors such as leasing, sealing is not taken into account;

B. Valuation Limitations:

- (I) The report and valuation results are only for the Valuation purpose set out in this report. If they are used for other purposes, the valuation results in this report are invalid;
- (II) The valuation results of this report are the land use right price under the defined conditions for satisfying the definition of land price. If the land use mode, Valuation period date, land development status, land use life, land area and other factors affecting the price of the land to be appraised change, the Valuation price shall be adjusted accordingly;
- (III) This report must be used in its entirety, and the entrusted Valuation agency shall not be liable for any loss caused by the use of only part of the report;

C. Factors not considered in the Valuation

- (I) The impacts of changes in state macro policies or other adjustments, changes in land policies in the area, and unforeseeable factors (such as earthquakes and other natural disasters) on the prices of the evaluated objects were not considered in this report;
- (II) The impacts of special transaction methods on the appraisal conclusion were not considered in this Valuation Report.

VALUATION REPORT ON ASSETS VALUE OF LAND USE RIGHT

I. OVERVIEW OF THE VALUATION PROJECT

Project name: Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司) entrusts to appraise the market value of the land use right of 32,067.40 square meters located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司).

The land assets included in this valuation are located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone. The owner is TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), Tianjin Development Zone, and the Certificate of Real Estate Ownership number is FDZJZ No. 114051500006. The land is used for warehousing, with an area of 32,067.40 square meters. The end date is January 14, 2048. The development level inside and outside the land is “seven connections and site levelling”, the traffic is convenient, the infrastructure facilities are well-equipped, and the surrounding environment is good.

II. INTRODUCTION OF THE ENTRUSTING PARTY AND THE ASSET OWNER

(I) Introduction of the Entrusting Party

Company Name	:	Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司)
Unified Social Credit Code	:	91530111MA6PLPDA86
Registered Address	:	D47, No.7 Yunxiu Road, Yunxiu Lane, the third resident group of Jiguan Community, Guandu Street, Guandu District, Kunming City, Yunnan Province (雲南省昆明市官渡區官渡街道季官社區第三居民小組雲秀小巷雲秀路7號D47)
Legal Representative	:	He Yongxing (賀勇星)
Registered Capital	:	RMB30 million
Enterprise Type	:	Limited liability company (investment or holding by natural persons)
Date of Establishment	:	2 July 2020

Business Scope : Finance lease business (non-financial lease) (not allowed to engage in financial services in relation to deposit absorption, financing guarantee, wealth management and raising (financing) funds from the public without the approval of financial and other regulatory authorities); purchase of leased property from home and abroad; disposal and maintenance of residual value of leased property; leasing transaction consulting; car rental; lease of construction machinery and equipment; business information consulting; economic information consulting. (For business requiring approval according to laws, operations are subject to the approval by relevant authorities)

(II) Introduction of the Asset Owner

Company Name : TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)

Unified Social Credit Code : 91120116735468341D

Registered Address : Door 2, No. 39 Bohai Road, Tianjin Development Zone (天津開發區渤海路39號2號門)

Legal Representative : Liu Xingbao (劉興寶)

Registered Capital : RMB80 million

Enterprise Type : Limited liability company (sole proprietorship of legal person)

Date of Establishment : 1 December 2001

Business Scope : Warehousing of bonded materials and related services; processing and sales of materials, mechanical equipment, electronic machinery, parts and components, and electronic products; equipment maintenance; after-sales service; merchandising; technical advice; import and export business; self-operating and agency import and export of various commodities and technologies, other than those that are restricted to be operated by companies or prohibited from import or export by the state; leasing of equipment; material warehousing and related services; premise leasing services; sea, land, air international freight forwarding services and multimodal transport agency services; leasing of self-owned houses; ordinary freight, special freight transport (container); agency of declaration business; loading and unloading services; logistics information consultation, logistics technology development and technical services; inventory control management; household appliances, daily necessities, knitted textiles, apparel, computer software and hardware and accessories, packaging materials, office supplies, paper and products, building ornaments, metal materials and products, hardware and electricity, chemical materials and products (except dangerous chemicals and easily manufactured drugs), rubber and plastic products, vehicles and equipment for environmental protection, automobile accessories, refrigeration equipment, pipe fittings, valves, electric wires and cables, electric tools, electromechanical equipment, instruments and meters, telecommunications equipment, communication equipment, electronic products, coke and products, mineral products (except coal), aquatic products, automobile wholesale and retail; self-operating and agency of import and export of commodities and technologies; property management services, cleaning services, business management consulting services; wholesale and retail of frozen food products (operate with license) and agricultural and by-products; logistics management service; container storage, repair and washing services; labor service (excluding labor dispatching). (For business requiring approval according to laws, operations are subject to the approval by relevant authorities)

III. ENTRUSTED VALUER

Entrusted Valuation Institution	:	Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司)
Unified Social Credit Code	:	91110112MA01Y6JU6X
Registration Date	:	18 December 2020
Legal Representative	:	Gu Tielong (古鐵龍)
Address	:	Unit 224, 2/F, Building 4, No. 106 Jinhe Street, Mafang Town, Pinggu District, Beijing (北京市平谷區馬坊鎮金河街106號院4號樓2層224)

IV. VALUATION PURPOSE

The Entrusting Party entrusts us to appraise the market price of the land use rights of 32,067.40 square meters at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone owned by TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司). Based on the corresponding Design Economic and Technical Indicators and relevant conditions, the Entrusting Party hereby entrusts us to appraise the value of the land plot scientifically, rationally and fairly, so as to provide reference of valuation for Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司).

V. VALUATION BASIS**(I) Laws, Regulations and Policy Documents**

1. Company Law of the People's Republic of China (amended at the 6th meeting of the Standing Committee of the 13th National People's Congress on 26 October 2018);
2. Asset Valuation Law of the People's Republic of China (adopted at the 21st session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
3. The Civil Code of the People's Republic of China (adopted at the 3rd session of the 13th National People's Congress on 28 May 2020);
4. Measures for the Supervision and Administration of State-owned Assets Transactions of Enterprises (企業國有資產交易監督管理辦法) (Decree No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance of the People's Republic of China);

5. The Law of the People's Republic of China on the Administration of Urban Real Estate (as amended for the third time according to the Decision of the Standing Committee of the National People's Congress on the Amendment of the PRC Land Administration Law and the Law of the People's Republic of China on the Administration of Urban Real Estate of 26 August 2019);
6. The PRC Land Administration Law (as amended for the third time according to the Decision of the Standing Committee of the National People's Congress on the Amendment of the PRC Land Administration Law and the Law of the People's Republic of China on the Administration of Urban Real Estate of 26 August 2019);
7. Provisional Regulations of the People's Republic of China on Urban Land Use Tax (Decree No. 483 of the State Council of the People's Republic of China; amended at the 163rd executive meeting of the State Council);
8. Other relevant laws and regulations.

(II) Technical Regulations

1. Regulations for Valuation on Urban Land (GB/T18508-2014, Guo Tu Zi Ting Fa (2015) No. 12, 1 December 2015);
2. Regulations for Gradation and Classification on Urban Land (GB/T18507-2014, Guo Tu Zi Ting Fa (2015) No. 12, 1 December 2015).

(III) Ownership Certificates

1. Real Property Ownership Certificate;

(IV) References

1. Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》) issued by Tianjin Municipal Bureau of Planning and Natural Resources;
2. Valuation Entrustment Letter and relevant materials provided by the Entrusting Party;
3. Relevant data collected and surveyed on-site by the Valuers.

VI. VALUATION BENCHMARK DATE

The Valuation Benchmark Date of this land use rights is 30 August 2022.

The Valuation Benchmark Date is determined by consensus with the Entrusting Party on the premise that the Valuation Benchmark Date is as close as possible to the date of realization of Valuation purpose. Since the asset valuation results are to present the fair value conclusion on the asset status at a certain time point, the price standard effective on the Valuation Benchmark Date is taken as the pricing standard for this valuation. The Valuation Benchmark Date is one of the important conditions for the Valuation conclusions. If the Valuation Benchmark Date changes, the Valuation conclusions will change.

VII. ANALYSIS OF REGIONAL FACTORS

Tianjin is a municipality directly under the Central Government of the People's Republic of China, a national central city, a mega-city, an economic center around the Bohai Sea region, one of the first batch of coastal open cities, a national advanced manufacturing and research and development base, a northern international shipping core, a financial innovation and operation demonstration area, and a reform and opening-up pioneering area. Tianjin is the main node of the China-Mongolia-Russia Economic Corridor, the strategic fulcrum of the Maritime Silk Road, the junction of the Belt and Road, and the nearest eastern starting point of the Asia-Europe Continental Bridge. With its superior geographical position and traffic conditions, it has become an important hub for connecting domestic and foreign countries, bridging the south and north, and communicating the east and west, and is a major port for the neighboring landlocked countries.

Tianjin relies on North China, Northwest China and Northeast China, and has a vast economic hinterland. It is an important channel for foreign exchanges for more than a dozen provinces and cities in northern China, and is also the largest port city in northern China.

Tianjin is a famous cultural city with a history of more than 600 years. Tianjin has obvious advantages in modern historical and cultural resources, and has the historical and cultural quality of "Sightseeing A Hundred Years of China through Tianjin (百年中國看天津)". The existing historical relics in Tianjin mainly include cultural and historical scenic spots, exotic buildings, former residences of celebrities, museums, memorial halls etc., with the historic building resources most outstanding. Five major folk arts including Yang Liu Qing painting (楊柳青年畫), Clay Figure Zhang color sculpture (泥人張彩塑), Wei Ji kite (魏記風箏) are famous throughout the country. Tianjin also enjoys the reputation of the "Grand Pier of Peking Opera (京劇大碼頭)" and the "Hometown of Northern Quyi (北方曲藝之鄉)", and is also the birthplace of Chinese drama art.

Significant progress has been made in the coordinated development of Beijing-Tianjin-Hebei Region. It is planned to achieve a high-level relocation of non-essential functions of Beijing, and the establishment of the citywide "1+16" patterned relocation. Giving full support to the planning and construction of Xiong'an New Area, a strategic cooperation agreement with Hebei Province was signed to aid the construction and development of Xiong'an New Area.

Construction of the Beijing-Binhai and Beijing-Tangshan inter-city railways began, the “monthly ticket system” in the Beijing-Tianjin inter-city railway was implemented, and the Binhai-Baoding Expressway was fully connected. The Beijing-Tianjin-Hebei air cargo shuttle bus was put into trial operation. The integrated operation mechanism of Beijing-Tianjin-Hebei airport was preliminarily formed. Tianjin has many tourist resources. Tianjin has rich natural tourism resources such as mountains, rivers, lakes, seas and wetlands, and is one of the first batch of the excellent tourism cities in China. In recent years, Tianjin has made great efforts to create tourism brands such as “Sightseeing Modern China through Tianjin (近代中國看天津)” cultural tour, urban expositions, river and sea scenery tour, coastal leisure tour, mountain and wilderness tour, which promoted the new image of “Pearl of Bohai Sea, Charmful Tianjin (渤海明珠，魅力天津)”. There are many kinds of traditional food in Tianjin. The “Jinmen Three Exclusive (津門三絕)”, namely Goubuli steamed bun (狗不理包子), Shibajie fried dough twist (十八街麻花) and Erduoyan fried cake (耳朵眼炸糕), are popular among domestic and foreign guests.

VIII. VALUATION PRINCIPLES

According to the characteristics of the entrusted land and the market condition of surrounding real estate, the following principles shall be followed in the valuation:

(1) Expected Income Principle

It means that land valuation shall be based on the objective and effective expected income of the valuation target under the condition of normal utilization.

(2) Principle of Substitution

It means that the land valuation shall be based on the land market transaction price of adjacent areas or similar areas with the same function and similar conditions, and the valuation results shall not obviously deviate from the normal land price of alternative nature.

(3) Principle of Most Effective Use

It means that land valuation shall be conducted on the premise of the most efficient use of valuation target.

(4) Principle of Supply and Demand

It means that land valuation shall be based on market supply and demand to determine land price, and shall fully consider the particularity of land supply and demand and the regionality of land market.

(5) Principle of Incremental and Diminishing Returns

It means that the land valuation shall consider the characteristics of land income from increasing to diminishing with the increase of land investment under the premise of certain technical conditions.

(6) Principle of Contribution

It means that the total income of land is the result of the joint action of land and other production factors, and the price of land can be determined by the contribution to the land income by land.

(7) Principle of Change

It means that the valuers shall consider the influencing factors on land prices and the law of changes in land price to evaluate land price accurately.

(8) Principles of Independence, Objectivity, Impartiality and Seeking Truth from Facts

The valuation operation strictly adheres to the principles of independence, objectivity, impartiality and seeking truth from facts, and maintains the legitimate interests of all parties related to the economic behavior corresponding to the valuation purpose.

IX. VALUATION METHOD

The selection of Valuation method shall follow the land valuation method stipulated in the “Regulations for Urban Land Valuation” (GB/T18508-2014), and select the appropriate Valuation method according to the land use characteristics of the entrusted land and provisions of land valuation.

The entrusted land is storage land, which is within the coverage of Tianjin benchmark land price system. Therefore, it is appropriate to use the benchmark land price coefficient correction approach for Valuation. There are few market transaction cases similar to the valuation target in the area where the entrusted valuation target is located, so the market comparison method is not selected. The entrusted valuation target is the storage land, and the cost approach method is not applicable according to the market conditions. Therefore, the relevant data provided by the Entrusting Party shall be comprehensively analyzed on the basis of fully collecting the data required for the valuation, and the benchmark land price coefficient correction approach shall be adopted for this valuation.

X. VALUATION PROCESS

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 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 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. According to the Regulations of the People's Republic of China on Urban Land Appraisal GB/T18508-2014 (hereinafter referred to as the "Regulations") and the Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》), the calculation formula of the benchmark land price coefficient correction approach is as follows:

The land price evaluated by the benchmark land price coefficient correction approach = benchmark land price $\times K_1 \times K_2 \times K_3 \times K_4 \times K_5 \times (1 + \sum K) + K_6$

Where : K_1 - due date correction coefficient

K_2 - land use year correction coefficient

K_3 - land shape correction coefficient

K_4 - plot ratio correction coefficient

K_5 - other correction coefficient

K_6 - development degree correction coefficient

$\sum K$: sum of geographical factors and individual factors affecting the land price

1.1. Determination of the land level and benchmark land price of the valuation target

The valuation target is defined as the storage land, and its benchmark land price is determined as RMB 607.00/m² according to the location and the grade of industrial land and the benchmark land price map of Tianjin issued by Tianjin Municipal Bureau of Planning and Natural Resources.

1.2. Determination of the date correction coefficient

According to the Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》) issued by Tianjin Municipal Bureau of Planning and Natural Resources, it can be seen that the benchmark date of Tianjin's benchmark land price is 1 January 2021, while the benchmark date of this valuation is 30 August 2022, taking the price index of the land for the same purpose as 100 and based on the investigation and analysis of valuers, the land price of the warehousing land in Tianjin Economic and Technological Development Zone slightly rises, and the land price index is analyzed and determined as 104.71, so the correction coefficient $K_1=104.71/100$ is 1.0471.

1.3. Determination of the correction coefficient for the term of land use right

$$K_2 = [1 - (1+r)^m] / [1 - (1+r)^n]$$

In the formula:

K_2 - term of land use right correction coefficient

r - Land reduction rate 4.50% (land reduction rate shall be based on the one-year (including one-year) deposit interest rate 1.90% published by the People's Bank of China at the Valuation Benchmark Date, plus the adjusted value of certain risk factors of 2.60% and taking a comprehensive consideration of inflation rate)

n - Term of land at benchmark price

m - Land service life of the valuation target

The land service life of the storage land set at the benchmark land price is 50 years, the remaining land service life of this valuation target is 25.50 years, and the correction coefficient of the land service life is $K_2 = 0.75939$.

1.4. Determination of the correction coefficient of volume rate

According to the correction coefficient table of storage land volume rate in the Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》) issued by Tianjin Municipal Bureau of Planning and Natural Resources and the construction planning and other data provided by the Entrusting Party, the volume rate of the valuation target is less than one. According to the correction system of volume rate, the correction coefficient of volume rate of the valuation target is 1.287.

1.5. Determination of shape correction coefficient

According to the plan of the valuation target, the shape of the valuation target is close to the rectangle, which is more regular, convenient and high in utilization. According to the Table of Land Shape Correction Coefficient in the Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》) and the actual conditions of this valuation target, the land shape correction coefficient is determined as 1.65 for the current valuation.

1.6. Determination of the correction coefficients of regional factors and individual factors affecting land price

According to the description and correction system of influencing factors of warehousing land in the Notice on Announcing the Updated Results of Implementation the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》), the paper establishes the description and correction coefficient table of influencing factors of land price of the valuation target.

Correction Coefficient of Storage Land Factors

Influencing factors	Scope of correction	Description of influencing factors	Value(%)
Degree of industrial agglomeration	-3.7~7.6	General	7.1
Convenience of traffic	-5.4~7.2	Good	7.2
Regional land use direction	-3.7~6.6	Consistent	6.6
Roadside condition	-3.7~6.6	Better	6.5
Shape and availability of parcel	-2.3~6.2	Regular rectangle	5.8
Public service facilities and infrastructure	-2.3~6.2	Relatively complete	5.3
Natural and humanistic environment	-3.4~7.2	Better	6.2
Proximity to the city centre	-3.7~5.6	Closer	2.8
Total of above items	/	/	47.5

Therefore, the correction coefficient of the valuation target regional and individual factor is $\sum K=0.475$.

1.7. Other corrections

The valuation target is used as the storage land with a relatively good environment and is adjacent to the railway line, surrounded by the subway, inter-city rail and expressway, and the seaport terminal is close at hand, which is very convenient for transportation; the area is relatively large and the terrain is flat; as a storage land, its functional structure is very practicable, and the correction rate is 1.40 by adding this factor in the benchmark land price coefficient correction approach.

1.8. Determination of the development degree correction coefficient

According to the Notice on Announcing the Updated Results of Implementation of the Urban Benchmark Land Price of Tianjin City (《關於公佈實施天津市城鎮基準地價更新成果的通知》) issued by Tianjin Municipal Bureau of Planning and Natural Resources, the development cost of the development degree of the storage land refers to the average development cost corresponding to each development degree with the medium configuration. The land development degree set at the benchmark land price is “seven connections and one leveling (七通一平)” with the medium configuration. The development degree set by this valuation target is the development situation of “seven connections and one leveling (七通一平)” which is

consistent with the medium configuration standard set at the benchmark land price and the corresponding medium configuration standard of “seven connections and one leveling (七通一平)” therefore, the correction coefficient of the development degree of the land is 1.00.

Land name	Benchmark land price of the area where the land is located	Due date correction coefficient	Land use life correction coefficient	Plot ratio correction coefficient	Land shape correction coefficient	Correction coefficient of regional factors and individual factors %	Other benchmark land price correction coefficient	Land price after benchmark land price correction	Development degree correction coefficient	Land price
Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone	607.00	1.0471	0.75939	1.287	1.65	1.475	1.40	2116.543	1.00	2116.543

According to the above table, the land valuation unit price is 2,116.543 (RMB/square meter).

Land valuation value = unit price of land x land area

$$= 2,116.543 \times 32,067.40 \div 10000$$

$$= \text{RMB}67.8720 \text{ million}$$

XI. VALUATION RESULTS

Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司) was entrusted by Zhongpei Finance Lease (Yunnan) Co., Ltd.* (中培融資租賃(雲南)有限公司) to evaluate the land use rights of TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司), which is located at Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone. Under the condition of the land use index on the basis of this report and subject to the fulfillment of the definition of land price and the assumptions of the valuation in this report, the valuation value of the land use rights is RMB67,872,000.00 (amount in words RMB: sixty-seven million eight hundred seventy-two thousand only) on the Valuation Benchmark Date of 30 August 2022.

Summary of Valuation Results

Obligee	Real estate title certificate no.	Address	Area(m ²)	Valuation unit price	Valuation value (RMB)
TEDA General Bonded Warehouse Co., Ltd.* (天津開發區泰達公共保稅倉有限公司)	Fang Di Zheng Jing Zi Di No. 114051500006	Ninth Street North and Bohai Road West, Tianjin Economic and Technological Development Zone	32,067.40	2,116.54	67,872,000.00
Total			32,067.40	2,116.54	67,872,000.00

XII. MATTERS REQUIRING SPECIAL ATTENTION**(I) Preconditions and Assumptions for Valuation**

1. According to the information provided by the Entrusting Party, the valuation target shall be used as the storage land;
2. The area to be appraised is based on the area specified in the Valuation Power of Attorney and Real Estate Ownership Certificate provided by the Entrusting Party;
3. The remaining useful life and plot ratio of the land and other land use indicators shall be evaluated based on the area specified in the Real Estate Ownership Certificate issued by Tianjin Municipal People's Government;
4. This valuation target determines that the development degree is "seven connections" outside the land (water supply, drainage, power supply, communication, road access, ventilation and heating) and "one leveling" within the land (site leveling);
5. The land development conditions of the valuation refer to the current conditions of land development at the date of the valuation and the increase or decrease value determined by the planning technical indicators, regardless of the future use or the change of planning technical indicators.

(II) Use of Valuation Results and Valuation Report

1. The assessment personnel shall follow the valuation basis to prepare this report, and in case of any change(s) in the valuation basis, the valuation results shall be adjusted or re-evaluated;
2. The whole report rather than any part thereof must be used, and the valuation organizer shall not be held liable for any loss caused by reliance on any part of the report;
3. The report is used only for the Entrusting Party to understand the market value of the land use right of the valuation target on the Valuation Benchmark Date, and the report does not serve any other purposes or other users;
4. The results of this report shall be valid for one year from the valuation date of 23 November 2022, beyond which the price shall be adjusted or re-evaluated accordingly;
5. The Entrusting Party is entitled to use the valuation report and the valuation results, the valuation organizer shall have the right to interpret the valuation results, and the Entrusting Party shall bear legal liabilities for any illegal use of the valuation report and the valuation results;

(III) Data Sources

1. The Entrusting Party shall provide information such as land planning and utilization status;
2. Land locations, transaction data of real estate market and other relevant valuation information are acquired by valuers through on-the-spot investigation;
3. The valuers shall select valuation principles, methods and parameters in accordance with relevant national laws, regulations, valuation procedures and local technical standards for land price valuation, and in combination with the on-site conditions of the land to be appraised.

(IV) Others

1. The valuation results of this report are valid only on the condition of authenticity and reliability of the information provided by the Entrusting Party. If the valuation results are distorted due to errors of the information provided by the Entrusting Party, the Entrusted Party shall not bear all responsibility thereof.
2. No organization or individual may publish or disintegrate this report in any way without the written consent from the valuer.
3. The valuation organizer shall be responsible for the interpretation of this report.

1. Responsibility Statement

This circular, 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 circular 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 any statement herein or this circular misleading.

2. Disclosure of Interests

2.1. Interests in securities

As at the Latest Practicable Date, none of the Directors, supervisors or chief executives or their respective associates (as defined in the GEM Listing Rule) of the Company had interests and short positions in the Shares, underlying Shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors and supervisors of the Company were also employees of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Directors or Supervisors	Name of Companies	Positions
Li Jian(李健)	Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.	Deputy General Manager of New Business Cluster
Wang Guanghua(王光華)	TEDA Holding	Director of the Audit Centre
Yan Jun(閻軍)	Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.	Deputy General Manager of New Business Cluster
Zhou Zhiyuan(周志遠)	TEDA Holding	Head of Assets Department
Zhang Yan(張炎)	TEDA Holding	General Manager of TEDA International Holding (Group) Co., Ltd.* (泰達國際控股(集團)有限公司)

2.2. Interests in assets

As at the Latest Practicable Date, none of the Directors and supervisors of the Company has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, the date to which the latest published audited consolidated financial statements of the Company were made up.

2.3. Interests in contracts

As at the Latest Practicable Date, none of the Directors and supervisors of the Company was materially interested in any contract or arrangement entered into by any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group.

3. Directors' Service Contracts

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any members of the Group which did not expire or was not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. Litigation

As at the Latest Practicable Date, save as disclosed in the 2022 Third Quarterly Report of the Company dated 10 November 2022, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

5. Competing Interests

As at the Latest Practicable Date, none of the controlling shareholder, Directors and their respective close associates (as defined in the GEM Listing Rules) had any interest in any business, apart from the business of the Group, which competes or may compete with that of the Group.

6. Qualification and Consent of Expert

The following is the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

Name	Qualification
Beijing Zhenglian Asset Appraisal Limited* (北京正聯資產評估有限公司)	Independent valuer

The Independent Valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports or extracts of reports and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the Independent Valuer did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Valuer did not have any direct or indirect interest in any assets which have been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Valuation Report (I) and Valuation Report (II) issued by the Independent Valuer were prepared on 5 September 2022 and 23 November 2022 for incorporation herein.

7. Material Contract

The following contract (not being contract entered into in the ordinary course of business of the Group) was entered into by members of the Group within the two years immediately preceding the date of this circular and which is or may be material:

On 26 October 2021, Tianjin Economic and Technological Development Area State-owned Asset Operation Co., Ltd.* (天津經濟技術開發區國有資產經營有限公司) (“**State-owned Asset Company**”, as the vendor) and Tianjin Yuan Da Xian Dai Logistics Co., Ltd.* (天津元大現代物流有限公司) (“**Yuan Da Logistics**”, as the purchaser), a wholly-owned subsidiary of the Company entered into the asset transfer agreement and the asset transfer supplemental agreement, pursuant to which the State-owned Asset Company agreed to sell, and Yuan Da Logistics agreed to purchase, the property located at No. 5, Sixth Street, Tianjin Economic and Technological Development Area, the PRC (the “**Property**”) at the consideration of RMB14,109,747.

8. Material Loan

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) CIMC Capital, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of CIMC Capital who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

9. Miscellaneous

- (a) The registered office of the Company is at Third Floor of the Office Building, No. 39, Bohai Road, Tianjin Economic and Technological Development Area, Tianjin, the PRC. The principal place of business of the Company in Hong Kong is at 25th Floor, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.
- (b) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) As at the Latest Practicable Date, the compliance officer of the Company is Mr. Yang Weihong, who is the Chairman of the Board, the President and an executive Director of the Company.
- (d) As at the date of this circular, the company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (e) The Company has set up an audit committee pursuant to the requirements under the GEM Listing Rules. The audit committee currently comprises all independent non-executive Directors namely Mr. Cheng Xinsheng, Mr. Japhet Sebastian Law and Mr. He Yongjun, among which the members of the committee, Mr. Cheng Xinsheng, has the competent professional qualification and financial experience. The members of the audit committee convene meetings regularly with the management and external auditors and review and monitor the Company's (i) financial reporting system; (ii) risk management; (iii) internal control systems; and (iv) financial information, including the Company's financial statements and annual reports and accounts, half-year reports and quarterly reports. Details of the members of the audit committee are set out below:

Mr. Cheng Xinsheng (程新生先生), aged 59, joined the Company in June 2014. He is a professor of the Business School of Nankai University, a doctor of Management and a postdoctoral fellow. From 2004 to 2005, he was a visiting scholar of University of Alberta in Canada and the assistant executive editor-in-chief of Nankai Business Review and was honored with the awards of outstanding result in social science for several times. In 1994, he became a fellow member of the Chinese Institute of Certified Public Accountants. He was in charge of four research projects in management funded by the National Natural Science Foundation and four projects funded by the Foundation of the Ministry of Education. He also participated in over ten key topic projects funded by the National Natural Science Foundation, the National Philosophy and the Social Science Foundation

and the Humanities and the Social Sciences Foundation of the Ministry of Education. He has published five books and over 50 articles and has 1 translated work. He was an independent director of Offshore Oil Engineering Co., Ltd (Stock Code: 600583, Shanghai Stock Exchange). He is currently an independent supervisor of China Oilfield Services Limited (Stock Code: 601808, Shanghai Stock Exchange).

Mr. Japhet Sebastian Law (羅文鈺先生), aged 71, joined the Company in August 2012. He obtained his Doctorate degree of Philosophy in mechanical/industrial engineering from the University of Texas at Austin in 1976. He was a professor of the Department of Decision Sciences and Managerial Economics of the Chinese University of Hong Kong from 1986 to 2012. Mr. Law was the Associate Dean and subsequently the Dean of the Faculty of Business Administration of the Chinese University of Hong Kong from 1993 to 2002. Prior to returning to Hong Kong, he was the director of Operations Research at the Cullen College of Engineering and director of Graduate Studies in Industrial Engineering at the University of Houston, and was also involved with the U.S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. He was the consultant of various corporations in Hong Kong and overseas. He is also active in public services, having served as a member of the Provisional Regional Council of The Government of the Hong Kong Special Administrative Region and various other committees, and is also active on the boards of profit, non-profit and charitable organisations in Hong Kong and overseas. From July 2010 to July 2013, he was an independent non-executive director of Cypress Jade Agricultural Holdings Limited (Stock Code: 00875, the Stock Exchange). From August 2013 to July 2016, he was an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd. (Stock Code: 06116, the Stock Exchange). From June 2008 to June 2020, he was an independent non-executive director of Beijing Capital International Airport Co., Ltd. (Stock Code: 00694, the Stock Exchange). He currently serves as an independent non-executive director of Tianjin Port Development Holdings Limited (Stock Code: 03382), Regal Hotels International Holdings Limited (Stock Code: 00078), Shougang Fushan Resources Group Limited (Stock Code: 00639), Binhai Investment Company Limited (Stock Code: 02886) and Global Digital Creations Holdings Limited (Stock Code: 08271), and an independent supervisor of Beijing Capital International Airport Company Limited (Stock Code: 00694), all being companies listed on the Stock Exchange.

Mr. He Yongjun (何勇軍先生), aged 44, graduated in Technical Economics and Management from Tianjin University (天津大學) with a master's degree and a doctorate degree. He served as the deputy general manager of Tianjin Haitai Advantage Venture Capital Management Company Limited* (天津海泰優點創業投資管理有限公司). He is currently the chairman of Tianjin Ruiyi Jinrong Enterprise Management Consulting Company Limited* (天津銳意津融企業管理諮詢有限公司), the general manager of Tianjin Beiyang Haitang Venture Capital Management Company Limited* (天津北洋海棠創業投資管理有限公司), the partner of Beiyang Haitang Fund* (北洋海棠基金), the general manager of Tianjin University Science Park* (天津大學科技園) (Nankai Park, Jinnan Park), the director of Tianjin Science and Technology and Finance Center* (天津科技金融中心), and the chairman and the executive director of the Tianjin Zhongzheng Logistics Company Limited* (天津中正物流有限公司). He also serves as an

independent director of Tianjin Rianlon New Materials Company Limited*(天津利安隆新材料股份有限公司) (Stock code: 300596, Shenzhen Stock Exchange ChiNext) and Tianjin King-meter Technology Company Limited* (天津金米特科技股份有限公司) (Stock code: 872249, National Equities Exchange and Quotations).

- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

10. Documents on Display

The following documents will be published for 14 days from the date of this circular on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tbtl.cn):

- (a) a copy of the material contract referred to in the section headed “7. Material Contract” in this Appendix;
- (b) Finance Lease Agreement;
- (c) Mortgage Agreements;
- (d) Valuation Report (I) as set out in Appendix II to this circular;
- (e) Valuation Report (II) as set out in Appendix III to this circular; and
- (f) a copy of the consent letter given by the Independent Valuer.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting in 2023 (the “**EGM**”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the “**Company**”) will be held on Friday, 10 February 2023 at 9:30 a.m. (or any adjournment thereof) at the registered office of the Company at No.39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC for the purposes of considering and, if thought fit, passing the following resolution:

Ordinary Resolution

1. “**That** :

- (a) the Finance Lease Arrangement (a copy of the Finance Lease Agreement and the Mortgage Agreements marked “A” have been tabled before the EGM and initialed by the chairman of the meeting for the purpose of identification) (all as defined and described in the circular of the Company dated 19 January 2023) and all other transactions contemplated thereunder and in connection therewith and any other ancillary documents and be and are hereby approved, confirmed and/or ratified; and

* *For identification purposes only*

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all such acts and things, and execute, sign all such other documents and take all such steps as he/she may in his/her discretion consider necessary, desirable, expedient or appropriate for the implementation of the Finance Lease Arrangement (as defined in the circular of the Company dated 19 January 2023), including consent to or make modifications, amendments or waivers under the Finance Lease Agreement and the Mortgage Agreements.”

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
19 January 2023

Notes :

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member. A proxy form for use at the EGM is enclosed herewith. In the case of joint holders of any Domestic Share(s) or H Share (s) of the Company, only the person whose name appears first in the register of members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such Share at the EGM, and this notice shall be deemed to be given to all joint holders of such Share.
2. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (“**Share Registrar**”), at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in case of holders of Domestic Shares, to the Company's mailing address at Third Floor of the Office Building, No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC, not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof or the time appointed for passing the resolutions. Delivery of the proxy form shall not preclude a member from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members in Hong Kong will be closed from 8 February 2023 to 10 February 2023, both days inclusive, during which period no transfer of H Shares will be effected. For the identification of members eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 February 2023.
4. Whether or not holders of H Shares intend to attend the EGM, they are requested to complete the enclosed proxy form for the EGM and return it, by hand or by post, to the Share Registrar at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

5. Whether or not holders of Domestic Shares intend to attend the EGM, they are requested to complete the enclosed proxy form for the EGM and return it, by hand or by post, to the Company's mailing address at Third floor of the Office Building, No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 19 January 2023.

As at the date of this notice, 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 Xincheng, Mr. He Yongjun, Mr. Japhet Sebastian Law and Mr. Peng Zuowen as independent non-executive directors.

This notice, 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 notice 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 notice or any statement herein misleading.

This notice will remain on the "Latest Listed Company Announcements" page of the Stock Exchange website's at www.hkexnews.hk for 7 days from the date of its posting. This notice will also be posted on the Company's website at www.tbitl.cn.