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

(Stock Code: 6117)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to (i) the announcement of the Company dated 26 November 2021 and the circular of the Company dated 15 January 2022 in relation to, among other things, the continuing connected transactions contemplated under the RPG Port-related Service (Sale) Framework Agreement and the RPG General Service (Procurement) Framework Agreement; and (ii) the announcement of the Company dated 3 March 2022 in relation to, among other things, the continuing connected transactions contemplated under the SDP Shipping Group Port-related Service (Sale) Framework Agreement; and (iii) the announcement of the Company dated 29 August 2022 in relation to, among other things, the continuing connected transactions contemplated under the SDP Finance Holding Port-related Service (Sale) Framework Agreement.

On 19 September 2022 (after trading hours), the Company entered into the SDP Logistics Group Port-related Service (Sale) Framework Agreement with SDP Logistics Group, with a term commencing from 19 September 2022 to 31 December 2024.

On 19 September 2022 (after trading hours), the Company entered into the SDP Logistics Group General Service (Procurement) Framework Agreement with SDP Logistics Group; the SDP Technology Group General Service (Procurement) Framework Agreement with SDP Technology Group; and the SDP Shipping Group General Service (Procurement) Framework Agreement with SDP Shipping Group, with a term commencing from the conclusion of the EGM to 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) SDP Logistics Group is a wholly-owned subsidiary of Shandong Port Group; (ii) SDP Technology Group is a non-wholly owned subsidiary of and is held as to 80% by Shandong Port Group; (iii) SDP Shipping Group is a non-wholly owned subsidiary of and is held as to 70.36% by Shandong Port Group; and (iv) Shandong Port Group is a controlling shareholder of the Company. Accordingly, each of SDP Logistics Group, SDP Technology Group and SDP Shipping Group is an associate of Shandong Port Group pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules. Therefore, the entering into of the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the SPG General Service (Procurement) Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

SDP Logistics Group Port-related Service (Sale) Framework Agreement

Since (i) the nature of services under the RPG Port-related Service (Sale) Framework Agreement, the SDP Shipping Group Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Logistics Group Port-related Service (Sale) Framework Agreement is the same and (ii) SDP Logistics Group is a fellow subsidiary of Shandong Port Group with Rizhao Port Group, SDP Shipping Group and SDP Finance Holding Group, the transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement, the RPG Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement shall be aggregated in accordance with Rules 14A.82(1) and 14A.83 of the Listing Rules for the purpose of calculating the applicable ratios under Chapter 14A of the Listing Rules. Accordingly, the Proposed Annual Caps under the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the annual caps under the RPG Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement shall be aggregated, and such aggregate amounts are used when calculating the applicable ratios under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the annual caps under the RPG Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement is higher than 0.1% but less than 5% on an annual basis, the entering into of the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the transactions contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

SPG General Service (Procurement) Framework Agreements

Since (i) SDP Logistics Group, SDP Technology Group and SDP Shipping Group are fellow subsidiaries of Shandong Port Group who are connected with one another; and (ii) the Company entered into each of the SPG General Service (Procurement) Framework Agreements to procure general services from subsidiaries of Shandong Port Group, the transactions contemplated under the each of the SPG General Service (Procurement) Framework Agreements shall be aggregated in accordance with Rules 14A.82(1) and 14A.83 of the Listing Rules for the purpose of calculating the applicable ratios under Chapter 14A of the Listing Rules.

Although (i) the transactions under the SPG General Service (Procurement) Framework Agreements are of the same nature with the transactions under the RPG General Service (Procurement) Framework Agreement in respect of services including but not limited to port-related services, maintenance services and port-related technology services, and (ii) the transactions are entered into by the Company with parties who are connected with one another, given that the Company has already complied with all the connected transactions requirements (including independent shareholders' approval requirement) for the RPG General Service (Procurement) Framework Agreement, the relevant annual caps and the transactions contemplated thereunder, the Company is not required to aggregate the Proposed Annual Caps under the SPG General Service (Procurement) Framework Agreements and the annual caps under the RPG General Service (Procurement) Framework Agreement.

Accordingly, the Proposed Annual Caps in respect of each of the SPG General Service (Procurement) Framework Agreements shall be aggregated, and such aggregate amounts are used when calculating the applicable ratios under Chapter 14A of the Listing Rules. As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the SPG General Service (Procurement) Framework Agreements is higher than 5% on an annual basis, the entering into of the SPG General Service (Procurement) Framework Agreements and the transactions contemplated thereunder is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Non-Exempt Continuing Connected Transactions (together with the relevant Proposed Annual Caps) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

An independent financial adviser will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The EGM will be convened to consider and, if thought fit, to approve, among other things, the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder.

As at the date of this announcement, Shandong Port Group and its associates are interested in 840,000,000 Domestic Shares, representing approximately 50.6% of the total issued share capital of the Company, and are required to abstain from voting on the relevant resolution approving the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolutions approving the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further details of the Non-Exempt Continuing Connected Transactions and the relevant Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with the proxy form will be dispatched to the Shareholders. As additional time is required for the Company to prepare the information to be included in the circular, the circular is expected to be dispatched to the Shareholders on or before 20 October 2022.

A. SDP LOGISTICS GROUP PORT-RELATED SERVICE (SALE) FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 26 November 2021 and the circular of the Company dated 15 January 2022 in relation to, among other things, the continuing connected transactions contemplated under the RPG Port-related Service (Sale) Framework Agreement, pursuant to which the Company agreed to provide stevedoring services and cargo supervision services to Rizhao Port Group, a wholly-owned subsidiary of Shandong Port Group, and other port-related services that the Company may provide to Rizhao Port Group from time to time.

Reference is also made to the announcement of the Company dated 3 March 2022 in relation to, among other things, the continuing connected transactions contemplated under the SDP Shipping Group Port-related Service (Sale) Framework Agreement, pursuant to which the Company agreed to provide stevedoring, transit and storage services to SDP Shipping Group, a non-wholly owned subsidiary of Shandong Port Group, and other port-related services that the Company may provide to SDP Shipping Group from time to time.

Reference is also made to the announcement of the Company dated 29 August 2022 in relation to, among other things, the continuing connected transactions contemplated under the SDP Finance Holding Port-related Service (Sale) Framework Agreement, pursuant to which the Company agreed to provide stevedoring and cargo supervision services to SDP Finance Holding Group, a wholly-owned subsidiary of Shandong Port Group, and other port-related services that the Company may provide to SDP Finance Holding Group from time to time.

On 19 September 2022 (after trading hours), the Company entered into the SDP Logistics Group Port-related Service (Sale) Framework Agreement with SDP Logistics Group, and the principal terms are set out as follows:

- Date:** 19 September 2022
- Parties:** (a) the Company; and
(b) SDP Logistics Group (for itself and on behalf of its subsidiaries).
- Term:** From 19 September 2022 to 31 December 2024.
- Nature of transaction:** The Company agreed to provide stevedoring, transit and storage services to SDP Logistics Group and other port-related services that the Company may provide to SDP Logistics Group from time to time.
- Pricing policy:** The service fee rates in relation to the port-related services were determined by both parties through arm's length negotiation with reference to (a) the market price of the service provided by the Company to Independent Third Parties; and (b) the market price of similar services provided by independent and comparable suppliers.

Historical amounts

The Company and SDP Logistics Group did not conduct any similar transactions as those under the SDP Logistics Group Port-related Service (Sale) Framework Agreement in the past. Therefore, there is no historical amount for the transactions under the SDP Logistics Group Port-related Service (Sale) Framework Agreement.

Proposed Annual Caps

The Proposed Annual Caps for the transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement are set out as follows:

	From 19 September 2022 to 31 December 2022 RMB	For the years ending 31 December 2023 RMB		2024 RMB
Stevedoring, transit and storage services and other port-related services	4,000,000	5,000,000		6,000,000

The Proposed Annual Caps for the transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement were determined with reference to (a) the existing demand for such services; and (b) the anticipated increase in the demand for such services, taking into account the anticipated growth of the scale and operations of the businesses of SDP Logistics Group and its development of potential new clients.

Reasons for the transaction

The transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement are part of or related to the principal business activities of the Company and are expected to either increase the revenue of the Company, and/or provide the Company with overall business and operational convenience and synergy, which is beneficial to the Company for improving its business volume in the market, stabilising its customer base, enhancing its development of comprehensive business strategy and promoting its regional market competitive advantage.

B. SPG GENERAL SERVICE (PROCUREMENT) FRAMEWORK AGREEMENTS

Reference is made to the announcement of the Company dated 26 November 2021 and the circular of the Company dated 15 January 2022 in relation to, among other things, the continuing connected transactions contemplated under the RPG General Service (Procurement) Framework Agreement, pursuant to which the Company agreed to procure from Rizhao Port Group, a wholly-owned subsidiary of Shandong Port Group, services including port-related services, railway services, security services, maintenance services, port-related technology services, office and logistics services and utilities and consumables, and other services the Company may procure from Rizhao Port Group in the future from time to time.

On 19 September 2022 (after trading hours), the Company entered into the SPG General Service (Procurement) Framework Agreements, and the principal terms are set out as follows:

1. SDP Logistics Group General Service (Procurement) Framework Agreement

- Date:** 19 September 2022
- Parties:** (a) the Company; and
(b) SDP Logistics Group (for itself and on behalf of its subsidiaries).
- Term:** From the conclusion of the EGM to 31 December 2024.
- Nature of transaction:** The Company agreed to procure from SDP Logistics Group services including but not limited to logistics and container logistics services, and other similar general services the Company may procure from SDP Logistics Group in the future from time to time.
- Pricing policy:** The fee rates for logistics services are determined with reference to the comparable service fee rates charged by Independent Third Parties. The fee rates for container logistics services are determined through arm's length negotiation with reference to (i) historical fee rates; (ii) the cost of the relevant services; and (iii) market price for similar services provided by Independent Third Parties.

Historical amounts

The Company and SDP Logistics Group did not conduct any similar transactions as those under the SDP Logistics Group General Service (Procurement) Framework Agreement in the past. Therefore, there is no historical amount for the transactions under the SDP Logistics Group General Service (Procurement) Framework Agreement.

Proposed Annual Caps

The Proposed Annual Caps for the transactions contemplated under the SDP Logistics Group General Service (Procurement) Framework Agreement are set out as follows:

	From the date of conclusion of the EGM to 31 December 2022	For the years ending 31 December	
	<i>RMB</i>	2023	2024
		<i>RMB</i>	<i>RMB</i>
General Services	55,000,000	60,000,000	65,000,000

The Proposed Annual Caps for the transactions contemplated under the SDP Logistics Group General Service (Procurement) Framework Agreement were determined with reference to (a) the demand for procuring relevant services from SDP Logistics Group by the Company; (b) historical service fee rate and expected fluctuation in the rate; and (c) expected increase in need due to the Company's development plans.

Reasons for the transaction

SDP Logistics Group is committed to building a first-class, internationally leading and innovative modern logistics service provider and establishing a whole-process, whole-chain logistics service system. The Company's demand for procuring such services is high in the process of providing the whole logistics and transportation services. Both the Company and SDP Logistics Group can complement each other's resources, facilitate transportation and achieve synergistic benefits, which is conducive to enhancing the overall business strategy development, innovating and developing new forms of port logistics, and enhancing the competitiveness of regional logistics and transportation.

2. SDP Technology Group General Service (Procurement) Framework Agreement

- Date:** 19 September 2022
- Parties:**
- (a) the Company; and
 - (b) SDP Technology Group (for itself and on behalf of its subsidiaries).
- Term:** From the conclusion of the EGM to 31 December 2024.
- Nature of transaction:** The Company agreed to procure from SDP Technology Group services including but not limited to facilities and equipment maintenance and other maintenance services; services of procurement and maintenance of software and IT systems in relation to port operation and management; and posts and telecommunications, telephone and networks services, and other similar general services the Company may procure from SDP Technology Group in the future from time to time.
- Pricing policy:**
- (a) For facilities and equipment maintenance and other maintenance services, the fee rates are determined with reference to the comparable service fee rates charged by Independent Third Parties.
 - (b) For services of procurement and maintenance of software and IT systems in relation to port operation and management, the fee rates are determined through arm's length negotiation with reference to (i) historical fee rates; and (ii) the fee rates charged for similar services by Independent Third Parties.
 - (c) For posts and telecommunications, telephone and networks services, the fee rates are determined through arm's length negotiation with reference to the fee rates charged for similar services by Independent Third Parties.

Historical amounts

The Company and SDP Technology Group did not conduct any similar transactions as those under the SDP Technology Group General Service (Procurement) Framework Agreement in the past. Therefore, there is no historical amount for the transactions under the SDP Technology Group General Service (Procurement) Framework Agreement.

Proposed Annual Caps

The Proposed Annual Caps for the transactions contemplated under the SDP Technology Group General Service (Procurement) Framework Agreement are set out as follows:

	From the date of conclusion of the EGM to 31 December 2022	For the years ending 31 December	
	<i>RMB</i>	2023	2024
		<i>RMB</i>	<i>RMB</i>
General Services	9,580,000	12,520,000	19,420,000

The Proposed Annual Caps for the transactions contemplated under the SDP Technology Group General Service (Procurement) Framework Agreement were determined with reference to (a) the demand for procuring relevant services from SDP Technology Group by the Company; (b) historical service fee rate and expected fluctuation in the rate; (c) expected increase in need due to the Company's development plans; and (d) with regard to the procurement of facilities and equipment maintenance and other maintenance services; and services of procurement and maintenance of software and IT systems in relation to port operation and management, the estimated maintenance fees for the Company's constructions, equipment and IT systems.

Reasons for the transaction

Based on the construction of smart ports, SDP Technology Group implements four key businesses, namely, information top-level design, research and development of core application systems, big data application and information project implementation with three core advantages, namely, building a logistics supply chain service platform, smart port solutions and automation application systems. The Company has many project requirements in informatization, digitalization and intellectualization construction, and the entering into of the SDP Technology Group General Service (Procurement) Framework Agreement is conducive to the business cooperation of both parties.

3. SDP Shipping Group General Service (Procurement) Framework Agreement

- Date:** 19 September 2022
- Parties:** (a) the Company; and
(b) SDP Shipping Group (for itself and on behalf of its subsidiaries).
- Term:** From the conclusion of the EGM to 31 December 2024.
- Nature of transaction:** The Company agreed to procure grain logistics services from SDP Shipping Group and other similar general services the Company may procure from SDP Shipping Group in the future from time to time.
- Pricing policy:** The fee rates for logistics services are determined with reference to (i) the comparable service fee rates charged by Independent Third Parties; and (ii) the historical fee rates charged by SDP Shipping Group for general grain logistics services provided to Independent Third Parties.

Historical amounts

The Company and SDP Shipping Group did not conduct any similar transactions as those under the SDP Shipping Group General Service (Procurement) Framework Agreement in the past. Therefore, there is no historical amount for the transactions under the SDP Shipping Group General Service (Procurement) Framework Agreement.

Proposed Annual Caps

The Proposed Annual Caps for the transactions contemplated under the SDP Shipping Group General Service (Procurement) Framework Agreement are set out as follows:

	From the date of conclusion of the EGM to 31 December 2022	For the years ending 31 December	
	<i>RMB</i>	2023	2024
		<i>RMB</i>	<i>RMB</i>
General Services	5,000,000	5,000,000	5,000,000

The Proposed Annual Caps for the transactions contemplated under the SDP Shipping Group General Service (Procurement) Framework Agreement were determined with reference to (a) the demand for procuring relevant services from SDP Shipping Group by the Company; (b) historical service fee rate and expected fluctuation in the rate; and (c) expected increase in need due to the Company's development plans.

Reasons for the transaction

SDP Shipping Group is committed to providing comprehensive, professional and quality integrated shipping services to its customers with advantages in marine transportation such as container, dry bulk and passenger transportation. The Company is engaged in grain stevedoring, storage and logistics transit services, which can provide customers with full logistics and transportation services. The entering into of the SDP Shipping Group General Service (Procurement) Framework Agreement can provide logistics and transportation convenience and synergistic benefits to both the Company and SDP Shipping Group, which are beneficial to the Company in increasing market business volume, stabilizing customer base, enhancing overall business strategy development, and enhancing regional market competitive advantages.

C. INTERNAL CONTROL MEASURES

The Company has established the following internal control measures to ensure that the pricing mechanism and the terms of the transactions contemplated under the Connected Transaction Agreements are fair and reasonable and no more favourable to the connected persons than the terms offered by the Company to the Independent Third Parties or no less favourable than the terms offered to the Company from the Independent Third Parties (as applicable):

- (a) Before entering into any individual agreement under the Connected Transaction Agreements, the staff of various departments (including marketing center and securities affairs office) will collect transaction information of previous similar transactions (with Independent Third Parties) (if applicable), the transaction information of similar transactions between Shandong Port Group and other subsidiaries of Shandong Port Group, (if any) government prescribed price and (if any) available market price for similar transactions and further review and assess the specific terms and conditions of such individual agreements to ensure that (i) the individual agreements would be in accordance with the terms of the Connected Transaction Agreements and the pricing policies of the Company; and (ii) the overall terms of the individual agreements are fair and reasonable and no more favourable to the connected persons than those which have been offered or to be offered by the Company to the Independent Third Parties or no less favourable than the terms offered to the Company from the Independent Third Parties (as applicable);
- (b) The finance office of the Company will perform monthly review on the transactions entered into under the Connected Transaction Agreements to ensure compliance with pricing policies;
- (c) The relevant department of the Company carrying out the specific connected transactions under the Connected Transaction Agreements will closely monitor the actual transaction amounts on a monthly basis. If the actual transaction amounts reach approximately 85% of the Proposed Annual Caps at any time of the year, the securities affairs office will report to the senior management of the Company, which will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures to revise the Proposed Annual Caps and comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Listing Rules;

- (d) The finance office of the Company will perform quarterly check on the transactions entered into under the Connected Transaction Agreements and report to the audit committee of the Company and the Board to ensure that the Proposed Annual Caps are not exceeded;
- (e) The Company will conduct internal control review and financial audit on an annual basis, financial monitoring and decision analysis on a half-yearly basis, so as to ensure that the terms of the Connected Transaction Agreements and the pricing policies are complied with;
- (f) The auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the Connected Transaction Agreements in accordance with the Listing Rules; and
- (g) The Company's internal audit office will focus on the above internal control measures as part of their ongoing work plan and will report to the audit committee of the Company and the Board on a quarterly basis.

D. INFORMATION OF THE PARTIES

The Company, a joint stock company incorporated in the PRC with limited liability, is principally engaged in comprehensive port-related services, including stevedoring, berth leasing, port management, storage, and logistics agency services.

SDP Logistics Group, a company incorporated in the PRC with limited liability, is principally engaged in import and export agency; import and export of goods; operation of bonded logistics centres; internet information services; operation of export supervised warehouses; international shipping agency; road transportation of dangerous goods; domestic freight forwarding agency; international freight forwarding agency; loading and unloading; domestic shipping agency; non-vessel carrier business; sales agency; sale of lubricants; sale of grains; sale of beans and potatoes; sale of cotton and hemp; sale of agricultural by-products; internet sales and other businesses.

SDP Technology Group, a company incorporated in the PRC with limited liability, is principally engaged in development, wholesale, maintenance, repair, lease and technology transfer of computer hardware and software; computer system integration; multimedia technology design and production; computer graphics and animation design; wholesale: electronic products, computer and auxiliary equipment, computer network equipment, office automation equipment, building intelligent equipment, monitoring equipment and security equipment; security engineering; server room engineering; communication engineering; building intelligent engineering; network information technology services; website construction and maintenance; network engineering; industrial automation engineering; integrated wiring; enterprise information technology services and technology consultation; technology research, design and sales of automatic control system; logistics information consultation; design, production, agency and publication of domestic advertising business; e-commerce information consulting and other businesses.

SDP Shipping Group, a company incorporated in the PRC with limited liability, is principally engaged in the businesses of inter-provincial passenger ships and dangerous goods ships; inter-provincial general cargo ship transportation and intra-provincial ship transportation; waterway general cargo transportation; international liner transportation; domestic ship management business; supply of foreign ships at ports; waterway transportation of dangerous goods; international passenger ships and ship transportation for bulk liquid dangerous goods; ship leasing; international ship management business; domestic shipping agency; international shipping agency; NVOCC business; ship repair; ship sales; container sales; container maintenance; container leasing services; international container ship and general cargo ship transportation; international freight forwarder; domestic cargo transportation agency; maritime international freight forwarder; land international freight forwarder; and general cargo warehousing services.

Each of SDP Technology Group and SDP Shipping Group is a non-wholly owned subsidiary of, and SDP Logistics Group is a wholly-owned subsidiary of Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission.

E. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

In addition to the reasons set out above, the Directors are of the view that the continuing connected transactions set out in this announcement will be beneficial to the Company and will facilitate the growth and development of the Company.

Regarding the continuing connected transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the SDP Logistics Group Port-related Service (Sale) Framework Agreement (including the Proposed Annual Caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

Regarding each of the Non-Exempt Continuing Connected Transactions, the Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser) are of the view that the terms of the Non-Exempt Continuing Connected Transactions (including the Proposed Annual Caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Connected Transaction Agreements and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolutions approving the Connected Transaction Agreements and the transactions contemplated thereunder.

F. LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) SDP Logistics Group is a wholly-owned subsidiary of Shandong Port Group; (ii) SDP Technology Group is a non-wholly owned subsidiary of and is held as to 80% by Shandong Port Group; (iii) SDP Shipping Group is a non-wholly owned subsidiary of and is held as to 70.36% by Shandong Port Group; and (iv) Shandong Port Group is a controlling shareholder of the Company. Accordingly, each of SDP Logistics Group, SDP Technology Group and SDP Shipping Group is an associate of Shandong Port Group pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules. Therefore, the entering into of the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the SPG General Service (Procurement) Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

SDP Logistics Group Port-related Service (Sale) Framework Agreement

Since (i) the nature of services under the RPG Port-related Service (Sale) Framework Agreement, the SDP Shipping Group Port-related Service (Sale) Framework, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Logistics Group Port-related Service (Sale) Framework Agreement is the same and (ii) SDP Logistics Group is a fellow subsidiary of Shandong Port Group with Rizhao Port Group, SDP Shipping Group and SDP Finance Holding Group, the transactions contemplated under the SDP Logistics Group Port-related Service (Sale) Framework Agreement, the RPG Port-related Service (Sale) Framework, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement shall be aggregated in accordance with Rules 14A.82(1) and 14A.83 of the Listing Rules for the purpose of calculating the applicable ratios under Chapter 14A of the Listing Rules. Accordingly, the Proposed Annual Caps under the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the annual caps under the RPG Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement shall be aggregated, and such aggregate amounts are used when calculating the applicable ratios under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the annual caps under the RPG Port-related Service (Sale) Framework Agreement, the SDP Finance Holding Port-related Service (Sale) Framework Agreement and the SDP Shipping Group Port-related Service (Sale) Framework Agreement is higher than 0.1% but less than 5% on an annual basis, the entering into of the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the transactions contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

SPG General Service (Procurement) Framework Agreements

Since (i) SDP Logistics Group, SDP Technology Group and SDP Shipping Group are fellow subsidiaries of Shandong Port Group who are connected with one another; and (ii) the Company entered into each of the SPG General Service (Procurement) Framework Agreements to procure general services from subsidiaries of Shandong Port Group, the transactions contemplated under the each of the SPG General Service (Procurement) Framework Agreements shall be aggregated in accordance with Rules 14A.82(1) and 14A.83 of the Listing Rules for the purpose of calculating the applicable ratios under Chapter 14A of the Listing Rules.

Although (i) the transactions under the SPG General Service (Procurement) Framework Agreements are of the same nature with the transactions under the RPG General Service (Procurement) Framework Agreement in respect of services including but not limited to port-related services, maintenance services and port-related technology services, and (ii) the transactions are entered into by the Company with parties who are connected with one another, given that the Company has already complied with all the connected transactions requirements (including independent shareholders' approval requirement) for the RPG General Service (Procurement) Framework Agreement, the relevant annual caps and the transactions contemplated thereunder, the Company is not required to aggregate the Proposed Annual Caps under the SPG General Service (Procurement) Framework Agreements and the annual caps under the RPG General Service (Procurement) Framework Agreement.

Accordingly, the Proposed Annual Caps in respect of each of the SPG General Service (Procurement) Framework Agreements shall be aggregated, and such aggregate amounts are used when calculating the applicable ratios under Chapter 14A of the Listing Rules. As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the SPG General Service (Procurement) Framework Agreements is higher than 5% on an annual basis, the entering into of the SPG General Service (Procurement) Framework Agreements and the transactions contemplated thereunder is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

G. GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Non-Exempt Continuing Connected Transactions (together with the relevant Proposed Annual Caps) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

An independent financial adviser will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The EGM will be convened to consider and, if thought fit, to approve, among other things, the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder.

As at the date of this announcement, Shandong Port Group and its associates are interested in 840,000,000 Domestic Shares, representing approximately 50.6% of the total issued share capital of the Company, and are required to abstain from voting on the relevant resolution approving the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolutions approving the Non-Exempt Continuing Connected Transactions, the relevant Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further details of the Non-Exempt Continuing Connected Transactions and the relevant Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with the proxy form will be dispatched to the Shareholders. As additional time is required for the Company to prepare the information to be included in the circular, the circular is expected to be dispatched to the Shareholders on or before 20 October 2022.

H. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6117)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Connected Transaction Agreements”	collectively, the SDP Logistics Group Port-related Service (Sale) Framework Agreement and the SPG General Service (Procurement) Framework Agreements
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC natural persons or entities established under PRC laws
“EGM”	an extraordinary general meeting or any adjournment thereof of the Company to be convened to consider and, if thought fit, approve the Non-Exempt Continuing Connected Transactions and the relevant Proposed Annual Caps
“H Share(s)”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each in the share capital of the Company, listed and traded on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin, established to advise the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions and the relevant Proposed Annual Caps
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Non-Exempt Continuing Connected Transactions and the relevant Proposed Annual Caps

“Independent Third Party(ies)”	an individual or a company which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Non-Exempt Continuing Connected Transactions”	the continuing connected transactions contemplated under each of the SPG General Service (Procurement) Framework Agreements
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the Connected Transaction Agreements
“Rizhao Port Group”	Shandong Port Rizhao Port Group Co., Ltd. (山東港口日照港集團有限公司), a company incorporated in the PRC with limited liability, and a controlling shareholder of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“RPG General Service (Procurement) Framework Agreement”	the general service (procurement) framework agreement dated 26 November 2021 entered into between the Company and Rizhao Port Group (for itself and on behalf of its subsidiaries)
“RPG Port-related Service (Sale) Framework Agreement”	the port-related service (sale) framework agreement dated 26 November 2021 entered into between the Company and Rizhao Port Group (for itself and on behalf of its subsidiaries)
“SDP Finance Holding Group”	Shandong Port Finance Holding Co., Ltd.* (山東港口金融控股有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shandong Port Group

“SDP Finance Holding Port-related Service (Sale) Framework Agreement”	the port-related service (sale) framework agreement dated 29 August 2022 entered into between the Company and SDP Finance Holding Group (for itself and on behalf of its subsidiaries)
“SDP Logistics Group”	Shandong Port Luhai International Logistics Group Co., Ltd.* (山東港口陸海國際物流集團有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shandong Port Group
“SDP Logistics Group General Service (Procurement) Framework Agreement”	the general service (procurement) framework agreement dated 19 September 2022 entered into between the Company and SDP Logistics Group (for itself and on behalf of its subsidiaries)
“SDP Logistics Group Port-related Service (Sale) Framework Agreement”	the port-related service (sale) framework agreement dated 19 September 2022 entered into between the Company and SDP Logistics Group (for itself and on behalf of its subsidiaries)
“SDP Shipping Group”	Shandong Port Shipping Group Co., Ltd.* (山東港口航運集團有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of Shandong Port Group
“SDP Shipping Group Port-related Service (Sale) Framework Agreement”	the port-related service (sale) framework agreement dated 3 March 2022 entered into between the Company and SDP Shipping Group (for itself and on behalf of its subsidiaries)
“SDP Shipping Group General Service (Procurement) Framework Agreement”	the general service (procurement) framework agreement dated 19 September 2022 entered into between the Company and SDP Shipping Group (for itself and on behalf of its subsidiaries)
“SDP Technology Group”	Shandong Port Technology Group Co., Ltd.* (山東港口科技集團有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of Shandong Port Group

“SDP Technology Group General Service (Procurement) Framework Agreement”	the general service (procurement) framework agreement dated 19 September 2022 entered into between the Company and SDP Technology Group (for itself and on behalf of its subsidiaries)
“Shandong Port Group”	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), a company incorporated in the PRC with limited liability and a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission
“Share(s)”	share (s) of the Company, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	the holder (s) of the Share (s)
“SPG General Service (Procurement) Framework Agreements”	collectively, the SDP Logistics Group General Service (Procurement) Framework Agreement, the SDP Shipping General Service (Procurement) Framework Agreement and the SDP Technology Group General Service (Procurement) Framework Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *Unofficial English translation denotes for identification purposes only*

By Order of the Board
Rizhao Port Jurong Co., Ltd.
Cui Liang
Chairman

Rizhao, PRC, 19 September 2022

As at the date of this announcement, the Board comprises Mr. Cui Liang as Chairman and non-executive Director; Mr. Zhang Feng as executive Director; Mr. Pay Cher Wee, Mr. Ooi Boon Hoe, Mr. Jiang Zidan and Mr. Chen Lei as non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as independent non-executive Directors.