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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Tianjin Binhai Teda Logistics (Group) Corporation Limited\*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED MANDATE IN RELATION TO  
THE POTENTIAL VERY SUBSTANTIAL DISPOSAL  
THROUGH PUBLIC TENDER  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used on this cover page have the same meaning as defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 3 to 17 of this circular.

A notice convening the EGM of the Company to be held at No.39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC at 9:30 a.m. on Friday, 6 September 2024 is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Company ([www.tbtl.cn](http://www.tbtl.cn)) and The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)).

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, 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 or the time appointed for passing the resolution(s). Delivery of the form of proxy 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.

\* *For identification purposes only*

16 August 2024

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## CHARACTERISTICS OF GEM

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**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.**

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Board”	the board of the Directors
“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(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal Announcement”	the Company’s announcement dated 31 July 2024 in relation to the Potential Disposal through the Public Tender
“Equity Transfer Agreement”	the equity transfer agreement to be entered into between the Company and the Successful Bidder in respect of the Potential Disposal
“Final Consideration”	the winning bid price of the 60% equity interest of the Target Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Minimum Consideration”	being the minimum bid price of RMB93,123,240
“Latest Practicable Date”	15 August 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Mandate Period”	the period of 12-month from the date of passing of the relevant resolution(s) approving the Proposed Mandate and the Potential Disposal at the EGM
“Potential Disposal”	the Potential Disposal of 60% equity interest in the Target Company by Public Tender
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

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## DEFINITIONS

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“Proposed Mandate”	a general mandate proposed to be granted in advance by the Shareholders at the EGM to the Directors to enter into and complete the Potential Disposal through Public Tender during the Mandate Period
“Public Tender”	the public listing-for-sale process for the Potential Disposal through TPRE
“Publication Period”	the publication period (including the pre-tender period and the formal tender period) for the Public Tender during which qualified bidders may indicate their intention to purchase the 60% equity interest in the Target Company and register themselves as interested bidders
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve, if thought fit, the Equity Transfer Agreement and the Potential Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Successful Bidder”	a successful bidder of the Public Tender who shall satisfy the qualifications of potential bidders set out in this circular, and must not be a connected person of the Group
“Target Company”	Tedahang Cold Chain Logistics Co., Ltd. (泰達行(天津)冷鏈物流有限公司), a company incorporated in the PRC and a joint venture of the Group
“TPRE”	the Tianjin Property Rights Exchange (天津產權交易中心)
“Valuer”	Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), an independent valuer in the PRC
“Valuation Report”	the valuation report of the Target Company prepared by Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), using the asset-based approach with 31 December 2023 as the appraisal reference date
“Working Day(s)”	a day of days other than Saturday or Sunday, on which banks are open in the PRC to general public for business
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Director:*

Mr. Yang Weihong (*Chairman*)

Ms. Ma Xin

*Non-executive Directors:*

Mr. Li Jian

Ms. Meng Jun

Ms. Sun Jing

*Independent non-executive Directors:*

Professor Cheng Xinsheng

Mr. He Yongjun

Professor 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

16 August 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED MANDATE IN RELATION TO  
THE POTENTIAL VERY SUBSTANTIAL DISPOSAL  
THROUGH PUBLIC TENDER  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Disposal Announcement.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with further information regarding, among other things, (i) further details of the Potential Disposal; (ii) the financial information of the Group; (iii) the financial information of Target Company; (iv) the unaudited pro forma financial information of the Remaining Group upon completion of the Potential Disposal; (v) the summary of the Valuation Report; (vi) the property valuation report; and (vii) the notice of the EGM, to enable you to make an informed decision on whether to vote for or against the resolution(s) to be proposed at the EGM.

### **THE POTENTIAL DISPOSAL THROUGH PUBLIC TENDER**

The Company intends to dispose of all of its 60% equity interest in the Target Company by way of public listing-for-sale process through TPRE. In accordance with the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC, the Potential Disposal will be conducted on the TPRE by way of public listing-for-sale process. Upon the notification of the Successful Bidder (being the highest bidder) by the TPRE, the Company shall enter into the Equity Transfer Agreement with the Successful Bidder according to the relevant rules and regulations of TPRE.

### **PRINCIPAL TERMS OF THE POTENTIAL DISPOSAL**

The principal terms of the Potential Disposal are set forth below.

#### **Qualifications of Potential Bidders**

The potential bidders shall satisfy, among others, the following qualifications:

1. the potential bidders shall be validly established enterprises or natural persons who shall have full civil capacity;
2. the potential bidders shall be financially sound and solvent and have good business credibility, and be able to complete the Potential Disposal; and
3. other qualifications stipulated under the laws and regulations of the PRC or as may be directed by the relevant PRC governmental authorities including TPRE.

A bidder will be required to undertake that it and its ultimate beneficial owners are all independent third parties of the Company.

The bidder who offers the highest bid price will be the Successful Bidder.

#### **Date and Procedures of the Public Tender**

The Company shall submit to TPRE the tender notice setting out, inter alia, (i) the Initial Minimum Consideration, which will not be disclosed at the time of pre tender and will be disclosed at the time of formal tender; (ii) the principal terms of the bidding; and (iii) descriptions and qualifications of the potential bidders. As the Company is the controlling shareholder of the Target Company, the tender process will include pre-tender and formal tender. The Company will submit the tender notice to TPRE as soon as practicable.

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## LETTER FROM THE BOARD

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The Company is expected to seek the Shareholders' approval for the Potential Disposal in around August 2024. The Company has submitted the pre-tender notice in respect of the Potential Disposal to TPRE on 1 August 2024, and will submit the formal tender notice as soon as practicable and in any event within one month after the Shareholders have granted the Proposed Mandate at the EGM. The Publication Period will be 20 Working Days from the date of the pre-tender notice and 20 Working Days from the date of the formal tender notice. During the Publication Period, qualified bidders may indicate their intention to purchase the 60% equity interest in the Target Company and register themselves as interested bidders. Upon the expiry of the Publication Period, the TPRE will notify the Company of the identity of the Successful Bidder within two months after the publication of the formal tender. Upon the notification of the Successful Bidder (being the highest bidder) by the TPRE, the Company shall enter into the Equity Transfer Agreement with the Successful Bidder. The Potential Disposal is expected to be completed within one month after the publication of the tender results.

As at the Latest Practicable Date, material particulars of the Equity Transfer Agreement including the Successful Bidder, final consideration, payment, delivery and transfer time have not been determined. The Company will enter into the Equity Transfer Agreement upon confirmation of the Successful Bidder and will publish further announcement and comply with relevant GEM Listing Rules requirements upon the entering into of the Equity Transfer Agreement with the Successful Bidder.

### **Mandate Period**

The Proposed Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the EGM.

### **Subject Matter of the Potential Disposal**

The Target Company is a company established in the PRC and has a registered capital of RMB200,000,000, which is owned as to 60% by the Company and 40% by Chia Tai Logistics Company Limited. Chia Tai Logistics Company Limited is wholly-owned by Sino Biopharmaceutical Limited, a company whose shares are listed on the Stock Exchange (stock code: 1177) and a substantial shareholder of the Company. Chia Tai Logistics Company Limited is therefore a connected person of the Company. Chia Tai Logistics Company Limited has the right of first refusal in respect of the 60% equity interests being disposed of pursuant to the articles of association of the Target Company and as at the Latest Practicable Date it has waived such right by way of written notice.

The Company intends to dispose of all of its 60% equity interest in the Target Company.

Upon completion of the Potential Disposal, the Company will not hold any equity interest in the Target Company and the Target Company will cease to be a joint venture of the Group.



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## LETTER FROM THE BOARD

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### Consideration and payment term

The Initial Minimum Consideration is the minimum bid price for the Potential Disposal of RMB93,123,000. The Initial Minimum Consideration of the Potential Disposal is determined by reference to the following factors: (1) 60% of the net book assets of the Target Company; (2) 60% of the appraised net asset value of The Target Company as set out in the Valuation Report issued by an independent valuer according to the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC as at 31 December 2023; (3) the proposed acquisition price given by a potential buyer which has indicated interest to bid for the Potential Disposal; (4) the publicly tender price of the rights and interests of a cold storage company in the same region as the Target Company; (5) the intense competition in the market and the unfavorable conditions currently facing the cold chain industry; (6) factors contained in the paragraph “reasons for and benefits of the Potential Disposal”, such as the profits and business operations of the Target Company in the past, the effect to the financial conditions and business operations of the Company after the Potential Disposal.

The preliminary appraised net asset value of the Target Company as at 31 December 2023 using the asset-based approach in the Valuation Report issued by the Valuer is RMB155,205,000.

The Final Consideration for the Potential Disposal will depend on the final bid price to be offered by the Successful Bidder in the public listing-for-sale process, and shall be paid by the Successful Bidder in the following manners:

- (1) security deposit paid by the Successful Bidder will form part of the Final Consideration; and
- (2) the remaining balance of the final bid price, shall be paid into the account designated by the TPRES within 5 Working Days after the signing of the Equity Transfer Agreement.

In the event that there is no bidder for the Potential Disposal upon expiry of the said Publication Period of the formal tender, the Company may extend such period up to one year in accordance with the requirements governing the transfer of state-owned assets of enterprise in the PRC. The Company will enter into a formal Equity Transfer Agreement with the Successful Bidder following completion of the public listing-for-sale process.

The potential bidders shall pay an amount equivalent to no greater than 30% of the minimum consideration for the Potential Disposal to a designated account as security deposit. Any security deposit paid by the Successful Bidder shall be deemed to be part payment of the final consideration for the Potential Disposal. The full amount of the security deposit shall be returned to the other bidders within 3 Working Days after the identity of the Successful Bidder is confirmed by TPRES.

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## LETTER FROM THE BOARD

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### Conditions precedent

The Potential Disposal is conditional upon the satisfaction and/or waiver (as applicable) of the following conditions precedent:

- (i) the Company having completed all filing procedures and obtained all necessary consents and approvals regarding the Potential Disposal including the approval by the Shareholders in respect of the Proposed Mandate at the EGM; and
- (ii) the Successful Bidder having all necessary internal approval and regulatory approval from the relevant authorities for the transfer of the subject equity interest if required.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Once the Successful Bidder for the Potential Disposal has been identified, the Company is unconditionally obliged under the rules of the TPRE to enter into the Equity Transfer Agreement with the Successful Bidder and shall, subject to the fulfilment of the conditions precedent and the payment of the consideration by the Successful Bidder, complete the transaction contemplated thereunder.

The Company has consulted TPRE regarding the requirements and tendering procedures applicable to the Potential Disposal, and TPRE indicated that a tender conditional on shareholders' approval will not be acceptable under the rules of TPRE. Given such restriction, the Company would not be able to conduct the Potential Disposal through public listing-for-sale process on the TPRE unless a prior mandate is sought.

### Repayment of Borrowing Obligations

The Company and the Target Company have agreed that the Target Company shall fully repay the Company's borrowing obligations (being approximately RMB137.3 million owed by the Target Company to the Company as at 31 December 2023), including principal and interests, within one year from the date of which the necessary registration procedures of change of shareholders with the relevant business authorities in accordance with the terms of the Equity Transfer Agreement have been completed and with financial assistance from the Successful Bidder.

The Successful Bidder will undertake to provide effective assistance to the Target Company in repaying the borrowing obligations to the Company. The assistance may include, but is not limited to, providing its own funds to the Target Company and coordinating with third parties to provide funding to the Target Company.

Upon the complete repayment of all borrowing obligations by the Target Company, the Company shall proceed with the deregistration of the pledge on assets conducted by the Target Company for borrowing credit enhancement.

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## LETTER FROM THE BOARD

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### **Liability for default**

If the Successful Bidder fails to pay the remaining transaction amount other than security deposit on time in accordance with the terms of the Equity Transfer Agreement, it shall pay liquidated damages to the Company based on the unpaid balance payable and four times the loan prime rate; if the Successful Bidder is overdue for more than 30 days, the Company has the right to deduct the security deposit paid by the Successful Bidder and to terminate the Equity Transfer Agreement.

### **VALUATION**

The Valuer has considered three generally accepted approaches to obtain the market value of the entire shareholders' equity in the Target Company in performing the valuation, namely the market approach, the income approach and the asset-based approach.

After considering each of the three approaches, the Valuer considered that: (i) the market approach is not appropriate due to the lack of sufficient suitable direct market comparables; (ii) the income approach is not appropriate as in the past, the Target Company suffered losses for many years, and was temporarily profitable due to the epidemic prevention and control policy. After the policy change on pandemic prevention and control, the disinfection and testing business of the Class A inspection warehouse with high gross profit margin stopped, and at the same time, the regional market competition became more intense, which led to a sharp decline in business volume and profit margin. The income approach will make a major judgment on the estimation of income and cost, thus further increasing the inherent uncertainties and risks in any projections derived for the purpose of the income approach; and (iii) the asset-based approach to be the most appropriate valuation methodology as the major assets owned by the Target Company are non-current assets, including cold storage and land, which are the major assets for its business operation and the asset-based approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. According to the audited financial statements of the Target Company in 2023, the amount of fixed assets and land account for 90% and 70% of its non-current assets and total assets of the Target Company respectively, that is, the main assets owned by the Target Company are fixed assets and land.

In view of the above, in particular: (i) the Target Company has suffered losses for many years in the past years, although it has made short-term profits, but due to policy factors and fierce market competition, forecasts of income and cost are also inaccurate, led to the significant risks and uncertainties for evaluation value and cannot objectively and reasonably reflect the value of the Target Company, which makes it inappropriate to adopt the income approach; (ii) the lack of sufficient comparable transactions makes it inappropriate to adopt the market approach; and (iii) the asset-intensive nature of the Target Company makes it appropriate to adopt the asset-based approach, so the Valuer concluded that the asset-based approach is the most appropriate method for valuing the entire shareholders' equity of the Target Company.

According to the Valuation Report, the Target Company is appraised by the asset-based approach and the income approach, and the results of asset-based approach is approximately RMB 155,205,000, and the results of income approach is approximately RMB 94,800,000. The Valuer considers that the results of asset-based approach reflect the fair market value of the Target Company more objectively and so the results of asset-based approach are adopted.

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## LETTER FROM THE BOARD

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Given that the Valuer is required under applicable PRC laws and regulations to conduct the valuation of the Target Company using at least two valuation approaches, thus, apart from the asset-based approach, the Valuer also chose the income approach as an alternative valuation method despite that the asset-based approach was finally adopted. Further, the preparation of the Valuation Report is not based on commercial consideration but in order to comply with the applicable PRC laws and regulations, the Board had not considered any projection of earnings or profit forecast contained in the valuation report to determine the Initial Minimum Consideration for the Potential Disposal.

**Considering the evaluation value of profit forecast using income approach cannot objectively and reasonably reflect the value of the Target Company, the Board did not consider the profit forecast and the evaluation results based on income approach when considering Potential Disposal.**

Based on the Valuation Report, set out below is the summary table of asset evaluation results and the detailed evaluation using the asset-based approach:

Item	Book Value <i>RMB'000</i> A	Appraised Value <i>RMB'000</i> B	Appreciation <i>RMB'000</i> C=B-A	Appreciation Percentage %
				D=C/A×100
Current assets	94,975	94,957	-18	-0.02
Non-current assets	240,737	256,869	16,132	6.70
Include:				
Fixed assets	195,368	204,300	8,932	4.57
Construction in progress	390	390	—	—
Intangible assets	44,222	52,179	7,957	17.99
Long-term deferred expenses	757	—	-757	-100.00
<b>Total assets</b>	<b>335,712</b>	<b>351,826</b>	<b>16,115</b>	<b>4.80</b>
Current liabilities	195,596	194,714	-882	-0.45
Non-current liabilities	7,629	1,907	-5,722	-75.00
<b>Total liabilities</b>	<b>203,225</b>	<b>196,621</b>	<b>-6,604</b>	<b>-3.25</b>
<b>Net assets</b>	<b>132,486</b>	<b>155,205</b>	<b>22,719</b>	<b>17.15</b>

The book value of net assets of the Target Company is approximately RMB132,486,000 and the appraised value is approximately RMB155,205,000, representing a value-added rate of approximately 17.15%. The variance between the appraised value and book value of the Target Company is mainly due to the appreciation of appraised value of fixed assets and the intangible assets (especially the land).

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## LETTER FROM THE BOARD

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The book value of fixed assets is approximately RMB195,368,000 and the appraised value of fixed assets is approximately RMB204,300,000, and the value increase is RMB8,932,000. The main reasons for the appreciation of appraised value of fixed assets is that the economic service life adopted in the Valuation Report is longer than the depreciation life accrued by the Target Company, resulting in the appraised value being higher than the book value.

The book value of intangible assets is approximately RMB44,222,000 and the appraised value of intangible assets is approximately RMB52,179,000, and the value increase is RMB7,957,000. The appreciation of appraised value of intangible assets was mainly due to the increase of the land price for the land use rights.

The assessment conclusion of the Valuation Report is based on the below assessment assumptions applicable to both the valuations under the asset-based approach and income approach. When the above assessment assumptions change, the assessment conclusion of the Valuation Report will be invalid:

### Basic Assumptions

1. Open market assumption: Open market assumption is a hypothetical statement or restriction on the conditions of the market which the assets are intended to enter and what impact is to be accepted by the assets under such market conditions. Open market assumption assumes that there are well-developed and perfect market conditions with willing buyer and willing seller, both of which are in equal position and have opportunities and time in obtaining sufficient market information to, without any forced conditions or limitation, take voluntary and rational action in respect of the transaction.
2. Continuing use assumption: Continuing use assumption first assumes that the appraised assets (including assets currently being employed and reserved assets) are being used and, based on the relevant data and information, will continue to be employed. Continuing use assumption describes the market conditions or environment for the appraised entity and particularly describes the entity's status of continuance. Specifically, it includes continuing to be used as the existing usage; continuing to be used with a change of usage; continuing to be used at a different location or space. Continuing to be used as existing usage refers to the case when the appraised asset will continue to be used according to the existing usage purpose and manner after change in the property rights or related business. Continuing to be used with a change of usage refers to the case when the appraised asset will continue to be used with a change of the existing usage purpose being replaced by a new usage purpose after change in property rights or related business. Continuing to be used at a different location or space refers to the case when the appraised asset in use will continue to be used with a change of location or space and continue to be used at another location or space after change in property rights or related business. We assume continuing to be used as the existing usage is applied for the use of assets in this valuation.
3. Continuing operation assumption: It is assumed that the appraised entity will not cease operation for any reason in the foreseeable future, but will continue to operate lawfully, with its existing assets and resources.

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## LETTER FROM THE BOARD

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4. Transactional assumption: Transactional assumption is to assume that all the appraised assets are already in the course of transaction and the valuer carries out the valuation based on a simulated market with reference to the conditions of the trade of the appraised assets. The transactional assumption is one of the most fundamental assumptions for the performance of asset valuation.

### General Assumptions

1. There are no significant changes in the relevant prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the transaction are located.
2. It is assumed that the operators of the Target Company are responsible, and its management is able to perform its duties.
3. Unless otherwise stated, it is assumed that the Target Company fully complies with all relevant laws and regulations.
4. It is assumed that the accounting policies adopted in the future by the Target Company are in all material aspects generally consistent with the accounting policies adopted in the compilation of this report.
5. It is assumed that, on the basis of the existing management approach and standard of the Target Company, the business scope and approach in the future are in line with the current direction.
6. There are no material changes in the interest rates, exchanges rates, taxation benchmark and rates, policy levy, etc.
7. There are no other force majeure or unforeseeable factors that may give rise to material adverse impact on the enterprise.
8. The structure of principal operations and products, the composition of income and cost, sales strategy and cost control of the appraised enterprise in the future operating period shall remain substantially unchanged in recent years, without taking into account any profit or loss brought by changes in asset size and composition, principal operations and products structure arising from changes in management team, operation strategy and business environment.
9. In this appraisal, save as otherwise specified, the effect of any security and guarantee over the value of shareholders' entire interests or underlying assets of the Target Company on the assessment conclusion has not been taken into consideration.
10. It is assumed that the basic information and financial information provided by the principal and the Target Company are true, accurate and complete; the scope of the valuation is subject to the application form for valuation provided by the principal and the Target Company, without taking into account the contingent assets and contingent liabilities, if any, not included in the list provided by the principal and the Target Company.

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## LETTER FROM THE BOARD

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11. The Target Company's accounts receivable in future years will be gradually recovered over the period agreed in contracts, and there will be no major bad debts on accounts receivable in the future.
12. The main technical personnel, research and development team, marketing team and management of the Target Company are relatively stable and will not undergo major changes.
13. The contracts, agreements and bid awards provided by the Target Company that are being performed or not yet performed will materialize in the future and no substantial changes will be made thereto.
14. The Target Company will balance its cash flows over the forecast period (being the middle of the period).

### Special assumptions

15. In terms of the legal description or legal issues of the appraised assets (including their ownership or encumbrance limitations) in the Valuation Report, the Company has performed general investigation according to relevant standards. Apart from those disclosed in the Valuation Report, the ownership of the appraised assets is assumed to be in good condition and tradable in the market, not subject to any lien and easement, have not been violated and bearing no other encumbrances.
16. In terms of the information provided by the principal and other parties which all or part of the assessment conclusion set out in the Valuation Report relied upon, the Company has only conducted independent review pursuant to the valuation procedures. The Company makes no representation as to the authenticity and accuracy of such information.
17. All certificates, licenses, letters of consent or other legal or administrative authorization documents signed or issued by relevant local and national government institutions, private organisations or groups, which are required to be employed as basis of value estimation by the users of assets in the Valuation Report, have been or could be obtained or updated at any time.
18. The valuations are made based on the purchasing power of local currency on the appraisal reference date.
19. All improvements on the relevant assets performed by the Target Company are in line with all the requirements of relevant laws and the regulations related to other laws, plans, or engineering codes set by relevant competent departments at higher levels.
20. Estimations in the Valuation Report are made based on the assumption that all significant or potential factors which may affect the value analysis have been disclosed to the Company by the Target Company.

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## LETTER FROM THE BOARD

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### PROFIT FORECASTS UNDER THE VALUATION REPORT

According to the Valuation Report dated 31 May 2024 issued by the Valuer, the Valuer used the income approach as one of the evaluation approach, which applied the discounted cash flow method and based on certain assumptions in the valuation to appraise the value of the Target Company, constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules and the requirements of Rule 19.66(3) (in respect of paragraph 29(2) of Appendix D1B) of the GEM Listing Rules are therefore applicable.

HLB Hodgson Impey Cheng Limited, the auditor of the Company, has reviewed the arithmetical accuracy of the calculations of the relevant income approach projections of the valuation (without involving a review of the adoption of accounting policies and the appropriateness and validity of assumptions). The Board confirmed that the profit forecasts for the equity interests in Target Company used in the Valuation Report have been made after due and careful enquiry.

The letter on profit forecast issued by HLB Hodgson Impey Cheng Limited and the letter on profit forecast issued by the Board are set out in Appendices VII and VIII to this circular, respectively.

### INFORMATION ON VARIOUS PARTIES

#### The Target Company

Tedahang Cold Chain Logistics Co., Ltd. is a limited liability company incorporated in the PRC and is principally engaged in the carrying out the cold warehouse operating and logistic services.

Set out below is certain audited financial information of the Target Company (prepared in accordance with the generally accepted accounting principles in Hong Kong) for the years ended 31 December 2022 and 2023:

	<b>As at</b>	<b>As at</b>
	<b>31 December 2022</b>	<b>31 December 2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Net assets	113,586	131,483
	<b>For the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Profits before taxation	30,347	17,897
Profits after taxation	30,347	17,897

According to the Valuation Report, the appraised net assets of the Target Company as at 31 December 2023 was RMB155,205,000.



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## LETTER FROM THE BOARD

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### The Company

The Group is principally engaged in logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, cold chain logistics services and other services such as bonded warehouse, container yard, supervision, agency and transportation services.

Set out below is certain audited financial information of the Group, based on its audited financial statements for the years ended 31 December 2022 and 2023:

	<b>As at</b>	<b>As at</b>
	<b>31 December 2022</b>	<b>31 December 2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Net assets	1,000,005	991,276

  

	<b>For the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Profits before taxation	80,795	40,979
Profits after taxation	59,680	36,346

### REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

It has been one of the Company's business development strategies to further optimise the industrial structure of the Company, improve operational quality and efficiency and enhance the efficiency of the assets and resources of the Company. The Directors believe that the Potential Disposal may allow the Company to realise its investment in Target Company and further apply its resources for maintaining and developing the existing main businesses of the Group.

The Target Company has experienced persistent operational losses from 2011 to 2019 and continues to carry significant debt obligations. As of 31 December 2023, the total liability of the Target Company was approximately RMB203,230,000, which includes debts owed to the Company of approximately RMB137.3 million, of which RMB94,449,000 are borrowings and charged with interest at 6.5% per annum and the remaining balances are interest-free. The Company has provided the borrowings to the Target Company since 2016, and as of the Latest Practicable Date, the Target Company has not fully repaid the outstanding borrowings. The Potential Disposal accordingly offers a good opportunity for the Group to recover the outstanding debts owed by the Target Company. The Board is of the view that the Potential Disposal is conducive to enhancing the Group's performance, revitalising the stock assets and improving the corporate assets and liabilities structure and efficiency of asset operation.

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## LETTER FROM THE BOARD

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Furthermore, the cold chain logistics services of the Group have been conducted through its joint ventures and its principal businesses also include supply chain and logistics services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, and bonded warehouse services, container yard service and other services such as supervision, agency, and transportation services. The cold chain logistics services business of the Group recorded loss over many years and a decline in profit margin in the past three years, mainly due to the influence of the policy change on pandemic prevention and control, the disinfection and testing business of the Class A inspection warehouse with high gross profit margin stopped, and the regional market competition became more intense. Accordingly, the Board is of the view that it is an appropriate time to dispose of its cold chain logistics services business conducted through joint ventures. It is expected that the Potential Disposal will generate no less than RMB93.1 million in cash for the Group to achieve the purposes of reducing its debts, facilitating reinvestments and enabling distributions. Following the completion of the Potential Disposal, the Group intends to leverage its competitive strengths, reinforce its other existing businesses, enhance long-term profitability and achieve long-term capital growth.

Based on the factors above, the Directors are of the view that the terms of the Equity Transfer Agreement and the Potential Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will continue to focus on its other existing businesses. As at the Latest Practicable Date and except for its cold chain logistics services business, the Company has no current intention to downsize, cease, sell and/or dispose of its other existing businesses although it will periodically review the performance and prospects of its businesses and the appropriate deployment/allocation of resources available to the Group to its businesses.

### **FINANCIAL EFFECT OF THE POTENTIAL DISPOSAL AND USE OF PROCEEDS**

Upon completion of the Potential Disposal, the Company will not hold any equity interest in the Target Company and the Target Company will cease to be a joint venture of the Company.

Based on the unaudited pro forma financial information as set out in Appendix IV to this circular, assuming that Completion had taken place on 31 December 2023, the total assets of the Group would have increased from approximately RMB1,821 million to approximately RMB1,844 million on a pro forma basis, the total liabilities of the Group would remain the same, being approximately RMB830 million on a pro forma basis, and the net assets of the Group would have increased from approximately RMB991 million to approximately RMB1,015 million on a pro forma basis.

Based on the unaudited pro forma financial information as set out in Appendix IV to this circular, assuming that Completion had taken place on 1 January 2023, the net profit attributable to owners of the Group for the year ended 31 December 2023 would have increased from approximately RMB24 million to approximately RMB47 million on a pro forma basis.

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## LETTER FROM THE BOARD

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It is estimated that an unaudited gain of approximately RMB23,392,000 will arise from the Potential Disposal. Such estimated unaudited gain is calculated with reference to (i) the Initial Minimum Consideration for the Potential Disposal of approximately RMB93,123,000; (ii) the audited carrying value of the Group' interest in the Target Company of approximately RMB68,231,000 as at 31 December 2023; and (iii) all relevant expenses and taxes incidental to the Potential Disposal of approximately RMB1,500,000. Shareholders shall note that the above estimation is for information purpose only, the actual amount of gain will depend on the final bid price as at completion of the Potential Disposal, the carrying value of equity investment in the Target Company and other actual expenses, and therefore is subject to final audit.

The Company intends to apply approximately 75% of the proceeds from the Potential Disposal for the repayment of debts and the remaining proceeds for the general working capital of the Group.

### **GEM LISTING RULES IMPLICATIONS**

Based on the amount of the Initial Minimum Consideration, one or more applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Potential Disposal exceeds 75%. Therefore, the Potential Disposal is expected to constitute a very substantial disposal for the Company under the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

### **EGM**

An EGM will be held to consider and approve, among other matters, the Potential Disposal and the transactions contemplated thereunder and granting in advance to the Directors the Proposed Mandate to enter into and complete the Potential Disposal.

Any Shareholders with a material interest in the Disposal Mandate and the Potential Disposal and his/her/its close associates must abstain from voting on the relevant resolution at the EGM.

A notice convening the EGM of the Company to be held at No.39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC at 9:30 a.m. on Friday, 6 September 2024 is set out on pages EGM-1 to EGM-2 of this circular for the purpose of considering and, if thought fit, passing the resolution(s) set out therein.

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## LETTER FROM THE BOARD

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A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Company ([www.tbtl.cn](http://www.tbtl.cn)) and The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, 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 or the time appointed for passing the resolution(s). Delivery of the form of proxy 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.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the EGM on the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [www.tbtl.cn](http://www.tbtl.cn) under Rule 17.47(5) of the GEM Listing Rules.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Potential Disposal and the transactions contemplated thereunder will be on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all the Shareholders to vote in favour of the resolution(s) as set out in the notice of the EGM.

### ADDITIONAL INFORMATION

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

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. FINANCIAL INFORMATION

Management discussion and analysis and financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.tbtl.cn](http://www.tbtl.cn)) respectively:

- the 2021 annual report of the Company for the year ended 31 December 2021 which was published on 22 March 2022 (pages 15 to 21 and 123 to 287) (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0322/2022032201390.pdf>);
- the 2022 annual report of the Company for the year ended 31 December 2022 which was published on 23 March 2023 (pages 13 to 19 and 128 to 287) (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0323/2023032301450.pdf>);
- the 2023 annual report of the Company for the year ended 31 December 2023 which was published on 18 March 2024 (pages 11 to 18 and 118 to 287) (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0318/2024031801880.pdf>)

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 June 2024, being the Latest Practicable Date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had indebtedness as follows:

### Secured and Guaranteed Bank Borrowings

As on 30 June 2024, the Group had secured and guaranteed bank borrowings of approximately RMB152,424,000.

### Unsecured and Guaranteed bank borrowings

As on 30 June 2024, the Group had unsecured and guaranteed bank borrowings of approximately RMB71,695,000.

### Secured and Unguaranteed bank borrowings

As on 30 June 2024, the Group had secured and unguaranteed bank borrowings of approximately RMB7,000,000.

### Secured and Guaranteed other borrowings

As on 30 June 2024, the Group had secured and guaranteed other borrowings of approximately RMB43,125,000, which is the finance lease money drawn by TEDA General Bonded Warehouse Co., Ltd.\* (天津開發區泰達公共保稅倉有限公司),

The above secured bank and other borrowings were secured by properties, land use rights, etc. of the Group and subsidiaries, guaranteed banks and other borrowings are guaranteed by the Company and TEDA Holdings.

**Lease liabilities**

As on 30 June 2024, the Group had lease liabilities of approximately RMB23,725,000.

**Charge on assets**

As on 30 June 2024, the Group's investment properties of RMB315,000,000, property, plant and equipment of RMB6,091,000 and bank deposits of RMB10,000,000 were pledged to secure bank borrowings and other borrowings granted to the Group.

Save as referred to as above and apart from intra-group liabilities, normal trade and other payables in the ordinary course of business, the Group did not have, at the close of business on 30 June 2024, any debt securities issued and outstanding or authorised or otherwise created but unissued, term loan, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease payables, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

According to certain bank and other loan agreements, certain amounts of bank and other loans will be due within the next 12 months from the date of this circular. In considering of that, the Directors plan to undertake a refinancing, including but not limited to new debts financing, within the next 12 months in order to repay the existing bank and other loans. In addition, the Potential Disposal as described in this circular may alleviate the debt risk of the Group. Management of the Company conducts regular assessment as to whether the Company is able to refinance successfully. If the management determines that there are any events or conditions affecting the Group's proposed refinancing, or amount of the refinancing to be lower than the amount sufficient for supporting the Group's working capital, the Directors have proposed further measures described below in order to raise more fund for its working capital need.

The Directors consider that the adequacy of the Group's working capital for the next 12 months from the date of this circular is dependent on (i) the completion of the new loan facility and (ii) the completion of the Potential Disposal.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the net proceeds from the Potential Disposal; (ii) the Group's internal resources and continual stable cash flows from operations; (iii) the Group's ability to refinance its existing debts upon maturity through financing activities including completion of new debts financing and renewal of existing bank borrowings and facilities; accordingly, the Group has sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest audited financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

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

As disclosed in the Company's 2023 Annual Report, in 2024, the environment for China's development is still full of strategic opportunities and risks and challenges, and the iteration between old and new industries is accelerating. The Group will continue to strengthen its confidence, make full use of internal and external resource endowments, seize opportunities and respond to challenges, continuously enhance its independent operating capabilities and core competitiveness, and strive to improve the quality and efficiency of the Group's overall operation and management.

In the automobile logistics sector, the Group will continue to actively respond to the impacts of capacity compression in main engine plants of upstream commodity vehicles resulting from the decline in fuel vehicle market and minimize the adverse impacts through cost control and scale-up of the business. In the material procurement sector, the Group will continue to optimize the procurement on the basis of reasonable management and control of business risks, and improve the profit level while maintaining a steady growth in scale. In the electronic component logistics sector, the Group will continue to search extensively for stock customers, expand new customers and businesses following the industrial development chain, and strengthen cost management and increase the proportion of clean energy use, thus integrating resources and promoting business collaboration within the Group.

In the warehousing logistics business, the Group will integrate physical logistics resources, enhance the scale of sea-rail combined transportation business, focus on the core resources of special railway freight lines and storage yards, extend to the upstream and downstream industrial chains, and improve comprehensive service income.

In expanding customers and new business, the Group will further strengthen investment work, target at high-quality strategic customers and innovate investment models. At the same time, the Group will continue to pay attention to industry trends and market conditions and strive to explore new business growth opportunities.

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## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

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### UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are the unaudited statements of financial position of Tedahang Cold Chain Logistics Co., Ltd. (collectively, the “**Target Company**”) as at 31 December 2021, 2022 and 2023 and 31 March 2024, and the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows of Tedahang Cold Chain Logistics Co., Ltd. for the years ended 31 December 2021, 2022 and 2023 and the three months ended 31 March 2023 and 2024 (“the **Relevant Periods**”), and explanatory notes (collectively referred to as the “**Unaudited Financial Information**”).

The Unaudited Financial Information has been prepared in accordance with paragraph 19.68(2)(a)(i) of the Rules Governing the Listing of GEM Securities on the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and prepared on the basis set out in note 2 to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purposes of inclusion in this circular in connection with the Potential Disposal.

HLB Hodgson Impey Cheng Limited, Certified Public Accountants, the auditor of the Company, was engaged to review the Unaudited Financial Information of the Target Company set out on pages II-2 to II-7 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review on the Unaudited Financial Information of the Target Company, nothing has come to the auditor’s attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.



## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
<b>REVENUE</b>	251,248	351,575	257,731	69,746	41,310
Cost of sales	<u>(213,736)</u>	<u>(295,389)</u>	<u>(218,128)</u>	<u>(60,516)</u>	<u>(35,198)</u>
<b>Gross profit</b>	37,512	56,186	39,603	9,230	6,112
Other gain - net	4,532	2,131	3,161	724	371
Administrative expenses	(10,202)	(15,987)	(13,962)	(3,004)	(4,031)
Selling expenses	<u>(4,529)</u>	<u>(2,878)</u>	<u>(3,947)</u>	<u>(1,060)</u>	<u>(794)</u>
Operating profit	27,313	39,452	24,855	5,890	1,658
Finance costs	<u>(11,620)</u>	<u>(9,105)</u>	<u>(6,958)</u>	<u>(1,804)</u>	<u>(1,608)</u>
Profit for the year/period	15,693	30,347	17,897	4,086	50
Other comprehensive income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total comprehensive income for the year/period	<u><u>15,693</u></u>	<u><u>30,347</u></u>	<u><u>17,897</u></u>	<u><u>4,086</u></u>	<u><u>50</u></u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021, 2022 and 2023 and 31 March 2024

	As at 31 December			As at
	2021	2022	2023	31 March
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>NON-CURRENT ASSET</b>				
Property, plant and equipment	261,396	248,111	239,732	236,407
Total non-current assets	<u>261,396</u>	<u>248,111</u>	<u>239,732</u>	<u>236,407</u>
<b>CURRENT ASSETS</b>				
Inventories	2,076	1,333	689	753
Trade and other receivables	39,268	37,639	22,378	14,197
Cash and cash equivalents	6,769	51,216	76,099	64,029
Total current assets	<u>48,113</u>	<u>90,188</u>	<u>99,166</u>	<u>78,979</u>
Total assets	<u>309,509</u>	<u>338,299</u>	<u>338,898</u>	<u>315,386</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	200,000	200,000	200,000	200,000
Accumulated losses	(116,761)	(86,414)	(68,517)	(68,467)
<b>Total equity</b>	<u>83,239</u>	<u>113,586</u>	<u>131,483</u>	<u>131,533</u>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	8,952	—	—	—
Deferred income	8,962	7,351	7,629	8,721
Amount due to a shareholder	147,738	126,674	87,779	89,142
Total non-current liabilities	<u>165,652</u>	<u>134,025</u>	<u>95,408</u>	<u>97,863</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	50,666	84,595	82,925	64,308
Borrowings	5,000	5,000	10,000	10,000
Contract liabilities	4,952	1,093	19,082	11,682
Total current liabilities	<u>60,618</u>	<u>90,688</u>	<u>112,007</u>	<u>85,990</u>
<b>NET ASSETS</b>	<u>83,239</u>	<u>113,586</u>	<u>131,483</u>	<u>131,533</u>
<b>NET CURRENT LIABILITIES</b>	<u>(12,505)</u>	<u>(500)</u>	<u>(12,841)</u>	<u>(7,011)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>248,891</u>	<u>247,611</u>	<u>226,891</u>	<u>239,396</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF CHANGE IN EQUITY

For the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024

	<b>Share capital</b> <i>RMB'000</i> <i>(unaudited)</i>	<b>Accumulated losses</b> <i>RMB'000</i> <i>(unaudited)</i>	<b>Total equity</b> <i>RMB'000</i> <i>(unaudited)</i>
Balance as at 1 January 2021	200,000	(132,454)	67,546
Profit and total comprehensive income for the year	<u>—</u>	<u>15,693</u>	<u>15,693</u>
Balance as at 31 December 2021 and 1 January 2022	200,000	(116,761)	83,239
Profit and total comprehensive income for the year	<u>—</u>	<u>30,347</u>	<u>30,347</u>
Balance as at 31 December 2022 and 1 January 2023	200,000	(86,414)	113,586
Profit and total comprehensive income for the year	<u>—</u>	<u>17,897</u>	<u>17,897</u>
Balance as at 31 December 2023	<u>200,000</u>	<u>(68,517)</u>	<u>131,483</u>
Balance as at 1 January 2023	200,000	(86,414)	113,586
Profit and total comprehensive income for the period	<u>—</u>	<u>4,086</u>	<u>4,086</u>
Balance as at 31 March 2023	<u>200,000</u>	<u>(82,328)</u>	<u>117,672</u>
Balance as at 1 January 2024	200,000	(68,517)	131,483
Profit and total comprehensive income for the period	<u>—</u>	<u>50</u>	<u>50</u>
Balance as at 31 March 2024	<u>200,000</u>	<u>(68,467)</u>	<u>131,533</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
<b>Cash flows from operating activities</b>					
Profit before income tax	15,693	30,347	17,897	4,086	50
Adjustments for:					
Interest income	(434)	(624)	(1,003)	(220)	(257)
Finance costs	11,620	9,105	6,958	1,804	1,608
Loss on disposal of property, plant and equipment	89	413	681	859	13
Depreciation of property, plant and equipment	15,367	15,684	12,690	3,301	3,321
Deferred income amortisation	(1,616)	(1,611)	(537)	(203)	(128)
<b>Operating cash inflow before movements in working capital</b>	40,719	53,314	36,686	9,627	4,607
Decrease/(increase) in inventories	543	743	644	(5,765)	(64)
Decrease in trade and other receivables	27,906	1,629	15,261	19,494	8,181
Increase/(decrease) in trade and other payables	1,930	33,929	(1,670)	(9,999)	(18,617)
Increase in deferred income	471	—	815	438	1,220
Increase/(decrease) in amount due to a shareholder	830	(21,064)	(38,895)	(23,399)	1,363
(Decrease)/increase in contract liabilities	(27,516)	(3,859)	17,989	13,104	(7,400)
Cash generated from/(used in) operations	44,883	64,692	30,830	3,500	(10,710)
Interest received	434	624	1,003	220	257
Interest paid	(11,620)	(9,105)	(6,958)	(1,804)	(1,608)
Net cash generated from/(used in) operating activities	33,697	56,211	24,875	1,916	(12,061)

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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	<b>Year ended 31 December</b>			<b>Three months ended 31 March</b>	
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(7,907)	(2,812)	(5,226)	(959)	(9)
Proceeds from disposal of property, plant and equipment	<u>—</u>	<u>—</u>	<u>234</u>	<u>—</u>	<u>—</u>
Net cash used in investing activities	<u>(7,907)</u>	<u>(2,812)</u>	<u>(4,992)</u>	<u>(959)</u>	<u>(9)</u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	—	—	5,000	—	—
Repayments of borrowings	<u>(22,381)</u>	<u>(8,952)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net cash (used in)/generated from financing activities	<u>(22,381)</u>	<u>(8,952)</u>	<u>5,000</u>	<u>—</u>	<u>—</u>
Net increase/(decrease) in cash and cash equivalents	3,409	44,447	24,883	957	(12,070)
Cash and cash equivalents at 1 January	<u>3,360</u>	<u>6,769</u>	<u>51,216</u>	<u>51,216</u>	<u>76,099</u>
Cash and cash equivalents at 31 December	<u><u>6,769</u></u>	<u><u>51,216</u></u>	<u><u>76,099</u></u>	<u><u>52,173</u></u>	<u><u>64,029</u></u>

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## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

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### NOTES TO THE UNAUDITED FINANCIAL INFORMATION

#### 1. CORPORATE INFORMATION

Tianjin Binhai Teda Logistics (Group) Corporation Limited\* (the “**Company**”) and its subsidiaries (collectively refer to as, “the **Group**”) are principally engaged in provision of logistics and supply chain solutions services and trading and related logistics services in the People’s Republic of China (the “**PRC**”). The Company’s shares are listed on the GEM Board of The Stock Exchange of Hong Kong Limited. The address of the registered office is principal place of business of the Company is No. 39, Bohai Road, Technological and Economic Development Area, Tianjin, the PRC.

The Company was established as an investment holding company in the PRC by its promoters, Tianjin Teda Investment Holding Co., Ltd. (“**TEDA Holding**”) and Tianjin Economic and Technological Development Area State Asset Operation Company (“**TEDA Asset Company**”) as a joint stock limited company on 26 June 2006. At that time, both TEDA Holding and TEDA Asset Company are controlled by Tianjin Economic and Technological Development Area Administrative Commission (“**TEDA Administrative Commission**”).

The Directors of the Company consider Tianjin Teda Investment Holding Co., Ltd. as the immediate holding company and the ultimate holding company of the Company

Tedahang Cold Chain Logistics Co., Ltd. (the “**Target Company**”) is a limited liability company incorporated in the PRC and is principally engaged in the carrying out the cold warehouse operating and logistic services.

The Unaudited Financial Information is presented in Renminbi (“**RMB**”). All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

#### 2. BASIS OF PRESENTATION

The Unaudited Financial Information of Target Company for the years ended 31 December 2021, 2022 and 2023 and the three months ended 31 March 2023 and 2024 has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Potential Disposal in accordance with paragraph 19.68(2)(b)(i) of the GEM Listing Rules.

The Unaudited Financial Information of the Target Company been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Group for the relevant periods, which conform with International Financial Reporting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board (the “**IASB**”) and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of the Target Company has been prepared under the historical cost convention.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 “Presentation of Financial Statements” issued by the IASB and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

\* *For identification purposes only*

Upon completion of the Potential Disposal and the disposal of the cold chain logistics services business through the disposal of the Target Company, the Remaining Group will continue to be principally engaged in the provision of logistics and supply chain services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, and other services such as warehouse, container yard, supervision, agency and transportation services.

Set out below is the management discussion and analysis on the Remaining Group for each of the three financial years ended 31 December 2021, 2022 and 2023. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the three years ended 31 December 2021, 2022 and 2023.

### **1. FOR THE YEAR ENDED 31 DECEMBER 2023**

The revenue for the year ended 31 December 2023 amounted to approximately RMB3,649,930,000, representing an increase of approximately RMB348,787,000 or 10.57%, from approximately RMB3,301,143,000 for the year ended 31 December 2022. The gross profit for the year ended 31 December 2023 amounted to approximately RMB61,066,000, representing a decrease of approximately RMB70,683,000, or 53.65% from approximately RMB131,749,000 for the year ended 31 December 2022.

#### **Supply Chain and Logistics Services for Finished Automobiles and Components**

During the year ended 31 December 2023, the operating income of logistics and supply chain services for finished automobiles and components amounted to approximately RMB1,222,058,000, representing a decrease of approximately RMB115,603,000 or 8.64% as compared with the corresponding period of last year, while the operating results amounted to approximately RMB18,430,000, representing a decrease of RMB64,895,000 or 77.88% as compared with the corresponding period of last year.

#### **Materials Procurement and Related Logistics Services**

During the year ended 31 December 2023, the operating income of materials procurement and related logistics services amounted to approximately RMB2,350,624,000, representing an increase of approximately RMB442,766,000 or 23.21% as compared with the corresponding period of last year, while the loss of operating results amounted to approximately RMB18,537,000, representing a decrease of RMB4,448,000 or 19.35% as compared with the corresponding period of last year.

**Warehouse, Supervision, Agency and Other Services**

During the year ended 31 December 2023, the operating income of warehouse, supervision, agency and other services amounted to approximately RMB77,248,000, representing an increase of approximately RMB21,624,000 or 38.88% as compared with the corresponding period of last year, while the operating results amounted to approximately RMB19,904,000, representing an increase of RMB5,822,000 or 41.34% as compared with the corresponding period of last year.

**Supply Chain and Logistics Services for Electronic Components (Conducted Through Investments in Joint Ventures)**

During the year ended 31 December 2023, the net operating profit of supply chain and logistics services for electronic components business of the Remaining Group's joint ventures amounted to approximately RMB47,535,000, representing a decrease of approximately decrease of RMB21,852,000 or 31.49% as compared with the corresponding period of last year while the profit contribution was approximately RMB23,333,400, representing a decrease of RMB11,001,000 or 32.04% as compared with the corresponding period of last year.

**Liquidity and financial resources**

As at 31 December 2023, the Remaining Group's cash and cash equivalents amounted to approximately RMB340,301,000, which were mainly denominated in Renminbi, and the Remaining Group's pledged bank deposits amounted to RMB56,015,000.

As at 31 December 2023, the balance of borrowings of the Remaining Group was RMB351,909,000 (31 December 2022: RMB285,175,000) The Remaining Group's gearing ratio, which was defined as ratio of loans (including borrowings and lease liabilities) to total equity of the Remaining Group, was 39% (31 December 2022: 34%).

**Contingent liabilities**

As at 31 December 2023, the Remaining Group had no contingent liabilities.

**Capital expenditures and commitments**

As at 31 December 2023, the Remaining Group had no capital expenditures and commitments.

**Significant investments held and future plans for material investments or capital assets**

As at 31 December 2023, the Remaining Group had no significant investments and did not devise future plans for material investments or capital assets during the year.



**Treasury policies**

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in RMB. Surplus cash is generally placed in short term deposits denominated in RMB.

**Exchange loss or gain**

All operating revenues and expenses of the Remaining Group are denominated in Renminbi.

For the year ended 31 December 2023, the Remaining Group has no significant investments outside of Mainland China. The Remaining Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly because Tianjin Fengtian Logistics Co., Ltd. ("Fengtian Logistics"), a non-wholly owned subsidiary of the Company, has business denominated in United States Dollar and Japanese Yen. For the year ended 31 December 2023, the Remaining Group had an exchange gain of RMB452,000 after offsetting the exchange gains with exchange losses.

**Material acquisitions or disposal of subsidiaries, associates and joint ventures**

For the year ended 31 December 2023, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Remaining Group.

**Charges on assets**

As at 31 December 2023, the Remaining Group's investment properties of RMB315,000,000, property, plant and equipment of RMB6,308,000 and bank deposits of RMB56,015,000 were pledged to secure borrowings and bills payables granted to the Remaining Group.

**Employees and remuneration policies**

As at 31 December 2023, the Remaining Group had a total of 1,079 (2022: 1,123 employees) employees (including dispatched labors and employees). Total employee benefit expenses incurred for the year ended 31 December 2023 amounted to approximately RMB130,561,000 (2022: RMB133,383,000).

The remunerations of the employees of the Remaining Group shall be determined with reference to the market rate, and the performance, qualification and experience of the relevant employees. Also, a discretionary bonus based on individual performance during the year would be distributed as a reward for the contributions made by the employees to the Company. Other employee benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance and housing fund. The Remaining Group's employee remuneration policy and packages are periodically reviewed by the management.

**2. FOR THE YEAR ENDED 31 DECEMBER 2022**

The revenue for the year ended 31 December 2022 amounted to approximately RMB3,301,143,000, representing an increase of approximately RMB231,929,000 or 7.54%, from approximately RMB3,069,814,000 for the year ended 31 December 2021. The gross profit for the year ended 31 December 2022 amounted to approximately RMB131,749,000, representing a decrease of approximately RMB41,648,000, or 24% from approximately RMB173,397,000 for the year ended 31 December 2021.

**Supply Chain and Logistics Services for Finished Automobiles and Components**

During the year ended 31 December 2022, the operating income of supply chain and logistics services for finished automobiles and components amounted to approximately RMB1,337,661,000, representing a decrease of RMB44,244,000 or 3.2% as compared with the corresponding period of last year.

**Materials Procurement and Related Logistics**

During the year ended 31 December 2022, the operating income from the materials procurement and related logistics services amounted to approximately RMB1,907,858,000, representing an increase of RMB270,640,000 or 16.53% as compared with the corresponding period of last year .

**Warehouse, Supervision, Agency and Other Incomes**

During the year ended 31 December 2022, the other services such as bonded warehouse, container yard, supervision, agency and transportation services recorded an operating income of approximately RMB55,624,000 during the operating period, representing an increase of RMB4,933,000 or 9.73% as compared with the corresponding period of last year.

**Supply Chain and Logistics Services for Electronic Components (Conducted Through Investments in Joint Ventures)**

During the year ended 31 December 2022, the operating income from supply chain and logistics services for electronic components business of the Remaining Group's joint ventures amounted to approximately RMB1,031,255,000, representing an increase of RMB113,491,000 or 12.37% as compared with the corresponding period of last year. The business recorded an operating profit of approximately RMB69,387,000, representing an increase of RMB24,144,000 or 53.37% as compared with the corresponding period of last year.

**Liquidity and financial resources**

As at 31 December 2022, the Remaining Group's cash and cash equivalents amounted to approximately RMB414,629,000, which were mainly denominated in Renminbi, and the Remaining Group's pledged bank deposits amounted to RMB113,987,000.

As at 31 December 2022, the balance of bank loans of the Remaining Group was RMB285,175,000 (31 December 2021: RMB251,490,000). The Remaining Group's gearing ratio, which was defined as the ratio of total liabilities to total assets of the Remaining Group was 55% (31 December 2021: 53%). The gearing ration (ration of loans (including borrowings and lease liabilities) to total equity) of the Remaining Group was 34% (31 December 2021:33%).

**Contingent liabilities**

As at 31 December 2022, the Remaining Group had no material contingent liabilities.

**Capital expenditures and commitments**

As at 31 December 2022, the Remaining Group had no capital expenditures and commitments.

**Significant investments held and future plans for material investments or capital assets**

As at 31 December 2022, the Remaining Group had no significant investments and did not devise future plans for material investments or capital assets.

**Treasury policies**

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in RMB . Surplus cash is generally placed in short term deposits denominated in RMB.

**Exchange loss or gain**

All operating revenues and expenses of the Remaining Group are denominated in Renminbi.

For the year ended 31 December 2022, the Remaining Group has no significant investments outside Mainland China. The Remaining Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly because Fengtian Logistics of the Remaining Group, has business denominated in United States Dollar, Japanese Yen and Hong Kong Dollar. For the year ended 31 December 2022, the Remaining Group had an exchange gain of RMB656,000 after offsetting the exchange gains with exchange losses.

**Material acquisitions or disposal of subsidiaries, associates and joint ventures**

For the year ended 31 December 2022, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Remaining Group during the year.

**Charges on assets**

As at 31 December 2022, the Remaining Group's investment properties of RMB183,000,000 and bank deposits of RMB113,987,000 were pledged to the certain banks to secure loan facilities granted to the Remaining Group.

**Employees and remuneration policies**

As at 31 December 2022, the Remaining Group had a total of 1,123 (2021: 1,214) employees (including dispatched labors and employees). Total employee benefit expenses incurred for the year ended 31 December 2022 amounted to approximately RMB133,383,000 (2021: approximately RMB134,643,000).

The remunerations of the employees of the Remaining Group shall be determined with reference to the market rate, and the performance, qualification and experience of the relevant employees. Also, a discretionary bonus based on individual performance during the year would be distributed as a reward for the contributions made by the employees to the Remaining Group. Other employee benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance and housing fund.

**3. FOR THE YEAR ENDED 31 DECEMBER 2021**

The revenue for the year ended 31 December 2021 amounted to approximately RMB3,069,814,000, representing an increase of approximately RMB188,996,000 or 6.56%, from approximately RMB2,880,818,000 for the year ended 31 December 2020. The gross profit for the year ended 31 December 2021 amounted to approximately RMB173,397,000, representing an increase of approximately RMB5,862,000, or 3.5% from approximately RMB167,535,000 for the year ended 31 December 2020.

**Supply Chain and Logistics Services for Finished Automobiles and Components**

During the year ended 31 December 2021, the principal business income of supply chain and logistics services for finished automobiles and components amounted to approximately RMB1,381,905,000, representing an increase of RMB35,430,000 or 2.63% as compared with the corresponding period of last year.

**Materials Procurement and Related Logistics**

During the year ended 31 December 2021, the principal business income of materials procurement and related logistics services amounted to approximately RMB1,637,218,000, representing an increase of approximately RMB143,414,000 or 9.60% as compared with the corresponding period of last year.

**Warehouse, Supervision, Agency and Other Incomes**

During the year ended 31 December 2021, other services such as bonded warehouse, container yard, supervision, agency and transportation services recorded an operating income of approximately RMB50,691,000, representing an increase of RMB10,152,000 or 25.04% as compared with the corresponding period of last year.

**Logistics and Supply Chain Services for Electronic Components (Conducted Through Investments in Joint Ventures)**

During the year ended 31 December 2021, the operating income from logistics and supply chain services for electronic components business of the Remaining Group's joint ventures amounted to approximately RMB917,764,000, representing an increase of RMB278,065,000 or 43.70% as compared with the corresponding period of last year. The business recorded an operating profit of RMB45,243,000, representing an increase of RMB18,775,000 or 70.93% as compared with the corresponding period of last year.

**Liquidity and financial resources**

As at 31 December 2021, the Remaining Group's cash and cash equivalents amounted to approximately RMB357,757,000, which were mainly denominated in Renminbi, and the Remaining Group's pledged bank deposits amounted to RMB123,289,000.

As at 31 December 2021, the balance of bank loans of the Remaining Group was RMB251,490,000 (31 December 2020: RMB349,500,000). The Remaining Group's gearing ratio, which was defined as the ratio of total liabilities to total assets of the Remaining Group was 53% (31 December 2020: 57%). The gearing ratio (ratio of loans (including borrowings and lease liabilities) to total equity) of the Remaining Group was 33% (31 December 2020: 51%).

**Contingent liabilities**

As at 31 December 2021, the Remaining Group had no material contingent liabilities.

**Capital expenditures and commitments**

As at 31 December 2021, the Remaining Group had no capital expenditures and commitments.

**Significant investments held and future plans for material investments or capital assets**

As at 31 December 2021, the Remaining Group had no significant investments and did not devise future plans for material investments or capital assets.

**Treasury policies**

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in RMB. Surplus cash is generally placed in short term deposits denominated in RMB.

**Exchange loss or gain**

All operating revenues and expenses of the Remaining Group are denominated in Renminbi.

For the year ended 31 December 2021, the Remaining Group has no significant investments outside Mainland China. The Remaining Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly because Fengtian Logistics of the Remaining Group, has business denominated in United States Dollar, Japanese Yen and Hong Kong Dollar. For the year ended 31 December 2021, the Remaining Group had an exchange gain of RMB279,000 after offsetting the exchange gains with exchange losses.

**Charges on assets**

As at 31 December 2021, the Remaining Group's investment properties of RMB184,000,000 and bank deposits of RMB123,289,000 were pledged to the banks to secured general banking and loan facilities granted to the Remaining Group.

**Employees and remuneration policies**

As at 31 December 2021, the Remaining Group had a total of 1,214 employees (including dispatched labors and employees) (31 December 2020: 1,064 employees (after Adjustment) or 2,183 employees (before the Adjustment))). Total employee benefit expenses incurred for the year ended 31 December 2021 amounted to approximately RMB134,643,000 (2020: approximately RMB129,251,000).

The remunerations of the employees of the Remaining Group shall be determined with reference to the market rate, and the performance, qualification and experience of the relevant employees. Also, a discretionary bonus based on individual performance during the year would be distributed as a reward for the contributions made by the employees to the Remaining Group. Other employee benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance and housing fund.

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

**Introduction**

The following is an illustrative and unaudited pro forma financial information of the Group excluding the Target Company upon the completion of the Potential Disposal (the “**Remaining Group**”) (the “**Unaudited Pro Forma Financial Information**”), comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2023, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2023 of the Remaining Group which has been prepared to illustrate the effect of the Potential Disposal (i) as if the Potential Disposal had been completed on 31 December 2023 for the unaudited pro forma consolidated statement of financial position, and (ii) as if the Potential Disposal had been completed on 1 January 2023 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2023.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 31 December 2023 or any future date, and the financial performance and cash flows of the Remaining Group for the year ended 31 December 2023 or for any future period.

The Unaudited Pro Forma Financial Information of the Remaining Group is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2023, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2023, which has been extracted from the published annual report of the Group for the year ended 31 December 2023, after making certain pro forma adjustments relating to the Potential Disposal that are factually supportable and directly attributable to the Potential Disposal as set out below.

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**APPENDIX IV                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular, the published annual report of the Group for the year ended 31 December 2023, the historical financial information of the Target Company as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

**Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group**

**As at 31 December 2023**

	<b>The Group</b>	<b>Pro forma Adjustments</b>		<b>The Remaining Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>			<i>(unaudited)</i>
	<i>(note 1)</i>	<i>(note 2(a))</i>	<i>(note 2(b))</i>	
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	197,862			197,862
Investment properties	412,200			412,200
Amount due from joint venture	85,076	(85,076)		—
Investments accounted for using the equity method	271,692		(68,231)	203,461
Equity instruments at fair value through other comprehensive income	28,343			28,343
Deferred tax assets	652			652
	<u>995,825</u>			<u>842,518</u>
Total non-current assets				
<b>CURRENT ASSETS</b>				
Inventories	31,636			31,636
Trade, bills and other receivables	397,011	85,076		482,087
Pledged bank deposits	56,015			56,015
Cash and cash equivalents	340,301		91,623	431,924
	<u>824,963</u>			<u>1,001,662</u>
Total current assets				
Total assets	<u>1,820,788</u>			<u>1,844,180</u>



**APPENDIX IV      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	<b>The Group</b>	<b>Pro forma Adjustments</b>		<b>The Remaining Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>			<i>(unaudited)</i>
	<i>(note 1)</i>	<i>(note 2(a))</i>	<i>(note 2(b))</i>	
<b>EQUITY</b>				
Equity attributable to owners of the Company				
Share capital	354,312			354,312
Other reserves	98,187			98,187
Retained earnings	434,780		23,392	458,172
	<u>887,279</u>			<u>910,671</u>
Non-controlling interests	<u>103,997</u>			<u>103,997</u>
<b>Total equity</b>	<u><u>991,276</u></u>			<u><u>1,014,668</u></u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred income	3,979			3,979
Lease liabilities	11,797			11,797
Borrowings	38,179			38,179
Deferred tax liabilities	55,352			55,352
Total non-current liabilities	<u>109,307</u>			<u>109,307</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	341,319			341,319
Contract liabilities	39,971			39,971
Current income tax liabilities	1,697			1,697
Borrowings	313,730			313,730
Lease liabilities	23,488			23,488
	<u>720,205</u>			<u>720,205</u>
Total liabilities	<u><u>829,512</u></u>			<u><u>829,512</u></u>
Total equity and liabilities	<u><u>1,820,788</u></u>			<u><u>1,844,180</u></u>
Net current assets	<u><u>104,758</u></u>			<u><u>281,457</u></u>
Total assets less current liabilities	<u><u>1,100,583</u></u>			<u><u>1,123,975</u></u>

**APPENDIX IV      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group**

**For the year ended 31 December 2023**

	<b>The Group</b>	<b>Pro forma Adjustments</b>		<b>The Remaining Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>			<i>(unaudited)</i>
	<i>(note 1)</i>	<i>(note 3(a))</i>	<i>(note 3(b))</i>	
<b>Profit before income tax</b>	40,979	(10,738)	34,130	64,371
Adjustments for:				
Interest income	(11,749)			(11,749)
Finance costs	21,339			21,339
Depreciation of property, plant and equipment	18,115			18,115
Depreciation of right-of-use assets	23,029			23,029
Loss on change in fair values of investment properties	2,183			2,183
Net loss on disposal of property, plant and equipment	279			279
Reversal of impairment loss of trade, bills and other receivables, net	(5,209)			(5,209)
Deferred income amortisation	(212)			(212)
Dividends income from equity investments	(80)			(80)
Waiver of other payable	(11,314)			(11,314)
Gain on disposal of joint venture	—		(34,130)	(34,130)
Share of profit of investments accounted for using the equity method	<u>(26,592)</u>	10,738		<u>(15,854)</u>
Operating cash flow before changes in working capital:	50,768			50,768
Increase in inventories	(31,630)			(31,630)
Decrease in trade, bills and other receivables	285,939			285,939
Decrease in trade and other payables	(216,125)			(216,125)
Decrease in contract liabilities	<u>(224,993)</u>			<u>(224,993)</u>
Cash used in operations	(136,041)			(136,041)
Interest received	11,749			11,749
Interest paid	(21,339)			(21,339)
Income tax paid	<u>(5,546)</u>			<u>(5,546)</u>
<b>Net cash used in operating activities</b>	<u>(151,177)</u>			<u>(151,177)</u>

**APPENDIX IV      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	<b>The Group</b>	<b>Pro forma Adjustments</b>		<b>The</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<b>Remaining</b>
	<i>(audited)</i>			<b>Group</b>
	<i>(note 1)</i>	<i>(note 3(a))</i>	<i>(note 3(b))</i>	<i>RMB'000</i>
				<i>(unaudited)</i>
<b>Cash flows from investing activities</b>				
Decrease in pledged bank deposits	57,972			57,972
Purchase of property, plant and equipment	(3,423)			(3,423)
Addition of investment properties	(5,883)			(5,883)
Proceeds from disposal of property, plant and equipment	399			399
Proceeds from disposal of joint venture	—		91,623	91,623
Dividends income from equity instruments at fair value through other comprehensive income	80			80
Dividends received from investments accounted for using the equity method	<u>22,900</u>			<u>22,900</u>
<b>Net cash generated from investing activities</b>	<u>72,045</u>			<u>163,668</u>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	375,843			375,843
Repayments of borrowings	(309,109)			(309,109)
Repayments of lease liabilities	(22,839)			(22,839)
Dividends paid to owners of the Company	(10,788)			(10,788)
Dividends paid to non-controlling interests	<u>(28,303)</u>			<u>(28,303)</u>
<b>Net cash generated from financing activities</b>	<u>4,804</u>			<u>4,804</u>
Net (decrease)/increase in cash and cash equivalents	(74,328)			17,295
Cash and cash equivalents at 1 January	<u>414,629</u>			<u>414,629</u>
<b>Cash and cash equivalents at 31 December</b>	<u><u>340,301</u></u>			<u><u>431,924</u></u>

**APPENDIX IV      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**Unaudited Pro Forma Consolidated statements of profit or loss and other comprehensive income  
of the Remaining Group**

**For the year ended 31 December 2023**

	<b>The Group</b>	<b>Pro forma Adjustments</b>	<b>The Remaining Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(note 3(a))</i>	<i>(unaudited)</i>
	<i>(note 1)</i>	<i>(note 3(b))</i>	
Revenue	3,649,930		3,649,930
Cost of sales	<u>(3,588,864)</u>		<u>(3,588,864)</u>
Gross profit	61,066		61,066
Administrative expenses	(52,436)		(52,436)
Other gain and loss - net	24,070		24,070
Loss on change in fair values of investment properties	(2,183)		(2,183)
Reversal of impairment loss of trade, bills and other receivables, net	5,209		5,209
Gain on disposal of joint venture	<u>—</u>	34,130	<u>34,130</u>
Operating profit	35,726		69,856
Finance costs	(21,339)		(21,339)
Share of profit of investments accounted for using the equity method	<u>26,592</u>	(10,738)	<u>15,854</u>
Profit before income tax	40,979		64,371
Income tax expenses	<u>(4,633)</u>		<u>(4,633)</u>
Profit for the year	36,346		59,738
Other comprehensive loss			
Item that will not be reclassified subsequently to profit or loss:			
Equity instruments at fair value through other comprehensive income	<u>(5,984)</u>		<u>(5,984)</u>
Total comprehensive income for the year	<u><u>30,362</u></u>		<u><u>53,754</u></u>

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**APPENDIX IV                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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	<b>The Group</b>	<b>Pro forma Adjustments</b>		<b>The Remaining Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>			<i>(unaudited)</i>
	<i>(note 1)</i>	<i>(note 3(a))</i>	<i>(note 3(b))</i>	
Profit for the year attributable to:				
Owners of the Company	29,778			53,170
Non-controlling interests	<u>6,568</u>			<u>6,568</u>
	<u><u>36,346</u></u>			<u><u>59,738</u></u>
Total comprehensive income attributable to:				
Owners of the Company	23,794			47,186
Non-controlling interests	<u>6,568</u>			<u>6,568</u>
	<u><u>30,362</u></u>			<u><u>53,754</u></u>

*Notes:*

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2023, and the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2023 as set out in the published annual report of the Group for the year ended 31 December 2023.
2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of financial position, assuming the Proposed Disposal had taken place on 31 December 2023:

The estimated gain on disposal assuming the Potential Disposal had taken place on 31 December 2023 is calculated as follows:

- (a) Certain reclassifications have been made to conform with the Group's presentation assuming the Proposed Disposal had taken place on 31 December 2023.

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- (b) The adjustments represent the estimated gain on disposal assuming the Proposed Disposal had taken place on 31 December 2023 and is calculated as follows:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	(i)	<u>93,123</u>
Share of 60% net assets of the Target Company as at 31 December 2023	(ii)	78,890
Fair value adjustments on land use rights and property, plant and equipment	(iii)	<u>(10,659)</u>
Carrying amount of the investment in the Target Company as at 31 December 2023		<u>68,231</u>
Estimated gain on disposal before transaction cost		24,892
Less: Estimated transaction costs attributed to the Potential Disposal	(iv)	<u>(1,500)</u>
Estimated gain on disposal		<u><u>23,392</u></u>

Analysis of net cash flows from the Potential Disposal:

	<i>RMB'000</i>
Consideration	93,123
Less: Estimated transaction costs attributed to the Potential Disposal	<u>(1,500)</u>
	<u><u>91,623</u></u>

*Notes:*

- (i) The amount represented the total consideration, being an amount of RMB93,123,000, which is payable by the Successful Bidder to the Company on the completion of the Potential Disposal.
- (ii) The amount represents the share of 60% net assets of the Target Company calculated with reference to the net asset value of the Target Company as at 31 December 2023 as set out in Appendix II to this Circular.
- (iii) The amount represents the fair value adjustments on land use rights and property, plant and equipment relating to the Target Company. The difference in the book value of the land use right contributed to the Target Company arises from the appreciation in its value due to the establishment of the Target Company.
- (iv) The transaction costs represent professional fee directly attributable to the disposal of the Target Company which are estimated to be approximately RMB1,500,000 and it is assumed that the fees would be settled by cash.
- (v) Apart from notes above, no other adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2023 for the purpose of preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2023.

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- (3) The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows, assuming the Potential Disposal had taken place on 1 January 2023:

The estimated gain on disposal assuming the Potential Disposal had taken place on 1 January 2023 is calculated as follows:

- (a) The adjustments represent the exclusion of the share of profit of investments accounted for using the equity method of the Target Company for the year ended 31 December 2023, assuming the Potential Disposal had taken place on 1 January 2023. The amounts are extracted from the audited consolidated financial statements of the Group as set out in the published annual report of the Group for the year ended 31 December 2023.
- (b) The adjustments represent the estimated gain on disposal assuming the Proposed Disposal had taken place on 1 January 2023 and is calculated as follows:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	(i)	<u>93,123</u>
Share of 60% net assets of the Target Company as at 1 January 2023	(ii)	68,152
Fair value adjustments on land use rights and property, plant and equipment	(iii)	<u>(10,659)</u>
Carrying amount of the investment in the Target Company as at 1 January 2023		<u>57,493</u>
Estimated gain on disposal before transaction cost		35,630
Less: Estimated transaction costs attributed to the Potential Disposal	(iv)	<u>(1,500)</u>
Estimated gain on disposal		<u><u>34,130</u></u>

Analysis of net cash flows from the Potential Disposal:

	<i>RMB'000</i>
Consideration	93,123
Less: Estimated transaction costs attributed to the Potential Disposal	<u>(1,500)</u>
	<u><u>91,623</u></u>

*Notes:*

- (i) The amount represented the total consideration, being an amount of RMB93,123,000, which is payable by the Successful Bidder to the Company on the completion of the Potential Disposal.
- (ii) The amount represents the share of 60% net assets of the Target Company calculated with reference to the net asset value of the Target Company as at 31 December 2022 as set out in Appendix II to this Circular.

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- (iii) The amount represents the fair value adjustments on land use rights and property, plant and equipment relating to the Target Company. The difference in the book value of the land use right contributed to the Target Company arises from the appreciation in its value due to the establishment of the Target Company.
  
  - (iv) The transaction costs represent professional fee directly attributable to the disposal of the Target Company which are estimated to be approximately RMB1,500,000 and it is assumed that the fees would be settled by cash.
  
  - (v) Apart from notes above, no other adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2023 for the purpose of preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2023.
- (4) The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.



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## APPENDIX IV      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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*The following is the text of a report in relation to the Unaudited Pro Forma Financial Information of the Remaining Group received from HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this circular.*



31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

#### **To the Directors of Tianjin Binhai Teda Logistics (Group) Corporation Limited\***

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tianjin Binhai Teda Logistics (Group) Corporation Limited\* (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2023, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2023 and the related notes as set out on pages IV-1 to IV-10 of the circular dated 16 August 2024 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the proposed mandate in relation to the proposed very substantial disposal through public tender (the “**Potential Disposal**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-10 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Potential Disposal on the Group’s financial position as at 31 December 2023 as if the Potential Disposal had taken place at 31 December 2023, and the Group’s financial performance and cash flows for the year ended 31 December 2023 as if the Potential Disposal had taken place on 1 January 2023. As part of this process, information about the Group’s financial position as at 31 December 2023 and the Group’s financial performance and cash flows for the year ended 31 December 2023 has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2023, on which an audit report has been published.

#### **Directors’ responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of GEM Securities on The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

\* For identification purposes only

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants’ responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Potential Disposal on unadjusted financial information of the Group as if the Potential Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Potential Disposal at 31 December 2023 or 1 January 2023 would have been as presented.

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A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Potential Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Potential Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*  
Hong Kong

16 August 2024

**Asset Valuation Report**  
**in relation to the entire shareholder' equity in**  
**Tedahang Cold Chain Logistics Co., Ltd.**  
**involved in equity interest project proposed to be transferred**  
**by Tianjin Binhai Teda Logistics (Group) Corporation Limited\***  
**Guo Zhong Lian Ping Bao Zi (2024) No. 2-0844**

Tianjin Binhai Teda Logistics (Group) Corporation Limited\*:

Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.\* (國眾聯資產評估土地房地產估價有限公司) has accepted your company's engagement to conduct a valuation on the market value as at 31 December 2023 of the entire shareholder' equity in Tedahang Cold Chain Logistics Co., Ltd. involved in equity interest project proposed to be transferred by Tianjin Binhai Teda Logistics (Group) Corporation Limited\*, pursuant to the laws, administrative regulations and asset valuation standards, and by adhering to the principles of independence, objectivity and impartiality and adopting asset-based approach and income approach in accordance with the necessary valuation procedures. The asset valuation performance is as follows:

## **I. Purpose of Valuation**

Tianjin Binhai Teda Logistics (Group) Corporation Limited\* proposes to transfer equity interests. This valuation is to provide value benchmark for proposed transfer of equity interests by Tianjin Binhai Teda Logistics (Group) Corporation Limited\*.

## **II. Valuation Target and Valuation Scope**

The target of this valuation is the entire shareholder's equity of Tedahang Cold Chain Logistics Co., Ltd. at the appraisal reference date.

The book value of the entire shareholder's equity amounts to RMB132,486,400. The unit holding equity interests proposed to be transferred has declared that there are not defective titles including mortgage and pledge and undertaken that the title of the equity interests is clear and legal without any lawful dispute.

The specific scope of the valuation covers entire assets (including such property assets) and related liabilities of Tedahang Cold Chain Logistics Co., Ltd. as at 31 December 2023 as reported by Tedahang Cold Chain Logistics Co., Ltd. and audited by CAC CPA Limited Liability Partnership. Among such assets and liabilities, the book value of the total assets, total liabilities and ownership interests is RMB335,711,600, RMB203,225,200 and RMB132,486,400, respectively. CAC CPA Limited Liability Partnership has audited the book values prior to valuation and issued a clean audit report numbered CAC Jin Shen Zi [2024]0424.

The appraised entity undertakes that the specific target and scope of the valuation are consistent with the target and scope involved without repetition and omission and should be based on the asset valuation declaration provided by the appraised entity.

### III. Type of Value and Its Definition

This valuation appraises the market value of the entire shareholder's equity in Tedahang Cold Chain Logistics Co., Ltd. as at reference date under the going concern assumption.

The market value is defined as the estimated amount of the value for which the valuation target should exchange on the appraisal reference date between a willing buyer and a willing seller in a normal and arm's length transaction, where the parties have each acted rationally without compulsion.

### IV. Appraisal Reference Date

The appraisal reference date for the asset valuation of this project is 31 December 2023 and it is determined by the entrusting party.

### V. Valuation Methodology

This valuation adopts asset-based approach and income approach.

- (I) Asset approach, also known as cost approach, refers to the appraisal idea that determines the value of the valuation target based on reasonable assessment of various assets and liabilities of enterprise, using the balance sheet of the appraised entity as at the appraisal reference date as the basis.

The current assets included in the scope of this valuation include currency capital, trade receivables, trade prepayments, other receivables and inventories.

Non-current assets include buildings and machines and equipment.

This valuation on buildings and structures, pipeline and channels adopts cost approach.

Calculation formula: the appraised value = full replacement costs × comprehensive newness rate

Full replacement cost = integrated construction and installation costs + preliminary and other expenses + administrative expenses + capital costs + reasonable profits - deductible value-added tax

Comprehensive newness rate = surveyed newness rate × 60% + theoretical newness rate × 40%

Valuation on machine and equipment adopts cost approach.

Calculation formula: the appraised value = full replacement cost × newness rate

Full replacement cost = purchase price of equipment + freight and miscellaneous charges + installation and commissioning fees + other expenses + capital costs - deductible value-added tax

The land use right for construction is evaluated by using market comparison method and benchmark land price coefficient correction method.

(II) Income approach refers to the valuation method of determining the value of the target of valuation by capitalizing or discounting the expected income of the appraised enterprise.

Formula: value of the entire shareholder's equity = the overall value of the enterprise — the value of interest-bearing debts

The overall value of the enterprise = the value of operating assets + the value of surplus assets + the value of non-operating assets — the value of non-operating liabilities

The calculation formula of the value of operating assets is as follows:

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

P --- the value of operating assets of enterprise as at the appraisal reference date

R<sub>i</sub> --- estimated free cash flow of enterprise in the *i*th year

R<sub>n+1</sub> --- estimated free cash flow of perpetual period

*i* --- calculation year of income period

*r* --- discount rate

*n* --- detailed forecast period

Wherein the calculation formula of free cash flow of enterprise is as follows:

Free cash flow of enterprise = net profits + depreciation and amortization + interest of interest-bearing liabilities after tax — capital expenses — increment of operating capital.

The discount rate correspond to the free cash flow of enterprise is weighted average capital cost (WACC), the basic formula of which is:

$$WACC = R_e \times E/(D+E) + R_d \times D/(D+E) \times (1-T)$$

Wherein:

R<sub>e</sub>: equity capital costs;

R<sub>d</sub>: interest-bearing debts capital costs;

E/(D+E): equity interest ratio;

D/(D+E): debts to equity ratio;

T: applicable income tax rate.

Wherein:  $R_e$ , equity capital cost, is calculated by using capital asset pricing model (CAPM). The calculation formula is as follows:

$$R_e = R_f + ERP * \beta + R_t$$

$R_f$ : the risk-free return rate;

$\beta$ : systematic risk coefficient of equity

ERP: equity risk premium

$R_t$ : enterprise-specific risk adjustment coefficient

## VI. VALUATION ASSUMPTION

1. Open market assumption: Open market assumption is a hypothetical statement or restriction on the conditions of the market which the assets are intended to enter and what impact is to be accepted by the assets under such market conditions. Open market assumption assumes that there are well-developed and perfect market conditions with willing buyer and willing seller, both of which are in equal position and have opportunities and time in obtaining sufficient market information to, without any forced conditions or limitation, take voluntary and rational action in respect of the transaction.
2. Continuing use assumption: Continuing use assumption first assumes that the appraised assets (including assets currently being employed and reserved assets) are being used and, based on the relevant data and information, will continue to be employed. Continuing use assumption describes the market conditions or environment for the appraised entity and particularly describes the entity's status of continuance. Specifically, it includes continuing to be used as the existing usage; continuing to be used with a change of usage; continuing to be used at a different location or space. Continuing to be used as existing usage refers to the case when the appraised asset will continue to be used according to the existing usage purpose and manner after change in the property rights or related business. Continuing to be used with a change of usage refers to the case when the appraised asset will continue to be used with a change of the existing usage purpose being replaced by a new usage purpose after change in property rights or related business. Continuing to be used at a different location or space refers to the case when the appraised asset in use will continue to be used with a change of location or space and continue to be used at another location or space after change in property rights or related business. We assume continuing to be used as the existing usage is applied for the use of assets in this valuation.

3. Continuing operation assumption: It is assumed that the appraised entity will not cease operation for any reason in the foreseeable future, but will continue to operate lawfully, with its existing assets and resources.
4. Transactional assumption: Transactional assumption is to assume that all the appraised assets are already in the course of transaction and the valuer carries out the valuation based on a simulated market with reference to the conditions of the trade of the appraised assets. The transactional assumption is one of the most fundamental assumptions for the performance of asset valuation.

(II) General Assumptions:

1. There are no significant changes in the relevant prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the transaction are located;
2. It is assumed that the operators of the Company are responsible, and its management is able to perform its duties;
3. Unless otherwise stated, it is assumed that the Company fully complies with all relevant laws and regulations.
4. It is assumed that the accounting policies adopted in the future by the Company are in all material aspects generally consistent with the accounting policies adopted in the compilation of this report.
5. It is assumed that, on the basis of the existing management approach and standard of the Company, the business scope and approach in the future are in line with the current direction.
6. There are no material changes in the interest rates, exchanges rates, taxation benchmark and rates, policy levy, etc.
7. There are no other force majeure or unforeseeable factors that may give rise to material adverse impact on the enterprise.
8. The structure of principal operations and products, the composition of income and cost, sales strategy and cost control of the appraised enterprise in the future operating period shall remain substantially unchanged in recent years, without taking into account any profit or loss brought by changes in asset size and composition, principal operations and products structure arising from changes in management team, operation strategy and business environment.



9. In this valuation, save as otherwise specified, the effect of any security and guarantee over the value of shareholders' entire interests or underlying assets of the appraised entity on the assessment conclusion has not been taken into consideration.
10. It is assumed that the basic information and financial information provided by the principal and the appraised entity are true, accurate and complete; the scope of the valuation is subject to the application form for valuation provided by the principal and the appraised entity, without taking into account the contingent assets and contingent liabilities, if any, not included in the list provided by the principal and the appraised entity.
11. The appraised entity's accounts receivable in future years will be gradually recovered over the period agreed in contracts, and there will be no major bad debts on accounts receivable in the future.
12. The main technical personnel, research and development team, marketing team and management of the appraised entity are relatively stable and will not undergo major changes.
13. It is assumed that the contracts, agreements and winning bid awards provided by the appraised entity that are being performed or not yet performed will materialize in the future and no substantial changes will be made thereto.
14. The appraised entity will balance its cash flows over the forecast period (being the middle of the period).

Based on the requirements of the asset valuation, it is determined that these conditions of assumptions were established on the appraisal reference date. In case of any relatively material change in the future economic environment, the valuer shall not be responsible for deriving different valuation conclusions due to changes in the valuation assumptions.

### (III) Special Assumptions

1. In terms of the legal description or legal issues of the appraised assets (including their ownership or encumbrance limitations) in this Valuation Report, the Company has performed general investigation according to relevant standards. Apart from those disclosed in the Valuation Report, the ownership of the appraised assets is assumed to be in good condition and tradable in the market, not subject to any lien and easement, have not been violated and bearing no other encumbrances.
2. In terms of the information provided by the principal and other parties which all or part of the assessment conclusion set out in the Valuation Report relied upon, the Company has only conducted independent review pursuant to the valuation procedures. The Company makes no representation as to the authenticity and accuracy of such information.

3. All certificates, licenses, letters of consent or other legal or administrative authorization documents signed or issued by relevant local and national government institutions, private organisations or groups, which are required to be employed as basis of value estimation by the users of assets in the Valuation Report, have been or could be obtained or updated at any time.
4. The valuations are made based on the purchasing power of local currency on the appraisal reference date.
5. All improvements on the relevant assets performed by the Tedahang Cold Chain Logistics Co., Ltd. are in line with all the requirements of relevant laws and the regulations related to other laws, plans, or engineering codes set by relevant competent departments at higher levels.
6. Estimations in the Valuation Report are made based on the assumption that all significant or potential factors which may affect the value analysis have been disclosed to the Company by the appraised entity.

The valuation conclusion of this report is based on the above valuation assumptions. If there are any changes to the aforementioned assumptions, the conclusions of this report will be invalid.

## **VII. VALUATION CONCLUSION**

(I) Valuation conclusion for asset-based approach:

As at the appraisal reference date (31 December 2023), the book value, appraised value, appraised appreciation, and the appreciation rate of total assets were RMB335,711,600, RMB351,826,300, RMB16,114,700 and 4.80%, respectively;

The book value, appraised value, appraised depreciation, and the depreciation rate of total liabilities were RMB203,225,200, RMB196,621,000, RMB6,604,200 and 3.25%, respectively;

The book value, appraised value, appraised appreciation, and the appreciation rate of net assets were RMB132,486,400, RMB155,205,400, RMB22,719,000 and 17.15%, respectively.

For details of the valuation conclusion, please refer to the Summary Table of Asset Valuation Results and the Valuation Breakdown Table.

Summary Table of Asset Valuation Results  
Appraisal reference date: 31 December 2023

Appraised entity: Tedahang Cold Chain Logistics Co., Ltd.

Unit in amount: RMB in ten thousand

Item		Book Value	Appraised Value	Appreciation and Depreciation	Appreciation Rate%
		A	B	C=B-A	D=C/A×100
Current assets	1	9,497.47	9,495.72	-1.75	-0.02
Non-current assets	2	24,073.69	25,686.91	1,613.22	6.70
Of which: Available-for-sale financial assets	3				
Held-to-maturity investment	4				
Long-term receivables	5				
Long-term equity investment	6				
Investment properties	7				
Fixed asset	8	19,536.81	20,430.04	893.23	4.57
Construction in progress	9	39.02	39.02	—	—
Materials for constructions	10				
Disposal of fixed assets	11				
Productive biological assets	12				
Oil and gas assets	13				
Intangible assets	14	4,422.21	5,217.86	795.65	17.99
Development expenses	15				
Goodwill	16				
Long-term prepaid expenses	17	75.66	—	-75.66	-100.00
Deferred tax assets	18		—	—	—
Other non-current assets	19		—	—	—
Total assets	20	33,571.16	35,182.63	1,611.47	4.80
Current liabilities	21	19,559.59	19,471.37	-88.22	-0.45
Non-current liabilities	22	762.92	190.73	-572.19	-75.00
Total liabilities	23	20,322.52	19,662.10	-660.42	-3.25
Net assets	24	13,248.64	15,520.54	2,271.900	17.15

(II) Valuation conclusion for income approach:

The appraised value of the entire shareholders' equity of Tedahang Cold Chain Logistics Co., Ltd.'s shareholders using income approach amounted to RMB94,800,400, representing a depreciation of RMB37,686,000 or 28.45% compared to the net book assets.

(III) Explanation on the selection of the valuation results:

The asset-based approach evaluates a company's value based on its balance sheet, indirectly assessing the fair market value of assets from the perspective of asset replacement. The income approach, on the other hand, evaluates asset value from the perspective of the asset's expected profitability. Due to the impact of the pandemic in recent years, domestic consumption needs to gradually recover, traders are experiencing poor operating conditions, the entry barrier for the freight forwarding industry is relatively low, and the fees for freight forwarding services have decreased compared to previous years. There has been a slight increase in the trend of cold chain imports, with the overall trend in freight forwarding being an increase in volume but a decrease in prices, leading to intensified industry competition.

Considering the fact of proposed equity transfer by Tianjin Binhai Teda Logistics (Group) Corporation Limited Tedahang Cold Chain Logistics Co., Ltd., combined with the purpose of the valuation and the characteristics of cold chain industry, we believe that the asset-based approach has a fairer result in respect of the entire equity value of shareholders under the purpose of this valuation.

As mentioned above, the results of asset-based approach were selected for this valuation.

The entire equity value of Tedahang Cold Chain Logistics Co., Ltd.'s shareholders is RMB155,205,400.

#### **VIII. VALIDITY PERIOD OF VALUATION CONCLUSION**

Validity period of valuation conclusion: The conclusion for this valuation report will remain valid for one year from the appraisal reference date, i.e. from 31 December 2023 to 31 December 2024. The asset valuation should be renewed after more than a year.

#### **IX. DATE OF THE VALUATION REPORT**

The date on which the final professional opinion is formed by the Valuer is 31 May 2024.

Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.\*  
(國眾聯資產評估土地房地產估價有限公司)

Asset appraiser: Bian Jing Fan (Membership No. 47200142)

Asset appraiser: Su Jing (Membership No. 47190031)

31 May 2024

**Consultation Report****on the Value of the Real Estate Located in No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin, Owned by Tedahang and Involved in the Proposed Disposal of the 60% Equity Interest of Tedahang by Tianjin Binhai Teda Logistics (Group) Corporation Limited\***

Tianjin Binhai Teda Logistics (Group) Corporation Limited\*:

Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.\* (國眾聯資產評估土地房地產估價有限公司) has accepted your company's engagement to conduct a consultation on the market value as at 30 June 2024, the consultation reference date, of the real estate located in No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin (hereinafter referred to as the "Property"), owned by Tedahang and involved in the proposed disposal of the 60% equity interest of Tedahang by your company, pursuant to the relevant laws, administrative regulations and asset valuation standards, and by adhering to the principles of independence, objectivity and impartiality in accordance with necessary valuation procedures. The consultation details of the real estate are as follows.

**I. Purpose of Consultation**

The purpose of the consultation is to conduct consultation on the real estate located in No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin, owned by Tedahang and involved in the proposed disposal of the 60% equity interest of Tedahang by Tianjin Binhai Teda Logistics (Group) Corporation Limited\*.

**II. Valuation Target and Consultation Scope**

The valuation target is the market value of the real estate declared by the principal and the specific consultation scope is the real estate located in No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin, owned by Tedahang with a total gross area floor of approximately 36,794.58 square meters and area of land use right of 76,791.50 square meters.

\* For identification purposes only

Details are as shown in the following tables:

### 1. Buildings

Unit: RMB

No.	Certificate No.	Name of the Property	Structure	Year/Month of Completion	Gross Floor Area (m <sup>2</sup> )	Book Value	
						Original Value	Net Value
1	Jin 2021 Bin Hai Xin Qu Tang Gu No. 1001683					276,398,298.78	176,388,819.72
2		Cold storage warehouse	Steel reinforced concrete	2012-08-27	28,811.56		
3		Cargo handling space	Steel reinforced concrete	2012-08-27	3,771.73		
4		Refrigeration room and transformer room	Steel reinforced concrete	2012-08-27	1,427.40		
5		Business building	Steel reinforced concrete	2012-08-27	1,137.78		
6		Rapid inspection platform	Steel reinforced concrete	2012-08-27	1,106.46		
7		Gatehouse	Steel structure	2012-08-27	539.65		
Total					36,794.58	276,398,298.78	176,388,819.72

### 2. Structures

No.	Name	Structure	Year/Month of Completion	Length (m)	Width (m)	Height/depth (m)	Area (m <sup>2</sup> ) or Volume (m <sup>3</sup> )	Notes
1	Depot	Steel concrete	2012-08-01				26,481.92	Normal use
2	Vacant lot- foundation treatment	Soil property	2012-08-01				36,697.60	Partially idle
3	Greening migration and restoration work	Soil property	2013-12-16					Normal use
4	Traffic marking line		2013-12-16					Normal use
5	Accident pool	Steel concrete	2012-08-27	9.00	5.00	5.00	225.00	Normal use
6	Fire fighting pool	Steel concrete	2012-08-28	17.00	9.00	5.00	765.00	Normal use
7	Wall and fire gate	Concrete and steel	2012-08-28	542.32				Normal use
8	Gate	Electric gate	2012-08-28	11.00				Normal use
9	high-pole lamp	Steeliness	2012-08-28	35.00				Normal use

## 3. Pipelines and Grooves

No.	Name	Length (m)	Height/Depth (m)	Groove width* Groove thickness (mm*mm)  Pipe diameter*pipe thickness (mm*mm)	Material	Method of insulation	Year/ Month of Completion
1	<b>Drainage Projects</b>						
1-1	Sewage pipe	830			High density polyethylene double-walled corrugated pipe		2012-08-26
1-2	Single grate gutter inlet	φ1.2	1.30		Brick		2012-08-27
1-3	Rainwater inspection well	φ1.0	1.30		Brick		2012-08-28
1-4	Rainwater inspection well	φ1.5	1.30		Brick		2012-08-28
1-5	Lift pump well	φ1.4	1.30		Brick		2012-08-28
1-6	Sewage inspection well	φ0.7	1.30		Brick		2012-08-28
1-7	Rainwater pipelines	262					2012-08-28
1-8	Rainwater pipelines	413					2012-08-28
1-9	Rainwater pipelines	170.00					2012-08-28
1-10	Rainwater pipelines	96.00					2012-08-28
1-11	Rainwater pipelines	210.00					2012-08-28
1-12	Rainwater pipelines	87.00					2012-08-28
1-13	Rainwater pipelines	14.00					2012-08-28
1-14	Rainwater pipelines	46.00					2012-08-27
2	<b>Water Supply Projects</b>						
2-1	Underground fire hydrant well	φ1.2	1.30		Brick		2012-08-28
2-2	Underground fire hydrant well	φ1.4	1.30		Brick		2012-08-28
2-3	Water pump splicer well	φ1.2	1.30		Brick		2012-08-28
2-4	Valve well	φ1.2	1.30		Brick		2012-08-28
2-5	Water meter chamber	φ1.5	1.30		Brick		2012-08-28
2-6	Water supply pipelines	280.00					2012-08-28
2-7	Water supply pipelines	180.00					2012-08-28
2-8	Water supply pipelines	224.00					2012-08-28
2-9	Water supply pipelines	282					2012-08-28

No.	Name	Length (m)	Height/Depth (m)	Groove width* Groove thickness (mm*mm)  Pipe diameter*pipe thickness (mm*mm)	Material	Method of insulation	Year/ Month of Completion
2-10	Water supply pipelines	340					2012-08-28
2-11	Fire water pipelines	690					2012-08-28
2-12	Fire water pipelines	228					2012-08-28
3	<b>Electric power engineering</b>						
3-1	Power cable well	φ1.4	1.3		Brick		2012-08-26
3-2	Power cables	104.00			YJV-0.6/1KV-4*240		2012-08-28
3-3	Power cables	223.00			YJV-0.6/1KV-4*10		2012-08-28
3-4	Power cables	138.00			YJV-0.6/1KV-4*70		2012-08-28
3-5	Power cables	178.00			YJV-0.6/1KV-4*120		2012-08-28
3-6	Power cables	175.00			YJV-0.6/1KV-4*16		2012-08-28
3-7	Power cables	166.00			YJV-0.6/1KV-4*4		2012-08-28

#### 4. Land Use Right

Unit: RMB

No.	Land Title Certificate No.	Location	Acquired Date	Use of Land	Registered Termination Date	Development Level	Area (m <sup>2</sup> )	Original Book Value	Book Value
1	Jin 2021 Bin Hai Xin Qu Tang Gu No. 1001683	No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin	2011-12-09	Warehousing	2060-01-14	Seven connections and site levelling	76,791.50	57,045,829.00	42,091,106.11

This consultation report does not contain any conclusions of report issued by other agencies.

### III. Consultation Reference Date

The consultation reference date for this project is 30 June 2024.

### IV. Approach

Market value is adopted for this consultation report. Market value refers to that a willing buyer and a willing seller who has each acted rationally and do not subject to any coercion have estimate the value of the valuation target in a fair trade on the consultation reference date.



Land valuation adopts market comparison method which is to compare the price of the land to be appraised with similar land transactions that have occurred in a relatively recent period according to the substitution principle, and revise the land price of the land to be appraised on the valuation date according to the known price of the latter, with reference to the differences of the land transaction, date, region and individual factors.

Building valuation adopts cost approach. The calculation formula is: Value = market full replacement value x comprehensive newness rate

## **V. Consultation Assumption**

### **1. Trading Assumption**

Trading assumption is to assume that all the assets to be appraised are already in the course of transaction and the appraiser carries out the valuation to the assets to be appraised based on a simulated market with reference to the trading conditions and other factors. The trading assumption is one of the most fundamental assumptions for the performance of consultation.

### **2. Open Market Assumption**

The open market assumption assumes that the parties to the assets transaction or the proposed assets transaction in the market have equal bargaining power and have the opportunities and time to obtain sufficient market information in order to make a rational and informed judgment on the assets, including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market.

### **3. Continued Use Assumption**

The continued use assumption means that the consultation method, parameters and basis shall be determined on the premise that the assets to be appraised will be continuously used in consistence with their current functions and methods, scale, frequency and environment of application, or used on the basis of certain changes thereof.

The consultation conclusions are based on the above consultation assumptions. The consultation conclusions shall be rendered invalid if the above consultation assumptions change.

## **VI. Property Details**

1. Location: No.181, Jiyun Fifth Road, Tanggu, Binhai New Area, Tianjin
2. Traffic: Tianjin Binhai International Airport and Binhai West Station are about 46.2km and 18.0km away from the Property, respectively.
3. Nature of the surrounding area: This area is mainly an industrial area in Binhai New Area.

4. General information: The Property includes a cold storage warehouse facility, an office building and a few ancillary buildings.

According to the real estate title certificate, the gross floor area of the Property is approximately 36,794.58 square meters. The Property was completed around 2012.

The land area of the Property is 76,791.50 square meters, and the granted land use right expires on 14 January 2060, which is warehouse land.

5. Occupancy details: According to the on-site investigation by Li Liang on 8 July 2024 and the information provided by the Company, the Property is all for personal use.

6. Inspection and investigations:

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect the whole property. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any equipment of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the geological conditions for any future developments.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the property rights information and documents provided to us are correct.

7. Property rights information: Jin (2021) Bin Hai Xin Qu Tang Gu No. 1001683

## **VII. Consultation Conclusion**

Based on the above, the following consultation conclusions have been drawn: On the premise of continued use at the original location as at the consultation reference date, i.e. 30 June 2024, the consultation value of the asset being valued was RMB223,364,300. The consultation value is tax-free value.

## **VIII. Validity Period of Consultation Conclusions**

Validity period of consultation conclusions: The conclusion for this consultation report will remain valid for one year from the consultation reference date, i.e. from 30 June 2024 to 29 June 2025. The asset consultation should be re-conducted after more than a year.

**IX. Date of The Consultation Report**

The date on which the final professional opinion is formed by the appraiser is 14 July 2024.

Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.\*  
(國眾聯資產評估土地房地產估價有限公司)

Li Liang (China Certified Real Estate Appraiser: No. 2016440241;  
China Asset appraiser: No. 11180226)

Zhu Zhihao (China Asset appraiser: No. 12190042)

Address: Building 1C, Zhonghai Huizhi Tower, No. 7, Qingshui  
River 3rd Road, Qingshui River Community, Qingshui  
River Street, Luohu District, Shenzhen

14 July 2024

*Note:*

Li Liang is a member of the China Institute of Real Estate Appraisers and Agents, a member of the China Appraisal Society, a member of the China Real Estate Valuers and Agents Association, a member of the China Association of Mineral Resources Appraisers, a member of the Beijing Association of Real Estate Appraiser and Agents, and the certified real estate appraiser, broker, asset appraiser, mining rights appraiser and land appraiser of the People's Republic of China. He has been engaged in asset appraisal work for a long time and has more than 10 years of professional work experience.

Zhu Zhihao is an asset valuation professional registered by China Appraisal Society and has the qualification of asset appraiser. He has been engaged in asset appraisal work for a long time and has 10 years of professional work experience.

\* *For identification purpose only*

*The following is the text of a report received from the auditor of the Company, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, for inclusion in this circular.*

31 July 2024

The Board of Directors  
Tianjin Binhai Teda Logistics (Group) Corporation Limited\*  
No. 39, Bohai Road,  
Technological and Economic Development Area,  
Tianjin,  
The People's Republic of China

Dear Sirs,

**Tianjin Binhai Teda Logistics (Group) Corporation Limited\* (the "Company")**

**Report on the calculations of discounted future estimated cash flows in connection with the valuation of equity interest in the Tedahang Cold Chain Logistics Co., Ltd.**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd\* 國眾聯資產評估土地房地產估價有限公司 dated 31 May 2024 in respect of equity interest in Tedahang Cold Chain Logistics Co., Ltd. (the "**Target Company**") as at 31 December 2023 (the "**Valuation**") is based. The Valuation prepared in connection with the Target Company is set out in the Company's announcement dated 31 July 2024 (the "**Announcement**"). The Valuation which is based on the discounted future estimated cash flows are regarded as profit forecasts under Rule 19.60A of the Rules Governing the Listing of GEM Securities on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

**Directors' Responsibilities**

The directors of the Company are solely responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

\* For identification purposes only

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“HKSQM”) 1 *“Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 19.60A(2) of the GEM Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *“Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether the discounted future estimated cash flow, so far as the calculations are concerned, have been properly compiled in accordance with the Assumption. Our work was limited primarily to making inquiries of the Company’s management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

**Opinion**

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

\* *For identification purpose only*

Yours faithfully,  
**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*  
Hong Kong

*The following is the text of the letter dated 31 July 2024 from the Board which was prepared for inclusion in this circular.*

To:

Listing Division

The Stock Exchange of Hong Kong Limited

12th Floor, Two Exchange Square, 8 Connaught Place, Central,

Hong Kong

Dear Sir/Madam,

Company: Tianjin Binhai Teda Logistics (Group) Corporation Limited\* (the “Company”)

Re: Profit Forecast — Confirmation Letter required by Rule 19.60A of the Rules Governing the Listing of GEM Securities on The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Reference is made to the announcement of the Company dated 31 July 2024 on the proposed mandate in relation to the potential very substantial disposal through public tender, which mentioned the valuation report (the “Valuation Report”) of Tedahang Cold Chain Logistics Co., Ltd. (the “Target Company”) prepared by Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd. (the “Valuer”) by using the asset-based approach and the income approach with 31 December 2023 as the appraisal reference date. The Company was informed that although the Valuer did not adopt the results of income approach in the Valuation Report, the income approach in the Valuation Report was compiled according to the discounted cash flow method and constituted a profit forecast according to Rule 19.60A of the GEM Listing Rules.

The Board has reviewed the Valuation Report and discussed the basis and assumptions of the valuation with the Valuer. The Board has also considered the report issued by the auditor of the Company, HLB Hodgson Impey Cheng Limited (the “Auditor”) on 31 July 2024, regarding whether the discounted cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the bases and assumptions set out in the Valuation Report. The Company understands that the discounted cash flows do not involve the adoption of accounting policy.

In accordance with the requirements of Rule 19.60A of the GEM Listing Rules, the Board confirmed that the profit forecast used in the above Valuation Report was formulated after due and careful enquiry.

This letter is for the sole purpose of Rule 19.60A of the GEM Listing Rules and for no other purpose. The Company accepts no responsibility to any other person in respect of, arising out of or in connection with this letter.

Yours faithfully  
On behalf of the Board  
**Tianjin Binhai Teda Logistics (Group) Corporation Limited\***  
**Yang Weihong**  
*Chairman*

31 July 2024



**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 Group. 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 OF DIRECTORS AND CHIEF EXECUTIVE****(a) Directors' and the chief executives' interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company had any interest and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept pursuant to section 352 of the SFO; or (iii) 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.

**(b) Substantial shareholders' and persons holding interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date and so far as is known to the Directors, supervisors and chief executives of the Company, the following persons had interests or short positions in the shares and the underlying shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company; or which were required to be recorded in the register specified in Section 336 of the SFO pursuant to such Section:

*Long position in shares of the Company*

<b>Name</b>	<b>Capacity</b>	<b>Number of H Shares (Note 1)</b>	<b>Approximate percentage of shareholding to the Company's total issued share capital</b>
Tianjin TEDA Investment Holding Co., Ltd.	Beneficial owner	150,420,051 (L)	42.45%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.	Beneficial owner	77,303,789 (L)	21.82%
Chia Tai Land Company Limited	Beneficial owner	28,344,960 (L)	8.00%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L)	5.64%
Fortune (Shanghai) Limited	Interest of corporation controlled by a substantial shareholder	28,344,960 (L)	8.00%
Charoen Pokphand Group (BVI) Holdings Limited	Interest of corporation controlled by a substantial shareholder	28,344,960 (L)	8.00%
CPG Overseas Company Limited	Interest of corporation controlled by a substantial shareholder	28,344,960 (L)	8.00%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by a substantial shareholder	28,344,960 (L)	8.00%
Sino Biopharmaceutical Limited	Interest of corporation controlled by a substantial shareholder	77,303,789 (L)	21.82%

*Note:* 1. The letter "L" denotes the shareholders' long position in the share capital of the Company. On 26 October 2023, the Company has completed the conversion of 256,068,800 unlisted domestic shares into H shares.

Save as disclosed in this circular, so far as is known to the Directors, supervisors and chief executives of the Company, as at the Latest Practicable Date, no other persons (other than the Directors or chief executives or supervisors of the Company) had interests or short positions which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company and/or any subsidiary of the Company; or which were required to be recorded in the register specified in Section 336 of the SFO pursuant to such Section.

### **3. DIRECTORS' OTHER INTERESTS**

#### **Directors' competing interests**

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company or their respective close associates has interest in business that competes or may compete with the businesses of the Group or has any other conflicts of interests with the Group pursuant to the GEM Listing Rules.

### **4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

### **5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

### **6. EXPERTS AND CONSENTS**

The following is the qualification of the experts who have given their opinions and advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng Limited	Certified Public Accountant in Hong Kong
Guozhonglian Asset Appraisal Land Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司)	Independent Property Valuer

As at the Latest Practicable Date, each of the above experts did not have any shareholding, directly or indirectly, in any member of the Group or any 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, each of the above experts did not have any interest, direct or indirect, or in any assets which have been, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their reports or letters and the references to their names in the form and context in which they are included.

## **7. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) Finance Lease Arrangement and Mortgage Agreement dated 6 January 2023 between TEDAGeneral Bonded Warehouse Co., Ltd.\* (天津開發區泰達公共保稅倉有限公司) and CIMC Capital Ltd.

## **8. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **9. AUDIT COMMITTEE**

The Company established the audit committee of the Board which currently comprises Prof. Cheng Xinsheng (chairman), Mr. He Yongjun and Prof. Japhet Sebastian Law (all being independent non-executive Directors), with written terms of reference in compliance with the GEM Listing Rules and its duties and responsibilities have been properly laid down in writing under the requirements of Rule 5.29 of the GEM Listing Rules.

Biographical information of each member of the audit committee of the Board is set out below:

Prof. Cheng Xinsheng (程新生), aged 61, joined the Company in June 2014. He is a Doctor and Postdoc of Management. From 2004 to 2005, he was the visiting scholar of University of Alberta in Canada and the professional editor 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 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 National Natural Science Foundation, National Philosophy and Social Science Foundation and the Humanities and Social Sciences Foundation of the Ministry of Education. He has published five books and over 50 articles and has a translated work. He was an independent director of Offshore Oil Engineering Co., Ltd (Stock Code: 600583, Shanghai Stock Exchange). He is currently a Professor and doctoral supervisor of Accounting Department of Business School of Nankai University. He is also an independent director of CSSC (Handan) Pairui Special Gas Co., Ltd. (中船(邯鄲)派瑞特種氣體股份有限公司) and Hua Xia Bank Co., Ltd. (stock code: 600015, Shanghai Stock Exchange), an independent supervisor of China Oilfield Services Limited (Stock Code: 601808, Shanghai Stock Exchange), and a member of the Chinese Academy of Management.

Mr. He Yongjun (何勇軍), aged 45, joined the Company in June 2022. He 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, Tiankai 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 is also 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).

Prof. Japhet Sebastian Law (羅文鈺), aged 72, 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). From August 2013 to July 2016, he was an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd. (Stock Code: 06116, Hong Kong 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, Hong Kong Stock Exchange). From September 2008 to May 2024, he was an independent non-executive director of Global Digital Creations Holdings Limited (Stock Code: 08271, Hong Kong Stock Exchange). From September 2013 to May 2024, he was an independent non-executive director of Shougang Fushan Resources Group Limited (Stock Code: 00639, Hong Kong 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), Binhai Investment Company Limited (Stock Code: 02886) and Gome Finance Technology Co., Ltd. (Stock Code: 00628) and an independent supervisor of Beijing Capital International Airport Company Limited (Stock Code: 00694), all being companies listed on the Hong Kong Stock Exchange.

#### **10. MISCELLANEOUS**

- (b) The company secretary of the Company is Mr. Lo Tai On, a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is situated at Third Floor Office Building, No. 39, Bohai Road, Technological and Economic Development Area, Tianjin, the People's Republic of China.
- (d) The head office and principal place of business of the Company in Hong Kong is located at 25/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.
- (e) The H share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.tbtl.cn](http://www.tbtl.cn)) for a period of fourteen (14) days from the date of this circular:

- (a) the report on the unaudited pro forma financial information of the Remaining Group issued by HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix IV to this circular;
- (b) the property valuation report issued by the Independent Property Valuer, the text of which is set out in Appendix VI to this circular;
- (c) the report regarding profit forecast issued by HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix VII to this circular;
- (d) the letter from the Board on profit forecast, the text of which is set out in Appendix VIII to this circular; and
- (e) the written consents referred to in the section headed “Experts and Consents” in this Appendix IX.

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN THAT** an 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) (the “**Company**”) will be held on Friday, 6 September 2024 at 9:30 a.m. at No.39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolution as the ordinary resolution of the Company:

### **ORDINARY RESOLUTION**

“**THAT** the Company is hereby authorised and approved to dispose of 60% equity interest in Tedahang Cold Chain Logistics Co., Ltd. by way of Public Tender in accordance with the major terms as stated in the circular of the Company dated 16 August 2024 and the transactions contemplated under the Potential Disposal, which constitutes a very substantial disposal, be and are hereby approved, ratified and confirmed and **THAT** any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and to execute and deliver all agreements and documents and to take such steps which he/they may consider necessary, expedient or desirable to give effect to the Potential Disposal and the transactions contemplated thereunder.”

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, 16 August 2024

*Notes:*

1. Unless otherwise stated or the context otherwise requires herein, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 16 August 2024 (the “**Circular**”). The relevant full text of the resolutions referred to in this notice is set out in the Circular.
2. A member of the Company (“**Member**”) 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 needs not be a Member. A form of proxy for use at the EGM is enclosed herewith. In the case of joint holders of any H Share(s), 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(s) at the EGM, and this notice shall be deemed to be given to all joint holders of such Share(s).

\* *For identification purposes only*



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## NOTICE OF EGM

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3. To be valid, the form of proxy 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 ("**Share registrar**"), Computershare Hong Kong Investor Services Limited, at 17M Floor, 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 or the time appointed for passing the resolutions. Delivery of the form of proxy 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.
4. The register of Members in Hong Kong will be closed from 2 September 2024 to 6 September 2024, 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 Company's Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 30 August 2024.
5. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.
6. Whether or not holders of H Shares intend to attend the EGM, they are requested to complete the enclosed form of proxy and return it, by hand or by post, to the Company's H share registrar, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the EGM.

*As at the date of this notice, the Board comprises Mr. Yang Weihong and Ms. Ma Xin as executive Directors; Mr. Li Jian, Ms. Meng Jun and Ms. Sun Jing as non-executive Directors; and Prof. Cheng Xinsheng, Mr. He Yongjun and Prof. 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 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 Information" page of the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) for 7 days from the date of its publication. This notice will also be posted on the Company's website at [www.tbitl.cn](http://www.tbitl.cn).*