

---

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

---

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

**If you have sold or transferred** all your shares in Rizhao Port Jurong Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

---



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

**(Stock Code: 6117)**

**(1) CONTINUING CONNECTED TRANSACTION  
AND MAJOR TRANSACTION  
IN RELATION TO 2022 – 2024 FINANCIAL SERVICE  
FRAMEWORK AGREEMENT  
(2) PROPOSED ELECTION OF NON-EXECUTIVE DIRECTORS  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and Independent Shareholders**



---

A letter from the Board is set out on pages 1 to 12 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 28 December 2022 at the Office Building of Rizhao Port Jurong Co., Ltd. is set out on pages 36 to 37 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon. For holders of the H Shares, the form of proxy should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

5 December 2022

---

## CONTENTS

---

|  | <i>Page</i> |
|--|-------------|
| <b>DEFINITIONS</b> .....                                       | ii          |
| <b>LETTER FROM THE BOARD</b> .....                             | 1           |
| <b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....       | 13          |
| <b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....     | 15          |
| <b>APPENDIX I – FINANCIAL INFORMATION OF THE COMPANY</b> ..... | 28          |
| <b>APPENDIX II – GENERAL INFORMATION</b> .....                 | 31          |
| <b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....           | 36          |

---

## DEFINITIONS

---

*In this circular, the following terms and expressions shall have the following respective meanings unless the context otherwise requires:*

|   |  |
|---|--|
| “2020 – 2022 Financial Service Framework Agreement” | the financial service framework agreement dated 27 March 2020 entered into between the Company and RPG Finance   |
| “2021 Supplemental Agreement”                       | the financial service supplemental framework agreement dated 1 April 2021 entered into between the Company and RPG Finance   |
| “2022 – 2024 Financial Service Framework Agreement” | the financial service framework agreement entered into between the Company and QDP Finance on 28 October 2022, pursuant to which QDP Finance agrees to provide deposit and settlement services to the Company for the term commencing on the Effective Date and ending on 31 December 2024 |
| “associate(s)”                                      | has the meaning ascribed to it under the Listing Rules   |
| “Board”   | the board of Directors   |
| “CBIRC”   | China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)  |
| “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   |
| “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   |

---

## DEFINITIONS

---

|  |  |
|--|--|
| “Effective Date”                                     | the date of fulfilment of the conditions precedent set out in the 2022 – 2024 Financial Service Framework Agreement  |
| “EGM”  | an extraordinary general meeting or any adjournment thereof of the Company to be convened at 10:00 a.m. on Wednesday, 28 December 2022 at the Office Building of Rizhao Port Jurong Co., Ltd. to consider and, if thought fit, approve the resolutions as set out in the Notice of EGM   |
| “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 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder  |
| “Independent Financial Adviser” or<br>“Gram Capital” | Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder |
| “Independent Shareholders”                           | the Shareholders who are not required by the Listing Rules to abstain from voting at the EGM on the resolution to approve the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder   |

---

## DEFINITIONS

---

|                                |   |
|--------------------------------|---|
| “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       |
| “Jurong Port”                  | Jurong Port Pte Ltd, a private company limited by shares established in Singapore, holding 100% interest in Jurong Port Holding as at the Latest Practicable Date   |
| “Jurong Port Holding”          | Jurong Port Rizhao Holding Pte Ltd, a private company limited by shares established in Singapore and holding approximately 21.69% of the total issued share capital of the Company as at the Latest Practicable Date            |
| “Latest Practicable Date”      | 29 November 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication   |
| “Listing Rules”                | The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time   |
| “Nomination Committee”         | the nomination committee of the Company   |
| “Notice of EGM”                | a notice convening the EGM set out on pages 36 to 37 of this circular   |
| “PBOC”                         | the People’s Bank of China (中國人民銀行), the central bank of the PRC  |
| “PRC”                          | the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)  |
| “Proposed Annual Caps”         | the proposed annual caps for the transactions contemplated under the 2022 – 2024 Financial Service Framework Agreement for the period from the Effective Date to 31 December 2022 and for the two years ending 31 December 2024 |

---

## DEFINITIONS

---

|                              |  |
|------------------------------|--|
| “QDP Finance”                | Qingdao Port Finance Co., Ltd. (青島港財務有限責任公司), a company established in the PRC with limited liability and held as to 70% by Qingdao Port International and 30% by Qingdao Port Group as at the Latest Practicable Date   |
| “Qingdao Port Group”         | Shandong Port Qingdao Port Group Co., Ltd. (山東港口青島港集團有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of Shandong Port Group  |
| “Qingdao Port International” | Qingdao Port International Co., Ltd. (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange (stock code: 6198) and A shares are listed on the Main Board of Shanghai Stock Exchange (stock code: 601298), which is held as to approximately 55.77% by Qingdao Port Group as at the Latest Practicable Date |
| “Rizhao Port”                | Rizhao Port Co., Ltd. (日照港股份有限公司), a joint stock company established in the PRC with limited liability whose shares are listed and traded on the Shanghai Stock Exchange (stock code: 600017), and a controlling shareholder of the Company  |
| “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 established in the PRC with limited liability, and a controlling shareholder of the Company   |
| “Remuneration Committee”     | the remuneration committee of the Company  |
| “RMB”                        | Renminbi, the lawful currency of the PRC   |
| “RPG Finance”                | Rizhao Port Group Finance Co., Ltd (日照港集團財務有限公司), a company established in the PRC with limited liability and held as to 60% by Rizhao Port Group and 40% by Rizhao Port as at the Latest Practicable Date   |
| “SFO”                        | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |

---

## DEFINITIONS

---

|                              |   |
|------------------------------|---|
| “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, a controlling shareholder of the Company and a state-owned enterprise ultimately controlled by Shandong SASAC |
| “Shandong SASAC”             | Shandong Provincial State-owned Assets Supervision and Administration Commission  |
| “Share(s)”                   | share (s) of RMB1.00 each in the share capital of the Company, comprising the Domestic Shares and the H Shares  |
| “Shareholder(s)”             | the holder (s) of the Share (s)   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited   |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules  |
| “Supervisor(s)”              | supervisor(s) of the Company  |
| “%”                          | per cent  |

\* *Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.*

*Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.*

*Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules, the SFO or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules, the SFO or any modification thereof, as the case may be.*

---

LETTER FROM THE BOARD

---



日照港裕廊股份有限公司  
RIZHAO PORT JURONG CO., LTD.

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

(Stock Code: 6117)

**Non-executive Directors:**

Mr. CUI Liang (*Chairman*)

Mr. CHEN Lei

**Executive Director:**

Mr. ZHANG Feng

**Independent Non-executive Directors:**

Mr. ZHANG Zixue

Mr. WU Xibin

Mr. LEE Man Tai

**Registered office:**

South End

Haibin 5th Road

Rizhao City, Shandong Province

PRC

**Principal place of business in Hong Kong:**

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

5 December 2022

*To the Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION  
AND MAJOR TRANSACTION  
IN RELATION TO 2022 – 2024 FINANCIAL SERVICE  
FRAMEWORK AGREEMENT  
(2) PROPOSED ELECTION OF NON-EXECUTIVE DIRECTORS  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 28 October 2022 in relation to, among other things, the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

Reference is also made to the announcement of the Company dated 17 October 2022, in relation to, among other things, the proposed election of non-executive Directors.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with, among others, (i) details of the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder and details of the proposed election of the non-executive Directors; (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder; (iv) financial information of the Company; (v) general information of the Company; and (vi) a notice for convening the EGM.

### 2. 2022 – 2024 FINANCIAL SERVICE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 27 March 2020 and 1 April 2021 and the circular of the Company dated 15 April 2020 and 13 July 2021 in relation to, among others, the 2020 – 2022 Financial Service Framework Agreement and the 2021 Supplemental Agreement.

On 28 October 2022 (after trading hours), the Company entered into the 2022 – 2024 Financial Service Framework Agreement with QDP Finance, and the principal terms are set out as follows:

- Date:** 28 October 2022
- Parties:**
- (a) the Company (as the service recipient); and
  - (b) QDP Finance (as the service provider).
- Nature of transaction:** QDP Finance agreed to provide deposit and settlement services to the Company.
- Term:** The term of the 2022 – 2024 Financial Service Framework Agreement will commence on the Effective Date and ending on 31 December 2024, subject to early termination by either party giving at least 6 months' prior written notice to the other party.
- Parties can extend or renew such terms by mutual agreement, provided that the requirements under the relevant laws, regulations and the Listing Rules are complied with.

---

## LETTER FROM THE BOARD

---

**Conditions precedent:**

The 2022 – 2024 Finance Service Framework Agreement is conditional upon (i) the resolutions regarding the 2022 – 2024 Finance Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM and (ii) QDP Finance obtaining the approval of CBIRC on the absorption and merger of QDP Finance and RPG Finance.

**Pricing policy:**

The deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks.

The interest rate of other financial services related to or similar to the deposit service shall not be lower than the interest rates offered by independent commercial banks for comparable financial services.

The settlement service provided by QDP Finance is free of charge.

***Termination of 2020 – 2022 Financial Service Framework Agreement***

The 2020 – 2022 Financial Service Framework Agreement (as amended by the 2021 Supplemental Agreement) will be terminated with effect from the date of dissolution and deregistration of RPG Finance.

---

## LETTER FROM THE BOARD

---

### ***Historical Amounts***

The Company and QDP Finance did not conduct any similar transactions as those under the 2022 – 2024 Financial Service Framework Agreement in the past. Set out below are the historical transaction amounts with RPG Finance in relation to the deposit and settlement services for the years ended 31 December 2019, 2020 and 2021, and for the period from 1 January 2022 to 28 October 2022 (i.e. the date of the 2022 – 2024 Financial Service Framework Agreement):

| <b>Transaction</b>                | <b>For the years ended<br/>31 December</b> |             |             | <b>For the period<br/>from<br/>1 January<br/>2022 to 28<br/>October 2022</b> |
|-----------------------------------|--|-------------|-------------|--|
|                                   | <b>2019</b>                                | <b>2020</b> | <b>2021</b> |  |
|                                   | <i>(RMB in thousands)</i>                  |             |             |  |
| Maximum daily balance of deposits | 227,207                                    | 161,205     | 176,400     | 177,071  |
| Interest income                   | 440  | 874         | 2,734       | 2,678  |
| Settlement service                | 0  | 0           | 0           | 0  |

### ***Proposed Annual Caps and Basis of Determination***

The following table sets forth the Proposed Annual Caps for the transactions contemplated under the 2022 – 2024 Financial Service Framework Agreement:

| <b>Transaction</b>                | <b>From the<br/>Effective Date to<br/>31 December<br/>2022</b> | <b>For the years ending<br/>31 December<br/>2023</b> | <b>2024</b> |
|-----------------------------------|--|--|-------------|
|                                   |  | <i>(RMB in thousands)</i>                            |             |
| Maximum daily balance of deposits | 350,000  | 360,000  | 370,000     |
| Interest income                   | 600  | 7,000  | 7,500       |
| Settlement service                | 0  | 0  | 0           |

---

## LETTER FROM THE BOARD

---

The Proposed Annual Caps were estimated based on (i) historical daily deposit balance with RPG Finance for the years ended 31 December 2019, 2020 and 2021, and for the period from 1 January 2022 to 28 October 2022 (i.e. the date of the 2022 – 2024 Financial Service Framework Agreement); (ii) the banking facilities the Company expects to obtain; and (iii) the increase in expected settlement needs resulting from the increase in operating income of the Company. The Company also considered (i) the Company's relatively abundant cash flow resulting from the operating revenue growth in 2022; (ii) the amount of cash and cash equivalents of the Company as at 30 June 2022, which was approximately RMB804 million; and (iii) the Company's plan, as mentioned in the Company's prospectus dated 31 May 2019, to maintain approximately 50% of its deposits with independent commercial banks after listing, when determining the Proposed Annual Caps. The Company expects that its operating income will have a compounded annual growth rate of approximately 4% from 2021 to 2024. Such growth in the operating income will lead to the increase in the demand for settlement services and the possibility that the amounts to be received from customers will be concentrated during certain periods resulting in an increase in the Company's cash deposits in QDP Finance. Hence, the Company considered the impact of revenue growth on its demand for deposit and settlement services when determining the Proposed Annual Caps. Further, the Company expects to be less dependent on banking facilities for the three years ending 31 December 2024 based on the current financial position of the Company despite the possibility that the Company may obtain bank facilities for future construction projects and operational needs, hence the Company has properly considered but put less weight on such factor when determining the Proposed Annual Caps.

### 3. 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.

QDP Finance, is a non-banking financial institution established in the PRC on 22 July 2014 and is subject to the Administrative Measures on Finance Companies within Group Enterprises (《企業集團財務公司管理辦法》) and other relevant regulations promulgated by PBOC and CBIRC. The establishment of such non-banking financial institutions is subject to approval by CBIRC and its operation is subject to the ongoing supervision of CBIRC. Non-banking financial institutions shall comply with applicable regulations relating to interest rate issued by PBOC and CBIRC.

In accordance with the laws and regulations of the PRC, finance companies within group enterprises are only permitted to provide financial services to enterprises within the same parent group. Therefore, QDP Finance is principally engaged in the provision of depository services, credit granting services, financial and financing advisory services, credit assurance services and relevant consulting and agency services; trade receivables collection and payment services; internal fund transfer and settlement services formulation of proposals for the corresponding settlement and clearing services and other financial services to Shandong Port Group and its member companies, including the Company.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, QDP Finance is directly held as to (i) 70% by Qingdao Port International, which is in turn held as to approximately 55.77% by Qingdao Port Group; and (ii) 30% by Qingdao Port Group. Qingdao Port International is a joint stock company established in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange (stock code: 6198) and A shares are listed on the Main Board of Shanghai Stock Exchange (stock code: 601298). Qingdao Port Group is a wholly-owned subsidiary of Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong SASAC.

#### **4. REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 – 2024 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

In January 2022, Shandong Port Group, Qingdao Port International, QDP Finance, Rizhao Port and RPG Finance entered into an absorption and merger agreement, pursuant to which, RPG Finance will merge with QDP Finance by way of absorption and merger. Upon completion of the absorption and merger, QDP Finance (as the surviving merging party) shall remain subsisting and undertake and inherit all the assets, liabilities, personnel and businesses of RPG Finance and RPG Finance (as the merged party) will be dissolved and deregistered. Hence, QDP Finance will be the only non-banking financial institution within Shandong Port Group to provide deposit, settlement and other financial services to Shandong Port Group and its subsidiaries/affiliated companies, including the Company.

In the ordinary course of business of the Company, the Company transacts with various subsidiaries/affiliated companies of Shandong Port Group, which have maintained or will maintain settlement accounts with QDP Finance. The centralised maintenance of deposits by the Company with QDP Finance will facilitate clearing with other members of Shandong Port Group, reduce the processing time and is generally more administratively efficient than settlement through independent banks. In addition, QDP Finance has undertaken that the deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks, which is conducive to safeguarding Shareholders' interests and achieving win-win cooperation. Accordingly, the Company entered into the 2022 – 2024 Financial Service Framework Agreement to procure deposit and settlement services from QDP Finance.

The terms of the 2022 – 2024 Financial Service Framework Agreement have been arrived at after arm's length negotiations between the parties. The Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from Gram Capital) have confirmed that the terms of the 2022 – 2024 Financial Service Framework Agreement (including the Proposed Annual Caps) and the transactions contemplated thereunder 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.

---

## LETTER FROM THE BOARD

---

None of the Directors has any material interest in the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolutions approving the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder.

### **5. FINANCIAL EFFECTS OF ENTERING INTO THE 2022 – 2024 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

The use of deposit services and other financial services allows the Company to receive interests at a rate that is no less favourable than the interest rates offered by independent commercial banks for comparable deposit services and other financial services. However, the annual interest income only accounts for a small portion of the Company's profits, assets and liabilities. Therefore, the Directors consider that the use of deposit services and other financial services under the 2022 – 2024 Financial Service Framework Agreement shall not have any material effect on the total assets, earnings and liabilities of the Company.

### **6. INTERNAL CONTROL MEASURES**

The Company has established the following internal control measures to ensure that the pricing mechanism and the terms of the continuing connected transactions contemplated under the 2022 – 2024 Financial Service Framework Agreement are fair and reasonable and no less favourable than those offered by the Independent Third Parties:

- (a) The Company's finance office will closely monitor the actual transaction amounts under the 2022 – 2024 Financial Service Framework Agreement on a daily basis. If the actual transaction amount reaches approximately 85% of the Proposed Annual Caps at any time during the year, the finance 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 further revise the annual cap amounts and comply with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;
- (b) The Company's finance office will review the transactions entered into under the 2022 – 2024 Financial Service Framework Agreement on a quarterly basis and report to the Company's audit committee and the Board to ensure that the Proposed Annual Caps under the 2022 – 2024 Financial Service Framework Agreement will not be exceeded;
- (c) The Company will conduct internal control review and financial audit on an annual basis, and conduct financial monitoring and decision-making analysis on a half-year basis so as to ensure compliance with the terms of the 2022 – 2024 Financial Service Framework Agreement and pricing policies;

---

## LETTER FROM THE BOARD

---

- (d) The Company's auditors and independent non-executive Directors will conduct annual review on the transactions entered into under the 2022 – 2024 Financial Service Framework Agreement in accordance with the Listing Rules;
- (e) The internal audit office of the Company will focus on the above internal control measures as part of the continuous work plan and report to the audit committee of the Company and the Board on a quarterly basis;
- (f) Prior to making a deposit with QDP Finance, the Company's finance office will obtain quotations for similar deposit services from three PRC commercial banks independent of the Company and compare the interest rates offered by QDP Finance with that provided by other banks and the minimum interest rates prescribed by the PBOC at the relevant time; and
- (g) The interest rate and the decision to place any deposit with QDP Finance will be reviewed and approved by the financial director of the Company.

### 7. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, QDP Finance is directly held as to (i) 70% by Qingdao Port International, which is in turn held as to approximately 55.77% by Qingdao Port Group; and (ii) 30% by Qingdao Port Group, and Qingdao Port Group is a wholly-owned subsidiary of Shandong Port Group, a controlling shareholder of the Company. Accordingly, QDP Finance 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.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the 2022 – 2024 Financial Service Framework Agreement is more than 25% on an annual basis, the entering into of the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting, annual review, announcement and independent shareholders' approval requirements.

---

## LETTER FROM THE BOARD

---

### 8. PROPOSED ELECTION OF NON-EXECUTIVE DIRECTORS

The Board proposed to nominate each of Mr. Fang Lei (“**Mr. Fang**”), Mr. Terence Seow (“**Mr. Seow**”) and Mr. Francis Nyan (“**Mr. Nyan**”) (together, the “**Proposed Directors**”) as a non-executive Director in the EGM. The Board also proposed to appoint (i) Mr. Fang as a member of the Remuneration Committee; and (ii) Mr. Seow as a member of the Nomination Committee, upon the approval of the Shareholders on each of their appointment as a non-executive Director at the EGM.

The biographical details of the Proposed Directors are set out as follows:

**Mr. Fang Lei (房磊)**, aged 52, has a title of senior economist. He graduated from Shandong University in 1990 with a bachelor’s degree in scientific socialism, and obtained a master’s degree in law from the University of International Business and Economics in 2001. Mr. Fang has extensive experience in port management, and has been working in Rizhao Port Group since 1990. From August 2004 to November 2005, he served as the deputy head of the investment promotion section of the corporate development department of Rizhao Port Group. From November 2005 to April 2011, he served as the head of the investment promotion section of the corporate development department of Rizhao Port Group. From April 2011 to September 2011, he served as the assistant to the general manager of Rizhao Port Jurong Terminals Co., Ltd. From September 2011 to December 2016, he was appointed as the deputy general manager, financial controller and chairman of labor union of Rizhao Port Jurong Terminals Co., Ltd. From December 2016 to June 2018, he served as the deputy director of the corporate development department of Rizhao Port Co., Ltd. (presiding over the work). Mr. Fang has served as the director of the corporate development department of Rizhao Port since March 2019.

**Mr. Terence Seow (蕭國良)**, aged 53, has acted as the chief executive officer of Jurong Port since September 2022. Mr. Seow served as the assistant chief executive officer of Enterprise Singapore from 2011 to 2014. From 2014 to August 2022, Mr. Seow served as the assistant chief executive officer of JTC Corporation. Mr. Seow graduated from the National University of Singapore with a Bachelor of Arts degree. He also has a master’s degree in Public Administration from Columbia University, through a scholarship awarded by Enterprise Singapore. In 2018, Mr. Seow was awarded the Public Administration Medal (Silver) by the Government of Singapore in recognition of his contribution to the public service.

---

## LETTER FROM THE BOARD

---

**Mr. Francis Nyan** (嚴明仁), aged 50, has acted as the chief financial officer of Jurong Port since October 2022. Mr. Nyan served in various roles at DBS Singapore from 1996 to 2019, he was the Managing Director and Head of Capital and Funding prior to leaving DBS Singapore. From 2019 to September 2022, he served as the Director of Treasury and Payment at JTC Corporation. Mr. Nyan graduated with a Bachelor of Arts degree (First Class Honours) from University of Oxford under DBS Overseas Scholarship Award. He attained his master's degree of arts with Benjamin Batson Gold Medal from the National University of Singapore. Mr. Nyan's professional qualifications include Chartered Financial Analyst, Financial Risk Manager and Singapore Chartered Accountant Qualification Programme.

Save as disclosed above, as at the Latest Practicable Date, each of the Proposed Directors (i) does not have any relationship with any Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) does not hold any other positions in the Company; and (iv) has no interest in shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters in connection with the appointments of the Proposed Directors that need to be disclosed according to Rules 13.51(2) (h) to (v) of the Listing Rules or to be brought to the attention of the Shareholders.

Subject to the approval by the Shareholders at the EGM, the Company will enter into a service contract with each of the Proposed Directors in respect of their appointment as a non-executive Director for a term commencing from the date of approval by the Shareholders at the EGM until the expiry of the current session of the Board, and their annual remuneration will be determined by the Board with reference to their duties, responsibilities, experience and the market condition.

In compliance with Rule 13.51 of the Listing Rules, the Company will make further announcement upon approval of the proposed election of the non-executive Director by the Shareholders at the EGM as soon as possible.

### **9. EGM**

The EGM will be held at 10:00 a.m. on Wednesday, 28 December 2022 at the Office Building of Rizhao Port Jurong Co., Ltd. for the purpose of allowing Shareholders to consider and, if thought fit, approve the resolutions as set out in the Notice of EGM on pages 36 to 37 of this circular.

---

## LETTER FROM THE BOARD

---

A form of proxy for use at the EGM are enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon. For holders of the H Shares, the form of proxy should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder (together with the Proposed Annual Caps) are fair and reasonable and are in the interests of the Company and its Shareholders a whole, and to advise the Independent Shareholders as to how to vote on the relevant resolution at the EGM.

The Independent Financial Adviser, Gram Capital, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, 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 resolutions approving the 2022 – 2024 Financial Service Framework Agreement, the 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 any of the resolutions to be proposed at the EGM.

### **10. CLOSURE OF REGISTER OF MEMBERS**

In order to determine the holders of H Shares who will be entitled to attend the EGM, the register of members of the Company will be closed from Wednesday, 21 December 2022 to Wednesday, 28 December 2022 (both days inclusive), during which period no transfer of H Shares will be registered. In order for the holders of H Shares to qualify for attending the EGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 20 December 2022.

---

## LETTER FROM THE BOARD

---

### 11. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions put forward at the EGM will be voted on by poll except where the chairman of the meeting, 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. Poll results will be announced by the Company in accordance with Rule 13.39(5) of the Listing Rules after the EGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his/her Shares to a third party, either generally or on a case-by-case basis.

### 12. RECOMMENDATIONS

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) is of the view that: (i) the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the resolutions for approving the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

The Board (including the independent non-executive Directors) considers that the other resolutions set out in the Notice of EGM are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of the other resolutions set out in the Notice of EGM.

### 13. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 13 to 14 of this circular, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 15 to 27 of this circular, the additional information as set out in the appendices to this circular and the Notice of EGM.

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



日照港裕廊股份有限公司  
RIZHAO PORT JURONG CO., LTD.

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

**(Stock Code: 6117)**

5 December 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION  
AND MAJOR TRANSACTION IN RELATION TO  
2022 – 2024 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

We refer to the circular dated 5 December 2022 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders on the terms of the 2022 – 2024 Financial Service Framework Agreement (together with the Proposed Annual Caps) and the transactions contemplated thereunder as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder as set out in the Circular. Gram Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out in pages 15 to 27 of the Circular.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the 2022 – 2024 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. Your attention is also drawn to the additional information set out in the appendices to the Circular.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Having considered the terms of the 2022 – 2024 Financial Service Framework Agreement (together with the Proposed Annual Caps) and the transactions contemplated thereunder, the advice and recommendation of the Independent Financial Adviser and the relevant information contained in the Letter from the Board, we are of the view that: (i) the 2022 – 2024 Financial Service Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution at the EGM so as to approve the 2022 – 2024 Financial Service Framework Agreement (together with the Proposed Annual Caps) and the transactions contemplated thereunder.

Yours faithfully,

The Independent Board Committee of

**Rizhao Port Jurong Co., Ltd.**

**Mr. ZHANG Zixue**, *Independent non-executive Director*

**Mr. WU Xibin**, *Independent non-executive Director*

**Mr. LEE Man Tai**, *Independent non-executive Director*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

5 December 2022

*To: The independent board committee and the independent shareholders  
of Rizhao Port Jurong Co., Ltd.*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the 2022 – 2024 Financial Service Framework Agreement (the “**Deposit Services**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 5 December 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 28 October 2022, the Company and QDP Finance entered into the 2022 – 2024 Financial Service Framework Agreement, pursuant to which QDP Finance agreed to provide deposit and settlement services to the Company. The term of the such agreement will commence on the Effective Date and ending on 31 December 2024, subject to early termination by either party giving at least 6 months’ prior written notice to the other party.

With reference to the Board Letter, the Deposit Services constitute a major and continuing connected transaction of the Company and are subject to the reporting, announcement and independent shareholders’ approval requirements for continuing connected transactions under Chapters 14 and 14A of the Listing Rules.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Independent Board Committee comprising Mr. ZHANG Zixue, Mr. LEE Man Tai and Mr. WU Xibin (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposit Services are on normal commercial terms and are fair and reasonable; (ii) whether the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Company; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Deposit Services at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) continuing connected transactions as set out in the Company's circular dated 23 April 2021; (ii) continuing connected transactions as set out in the Company's circular dated 15 January 2022; and (iii) (a) continuing connected transactions; and (b) discloseable and connected transaction as are set out in the Company's announcements dated 19 September 2022 and 13 October 2022 respectively. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements will not affect our independence to act as the Independent Financial Adviser due to the fact that (a) we were appointed as independent financial adviser to advise the Independent Board Committee and the then independent Shareholders and the past engagements did not fall into any circumstances as set out under the Rule 13.84 of the Listing Rules, therefore we maintained our independence from the Company during the aforesaid past engagements; and (b) the advisory fee of the aforesaid past engagements paid by the Company to us accounted for an insignificant portion of our revenue for the relevant period, we are of the view that we are independent to act as the Independent Financial Adviser.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the 2022 – 2024 Financial Service Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, QDP Finance and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Company or the Shareholders as a result of the entering into the 2022 – 2024 Financial Service Framework Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deposit Services, we have taken into consideration the following principal factors and reasons:

#### Information on the Company

With reference to the Board Letter, 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.

#### Information on QDP Finance

QDP Finance, is a non-banking financial institution established in the PRC on 22 July 2014 and is subject to the Administrative Measures on Finance Companies within Group Enterprises (《企業集團財務公司管理辦法》) (the “**Administrative Measures**”) and other relevant regulations promulgated by PBOC and CBIRC. The establishment of such non-banking financial institutions is subject to approval by CBIRC and its operation is subject to the ongoing supervision of CBIRC. Non-banking financial institutions shall comply with applicable regulations relating to interest rate issued by PBOC and CBIRC.

As at the Latest Practicable Date, QDP Finance was directly held as to (i) 70% by Qingdao Port International, which is in turn held as to approximately 55.77% by Qingdao Port Group; and (ii) 30% by Qingdao Port Group. Qingdao Port International is a joint stock company established in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange (stock code: 6198) and A shares are listed on the Main Board of Shanghai Stock Exchange (stock code: 601298). Qingdao Port Group is a wholly-owned subsidiary of Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong SASAC.

We also noted that the Administrative Measures was promulgated by CBIRC with the latest version of such document taking effect from 13 November 2022. The Administrative Measures is to regulate the operation of group finance companies and reduce the possible financial risk. We noted that the Administrative Measures set out certain compliance and risk control requirements/measures in relation to the operation of group financing companies, including but not limited to maintaining certain financial ratios at all times.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below sets out the key financial ratio requirements of 《企業集團財務公司管理辦法》(中國銀行業監督管理委員會令2006年第8號) (the Administrative Measures on Finance Companies within Group Enterprises (No. 8 order in 2006 of China Banking Regulatory Commission)\*, the “**Previous Administrative Measures**”) and 《企業集團財務公司風險監管指標考核暫行辦法》(the Provisional Measures for Risk Regulation Indicators Assessment of Finance Companies of Business Group\*) (Note: the aforesaid documents were superseded/voided on 13 November 2022) and the respective financial ratios of QDP Finance for the two years ended 31 December 2021 as provided by the Company.

| Financial ratio   | Requirements<br>(Note) | Financial ratios of QDP Finance                           |   |
|---|------------------------|---|---|
|   |                        | For the year ended<br>31 December 2021<br>(approximate %) | For the year ended<br>31 December 2020<br>(approximate %) |
|   |                        | <i>Lowest during the respective period</i>                |   |
| Capital adequacy ratio  | Not less than 10%      | 16.13   | 21.10   |
|   |                        | <i>Highest during the respective period</i>               |   |
| Inter-financial institution<br>borrowing balances to total<br>capital ratio | Not more than 100%     | 23.15   | 17.58   |
| Total amount of outstanding<br>guarantees to total capital<br>ratio         | Not more than 100%     | 10.68   | 12.18   |
| Long-term and short-term<br>investment to total capital<br>ratio            | Not more than 70%      | 63.83   | 67.77   |
| Self-owned fixed assets to<br>total capital ratio                           | Not more than 20%      | 0.15  | 0.13  |
| Non-performing loan ratio   | Not more than 5%       | Nil   | Nil   |

*Note:* QDP Finance is required to comply with relevant financial ratios requirements as set out in the Administrative Measures, which may be different from the previous financial ratios requirements contemplated under the Previous Administrative Measures.

As shown in the table above, QDP Finance complied with the relevant financial ratio requirements as set out in the Previous Administrative Measures during 2020 and 2021. As also confirmed by the Directors, they were not aware of any non-compliance record with relevant laws and regulations of the PRC on the QDP Finance in recent three years.

According to QDP Finance’s articles of association, shareholders of QDP Finance shall undertake in writing that in the event that QDP Finance experiences any urgent payment difficulties, they will provide funding to QDP Finance to satisfy its capital needs according to QDP Finance’s actual needs for solving the difficulties.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### Reasons for benefit of entering into the Deposit Services

In January 2022, Shandong Port Group, Qingdao Port International, QDP Finance, Rizhao Port and RPG Finance entered into an absorption and merger agreement, pursuant to which, RPG Finance will merge with QDP Finance by way of absorption and merger. Upon completion of the absorption and merger, QDP Finance (as the surviving merging party) shall remain subsisting and undertake and inherit all the assets, liabilities, personnel and businesses of RPG Finance and RPG Finance (as the merged party) will be dissolved and deregistered. Hence, QDP Finance will be the only non-banking financial institution within Shandong Port Group to provide deposit, settlement and other financial services to Shandong Port Group and its subsidiaries/affiliated companies, including the Company. We also noted from 《中國銀保監會非銀行金融機構行政許可事項實施辦法》 (Implementation Measures of the CBIRC on Administrative Licensing on Non-bank Financial Institutions\*) promulgated by CBIRC in 2020 that each enterprise group (企業集團) can only set up one finance company.

In the ordinary course of business of the Company, the Company transacts with various subsidiaries/affiliated companies of Shandong Port Group which maintain or will maintain settlement accounts with QDP Finance. The centralised maintenance of deposits by the Company with QDP Finance will facilitate clearance with other members of Shandong Port Group, reduce processing time and is generally more administratively efficient than settlement through independent banks. In addition, QDP Finance has undertaken that the deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks, which is conducive to safeguarding Shareholders' interests and achieving win-win cooperation. Accordingly, the Company entered into the 2022 – 2024 Financial Service Framework Agreement to procure deposit and settlement services from QDP Finance.

Pursuant to the 2022 – 2024 Financial Service Framework Agreement, the deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks.

Having considered above factors, in particular, (i) that QDP Finance will be the only non-banking financial institution within Shandong Port Group to provide deposit, settlement and other financial services to Shandong Port Group and its subsidiaries/affiliated companies; and (ii) the pricing policies for the Deposit Services as mentioned above, we are of the view that the Deposit Services are conducted 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.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 1. Principal terms of the Deposit Services under the 2022 – 2024 Financial Service Framework Agreement

Set out below are the principal terms of the Deposit Services, details of which are set out under the section headed “2022 – 2024 FINANCIAL SERVICE FRAMEWORK AGREEMENT” of the Board Letter.

**Date:** 28 October 2022

**Parties:** (a) The Company (as the service recipient); and  
(b) QDP Finance (as the service provider).

**Nature of transactions:** QDP Finance agreed to provide the Deposit Services to the Company.

**Pricing terms:** The deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks.

The interest rate of other financial services related to or similar to the deposit service shall not be lower than the interest rates offered by independent commercial banks for comparable financial services.

**Termination of 2020 – 2022 Financial Service Framework Agreement:** The 2020 – 2022 Financial Service Framework Agreement (as amended by the 2021 Supplemental Agreement) will be terminated with effect from the date of dissolution and deregistration of RPG Finance.

**Conditions precedent:** The 2022 – 2024 Finance Service Framework Agreement is conditional upon (i) the resolutions regarding the 2022 – 2024 Finance Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM and (ii) QDP Finance obtaining the approval of CBIRC on the absorption and merger of QDP Finance and RPG Finance.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With reference to the Board Letter, the Company has adopted internal control measures relating to the transactions under the 2022 – 2024 Financial Service Framework Agreement, details of which are set out under the sub-section headed “INTERNAL CONTROL MEASURES” of the Board Letter. As there will be deposit interest rate collection and comparison procedures prior to making a deposit with QDP Finance, we consider that the implementation of the aforesaid measures would help to ensure fair determination of interest rates of the Deposit Services according to the pricing policies.

As stated in the Board Letter, the Company and QDP Finance did not conduct any similar transactions as those under the 2022 – 2024 Financial Service Framework Agreement in the past, we could not conduct sampling works for historical deposit services between the Company and QDP Finance. However, as the transaction nature of the Deposit Services and the deposit services contemplated under the 2020 – 2022 Financial Service Framework Agreement (as amended by the 2021 Supplemental Agreement) (the “**Existing Deposit Services**”) is generally the same and there were also internal control measures adopted for the Existing Deposit Services, we therefore requested the Company to provide documents to illustrate the interest rates determination of the Existing Deposit Services (as a result of effectiveness of the implementation of the internal control measures).

Upon our request, the Directors provided us over 20 copies of internal deposit records covering the period from January 2020 to September 2022, showing the deposit interest rates offered by RPG Finance to the Company during the aforesaid period. After reviewing the internal deposit records and according to the deposit interest rates as promulgated by PBOC and published in the websites of three independent commercial banks, the deposit interest rates offered by RPG Finance were not lower than the deposit interest rates for the same type of deposits as promulgated by PBOC and published in the websites of three independent commercial banks for the same period.

As also stated in the Company’s internal control measures, the Company’s finance office will closely monitor the actual transaction amounts under the 2022 – 2024 Financial Service Framework Agreement on a daily basis and will take further action if the actual transaction amounts reach certain threshold of the annual caps. We consider that there are sufficient internal control measures to monitor the actual transactions mounts being not exceeded the annual caps.

Furthermore, we discussed with staff of the Company’s finance office (i.e. the department involving in the deposit interest rate collection and comparison procedures; and annual cap monitoring works) and understood that the staff of the Company’s finance office (i) was aware of the internal control measures; and (ii) would continuously comply with such measures when conducting the Deposit Services.

Having also considered our findings above, we do not doubt the effectiveness of the implementation of the internal control measures for the Deposit Services.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 2. The Proposed Annual Caps

The Company and QDP Finance did not conduct any similar transactions as those under the 2022 – 2024 Financial Service Framework Agreement in the past. Set out below are (i) the historical maximum daily balance of deposits placed by the Company with RPG Finance, and interest income during the two years ended 31 December 2020 and 2021; and (ii) the proposed annual caps for the Deposit Services for the period from the Effective Date and up to 31 December 2024:

| Historical transaction amounts                              | For the year ended   | For the year ending | For the period from  |
|---|----------------------|---------------------|--|
|   | 31 December 2020     | 31 December 2021    | 1 January 2022 to<br>the date of<br>2022 – 2024<br>Financial Service<br>Framework<br>Agreement |
|   | <i>(RMB'000)</i>     | <i>(RMB'000)</i>    | <i>(RMB'000)</i>   |
| Maximum daily balance of deposits                           | 161,205              | 176,400             | 177,071  |
| Existing annual caps  | N/A<br><i>(Note)</i> | 180,000             | 180,000  |
| Utilisation rate  | N/A<br><i>(Note)</i> | 98.0%               | 98.4%  |
| Interest income   | 874                  | 2,734               | 2,678  |
| Existing annual caps  | 3,000                | 3,000               | 3,000  |
| Utilisation rate  |                      |                     |  |
|   | From the Effective   | for the year ending | for the year ending  |
|   | Date to 31           | 31 December 2023    | 31 December 2024   |
|   | December 2022        | ("FY2023")          | ("FY2024")   |
|   | (the "2022 Period")  | <i>(RMB'000)</i>    | <i>(RMB'000)</i>   |
|   |                      | <i>(RMB'000)</i>    | <i>(RMB'000)</i>   |
| Maximum daily balance of Deposits<br>(the "Deposit Cap(s)") | 350,000              | 360,000             | 370,000  |
| Interest income (the "Interest Cap(s)")                     | 600                  | 7,000               | 7,500  |

*Note:* An extraordinary general meeting was convened on 27 August 2021 to approve the resolution in respect of the ratification of the existing annual cap for the year ended 31 December 2020 by an amount equal to the maximum daily balance of deposits placed by the Company with RPG Finance under the 2020 – 2022 Financial Service Framework Agreement for the year ended 31 December 2020. The aforesaid resolution was approved by the then independent Shareholders.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Deposit Caps and the Interest Caps were estimated based on various factors, details of which are set out under the section headed “Proposed Annual Caps and Basis of Determination” of the Board Letter.

### *The Deposit Caps*

According to the above table, we noted that utilisation rates of the existing annual cap were 98.0% for the year ended 31 December 2021 and approximately 98.4% for the period from 1 January 2022 to the date of 2022 – 2024 Financial Service Framework Agreement respectively. Such utilisation rates were at high level.

The Deposit Caps for the 2022 Period, FY2023 and FY2024 were significantly higher than the existing annual caps for the three years ending 31 December 2022. To assess the fairness and reasonableness of the Deposit Caps, we performed the following analyses:

- According to the Company’s 2022 interim report, as at 30 June 2022, the Company had cash and cash equivalents of approximately RMB804.1 million. As mentioned in the Company’s prospectus dated 31 May 2019, the Company planned to maintain around 50% of its deposits with independent commercial banks after listing. Therefore, the Deposit Cap for the 2022 Period was close to the half of the Company’s cash and cash equivalents as at 30 June 2022.
- The existing annual caps for the two years ending 31 December 2022 was stated in 2021 Supplemental Agreement.

We summarised the relevant financial information (i) for the year ended 31 December 2021, being the latest available public full-year financial information immediately prior to the date of 2022 – 2024 Financial Service Framework Agreement; (ii) for the year ended 31 December 2020, being the latest available public full-year financial information immediately prior to the date of the 2021 Supplemental Agreement; and (iii) for the six months ended 30 June 2022, being the latest available public financial information immediately prior to the date of 2022 – 2024 Financial Service Framework Agreement, as follows:

|                | <b>For the year<br/>ended 31<br/>December<br/>2021</b><br><i>(RMB’000)</i> | <b>For the year<br/>ended 31<br/>December<br/>2020</b><br><i>(RMB’000)</i> | <b>Change in<br/>amount</b><br><i>(RMB’000)</i> | <b>Increase rate</b><br><i>(Approximately %)</i> |
|----------------|--|--|---|--|
| <b>Revenue</b> | 758,421  | 615,318  | 143,103   | 23%  |

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

|                                  | As at 30<br>June 2022<br>(RMB'000) | As at 31<br>December<br>2020<br>(RMB'000) | Change in<br>amount<br>(RMB'000) | Increase rate |
|----------------------------------|------------------------------------|---|----------------------------------|---------------|
| <b>Cash and cash equivalents</b> | 804,092                            | 280,280                                   | 523,812                          | 187%          |

Based on the above table, we noted that the Company's cash and cash equivalents as 30 June 2022 increased significantly as compared to that as at 31 December 2020. There was a substantial increase in the Company's revenue for the year ended 31 December 2021 as compared to that for the year ended 31 December 2020. Therefore, we consider that the increase in the Deposit Cap for the 2022 Period, as compared to the existing deposit cap for the year ending 31 December 2022 to be acceptable.

- The Deposit Cap increases by RMB10 million for each of the two years ending 31 December 2024. The aforesaid increases amounts were also in line with the change of maximum daily balance of deposits in RPG Finance from 2020 to 2021 (i.e. approximately RMB15.2 million).

Based on the above factors, we are of the view that the Deposit Caps for the 2022 Period, FY2023 and FY2024 are fair and reasonable.

As advised by the Directors, it is difficult to forecast the total cash level for whole period of the three years ending 31 December 2024. Nevertheless, should there be any substantial increase in total cash of the Company, the Company may opt to deposit larger portion of cash in commercial banks or re-comply with the applicable provisions of the Listing Rules governing continuing connected transaction to revise the Deposit Caps.

### ***The Interest Caps***

The Directors advised us that they determined the Interest Caps for the period from the Effective Date and up to 31 December 2024 after taking into account of (i) the Deposit Caps for the period from the Effective Date and up to 31 December 2024; (ii) the estimated deposit interest rate for the Deposit Services; and (iii) buffers of less than 10% were adopted in addition to the estimated interest income for the two years ending 31 December 2024. According to the deposit records, the estimated deposit interest rate represented the maximum deposit rates adopted by RPG Finance.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The 2022 – 2024 Financial Service Framework Agreement is subject to, among other things, the resolutions regarding the 2022 – 2024 Financial Service Framework Agreement, the proposed annual caps and the transactions contemplated thereunder being approved by the Independent Shareholders at an extraordinary general meeting. The Company had expected the extraordinary general meeting to be held at late November 2022 or beginning of December 2022. Therefore, for FY2022, there will be approximately one month from the Effective Date to 31 December 2022. The estimated interest income for the 2022 Period was set in proportional to the period from the Effective Date to 31 December 2022. As the Interest Cap for the 2022 Period was close to the estimated interest income for the 2022 Period, we consider the Interest Cap for the 2022 Period to be fair and reasonable.

In addition, the estimated interest income for FY2023 and FY2024 was calculated by the Deposit Caps for FY2023 and FY2024 multiplying the estimated deposit interest rate respectively. Furthermore, buffers of less than 10% were adopted in addition to the estimated interest income for the two years ending 31 December 2024. As advised by the Directors, the buffers of less than 10% were applied so as to cover unexpected increase in deposit interest rates of the Deposit Services. We also noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% in the proposed annual caps are common among listed companies in Hong Kong. Therefore, we consider the buffers of less than 10% were justifiable. Accordingly, we are of the view that the Interest Caps for the two years ending 31 December 2024 are fair and reasonable.

Shareholders should note that as the Deposit Caps and Interest Caps for the 2022 Period, FY2023 and FY2024 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2024, and they do not represent forecasts of cash position of the Company/revenue to be generated from the Deposit Services. Consequently, we express no opinion as to how closely the actual cash position of the Company/revenue to be generated from the Deposit Services will correspond with the Deposit Caps/Interest Caps.

### LISTING RULES IMPLICATION

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum/actual values of the Deposit Services must be restricted by their respective annual caps for the Deposit Caps and the Interest Caps (as the case may be); (ii) the terms of the Deposit Services must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Deposit Services must be included in the Company's subsequent published annual reports.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

In the event that the maximum/actual amounts of the Deposit Services are anticipated to exceed the Deposit Caps and/or the Interest Caps, or that there is any proposed material amendment to the terms of the 2022 – 2024 Financial Service Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Deposit Services and thus the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit Services are on normal commercial terms and are fair and reasonable; and (ii) the Deposit Services are conducted 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. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Deposit Services and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.*

**1. FINANCIAL RESULTS OF THE COMPANY**

Details of the audited financial results of the Company for each of the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the unaudited financial results of the Company for the six months ended 30 June 2022 are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.rzportjurong.com>) in the following documents:

- (a) for the year ended 31 December 2019, on pages 62 to 139 of the annual report of the Company for the year ended 31 December 2019 released on 31 March 2020 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0331/2020033101842.pdf>;
- (b) for the year ended 31 December 2020, on pages 61 to 135 of the annual report of the Company for the year ended 31 December 2020 released on 30 March 2021 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0330/2021033000925.pdf>;
- (c) for the year ended 31 December 2021, on pages 69 to 139 of the annual report of the Company for the year ended 31 December 2021 released on 26 April 2021 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600950.pdf>; and
- (d) for the six months ended 30 June 2022, on pages 21 to 44 of the interim report of the Company for six months ended 30 June 2022 released on 23 September 2022 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0923/2022092300419.pdf>.

There was no qualified opinion issued for the audited financial results of the Company for the last three financial years.

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Company's indebtedness are as follows:

- (a) the amount of unaudited outstanding interest-bearing bank loan and other borrowings is nil;  
and
- (b) the amount of unaudited outstanding lease liabilities is approximately RMB362,014,445.96.

Save as disclosed in this circular and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 October 2022, the Company did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any mortgages or charges or any other contingent liabilities or guarantees.

**3. WORKING CAPITAL**

Taking into account the effect of the transactions contemplated under the 2022 – 2024 Financial Service Framework Agreement and the present internal financial resources available to the Company, including cash and bank balances as well as the available banking facilities, the Directors are of the opinion that, the Company has sufficient working capital for its requirements for at least 12 months from the date of publication of this circular.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Company since 31 December 2021, the date to which the latest published audited financial statements of the Company were made up.

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

Based on our analysis of cargo type of the Company, we estimate that the Company's main cargo business will continue to grow, and with the integrated capacity of berths, yards and warehousing resources, there is still spacious room for the Company to increase its market share. To this end, the Company will focus on the following tasks:

**Seizing and exploring market opportunities**

The Company intends to explore the opportunities brought by the new production capacity of the industry, by scaling up our grain businesses, through strategic partnership with core customers, leverage on railway policies to collaborate and develop a logistics connectivity to new hinterland locations of Linyi, Lanzhou, Sichuan and Chongqing regions.

**Enhancing speedy and precision operations for optimal efficiency**

To boost port service through "fast access to shoreline, fast unloading and fast evacuation", with planning precision, timeliness and efficient customs and quarantine handling. Non-production downtime will be compressed by 10%, and the unloading rate of a single vessel will be increased to further improve the overall efficiency.

**Continuing efforts in cost control**

The Company will strengthen its process planning in production to focus on improving operational efficiency and rationalising the allocation of resources to better control its unit cost of operation for cost rationalisation.

**Establishing a stronger accountability in the prevention and control of the pandemic and strengthening the normalised prevention and control of the pandemic**

As the coastal port is the first line of "inbound control", the Company will coordinate the safe production and prevention and control of pandemic. The Company's pandemic prevention and control effort has normalized the operation of boarding vessels, through systematic risk assessment and decision making to establish joint prevention and control protocol with port units in ensuring a continued healthy operating environment for the Company.

**1. RESPONSIBILITY STATEMENT**

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

**2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE**

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company and their respective associates had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations which are 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/or short positions which they have taken or which they are deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules.

**3. DIRECTORS' AND SUPERVISORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER**

As at the Latest Practicable Date, each of the following Directors and Supervisors is a director, supervisor or employee of the following companies, which have interests or short positions in the Shares and underlying Shares of equity derivatives or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Cui Liang, a non-executive Director and the chairman of the Board of the Company, is a member of the Party Committee of Rizhao Port.
- (b) Mr. Chen Lei, a non-executive Director of the Company, is the deputy minister of the financial management department of Rizhao Port Group.
- (c) Mr. Li Weiqing, a Supervisor of the Company, is the director of legal audit department of Rizhao Port Group.
- (d) Mr. Tham Wai Kong, a Supervisor of the Company, is the vice chairman of the legal and company secretariat of Jurong Port.

As at the Latest Practicable Date, none of the other Directors, Supervisors and chief executive was a director, supervisor or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or controlling shareholders (as defined in the Listing Rules) and their respective close associates was interested in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's businesses.

#### 5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with the Company (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

#### 6. INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE COMPANY

As at the Latest Practicable Date, none of the Directors or Supervisors had any interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to the Company, or are proposed to be acquired or disposed of by or leased to the Company.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting at the date of this circular, which is significant in relation to the business of the Company.

#### 7. EXPERT'S QUALIFICATION AND CONSENT

- (a) The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

| <b>Name</b>          | <b>Qualifications</b>   |
|----------------------|---|
| Gram Capital Limited | a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO |

- (b) As at the Latest Practicable Date, Gram Capital Limited did not have any shareholding in the Company nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.
- (c) Gram Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and opinion dated 5 December 2022 and reference to its name in the form and context in which they appear.
- (d) The letter and recommendation given by Gram Capital Limited are given as at the date of this circular for incorporation herein.
- (e) As at the Latest Practicable Date, Gram Capital Limited has no direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, the Company since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up.

## 8. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or claim of material importance, and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company.

## 9. GENERAL

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The joint company secretaries of the Company are Mr. Zheng Shiqiang and Ms. Ho Yin Kwan. Mr. Zheng obtained his bachelor's degree in economics from China University of Mining and Technology (中國礦業大學) in July 1992 and after graduation, he participated in a Postgraduate training course of Shandong University on industrial economics. Mr. Zheng was recognized as accountant in 1998 and senior economist by Human Resources and Social Security Department of Shandong Province in 2006. Ms. Ho is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. She has over 20 years of professional experience in corporate secretarial field and has been providing corporate secretarial services to both listed and private companies incorporated in Hong Kong and overseas. Ms. Ho holds a bachelor's degree in business and finance from the University of Portsmouth and a master's degree in corporate governance from the Open University of Hong Kong (currently known as Hong Kong Metropolitan University). Ms. Ho is a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

- (c) The registered office of the Company is situated at South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC. The principal place of business of the Company is at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.
- (d) The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by the Company within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the 2022 – 2024 Financial Service Framework Agreement;
- (b) the construction contract dated 18 October 2022 entered into between the Company and Shandong Gangwan Construction Group Co., Ltd. (山東港灣建設集團有限公司) (“**Shandong Gangwan**”), pursuant to which the Company agreed to engage Shandong Gangwan as the contractor for the construction project of building 41 silos for storing grains, reconstructing the pier and building ancillary infrastructure at Shijiu port area in Rizhao port (the “**Rizhao Port Grain Base Project**”) with a contract price of RMB499,980,953;
- (c) the equipment procurement contract dated 18 October 2022 entered into between the Company and Qingdao Port Equipment Manufacturing Co., Ltd. (青島港口裝備製造有限公司) (“**Qingdao Port Equipment**”), pursuant to which the Company agreed to engage Qingdao Port Equipment to supply three gantry cranes for the Rizhao Port Grain Base Project and provide relevant services to the Company with a contract price of RMB50,580,000; and
- (d) the 2021 Supplemental Agreement dated 1 April 2021 entered into between the Company and RPG Finance, pursuant to which the parties agreed to revise the annual caps for the transactions of the provision of deposit and settlement services under the 2020 – 2022 Financial Service Framework Agreement for the years ending 31 December 2021 and 2022.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ([www.rzportjurong.com](http://www.rzportjurong.com)) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the 2022 – 2024 Financial Service Framework Agreement;
- (b) the letter from the Independent Financial Adviser dated 5 December 2022, the text of which is set out on pages 15 to 27 of this circular; and
- (c) the letter of consent from the Independent Financial Adviser dated 5 December 2022 referred to in the above paragraph headed “7. Expert’s Qualification and Consent” in this appendix.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



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

**(Stock Code: 6117)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (“EGM”) of Rizhao Port Jurong Co., Ltd. (the “Company”) will be held at 10:00 a.m. on Wednesday, 28 December 2022 at the Office Building of Rizhao Port Jurong Co., Ltd. for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 5 December 2022 in relation to the EGM:

### ORDINARY RESOLUTIONS

1. To consider and approve the 2022 – 2024 Financial Service Framework Agreement, the relevant Proposed Annual Caps and the transactions contemplated thereunder.
2. To consider and approve the proposed election of Mr. Fang Lei as a non-executive director of the Company.
3. To consider and approve the proposed election of Mr. Terence Seow as a non-executive director of the Company.
4. To consider and approve the proposed election of Mr. Francis Nyan as a non-executive director of the Company.

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

Rizhao, PRC, 5 December 2022

*As at the date of this notice, the board of directors of the Company comprises Mr. Cui Liang as Chairman and non-executive Director; Mr. Zhang Feng as the executive Director; Mr. Chen Lei as non-executive Director; and Mr. Zhang Zixue, Mr. Wu Xibin and Mr. Lee Man Tai as the independent non-executive Directors.*

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

*Notes:*

1. All votes of resolutions at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rzportjurong.com](http://www.rzportjurong.com)) in accordance with the Listing Rules.
2. In order to determine the holders of H Shares who will be entitled to attend the EGM, the register of members of the Company will be closed from Wednesday, 21 December 2022 to Wednesday, 28 December 2022 (both days inclusive), during which period no transfer of H Shares will be registered. In order for the holders of H Shares to qualify for attending the EGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than time on 4:30 p.m. on Tuesday, 20 December 2022.
3. Any shareholders entitled to attend and vote at the EGM can appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a shareholder.
4. The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his/her attorney duly authorised in writing or, if the shareholder is a corporation, either under its common seal or under the hand of its directors or an attorney duly authorised in writing to sign the same. If that instrument is signed by an attorney of the shareholder, the power of attorney authorising the attorney to sign, or other authorisation documents shall be notarised. The aforementioned documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the office of the Board at South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her legal representative, which specifies the date of its issuance. If a representative of a corporate Shareholder attends the EGM, such representative shall produce his/her identification document and the notarised copy of the resolution passed by the board of directors or other authority or other notarised copy of any authorisation documents issued by such corporate Shareholder.
6. The contact of the Company:  
  
Address: South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC  
Telephone: +86 0633 7381 569  
Fax: +86 0633 7381 530
7. The EGM is expected to last for no more than half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own travelling and accommodation expenses.