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

(Stock Code: 6117)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTIES

On 31 March 2023 (after trading hours), the Company entered into the Land Use Right Transfer Contracts with Rizhao Port Group, pursuant to which, Rizhao Port Group agreed to transfer the land use rights of the Properties to the Company at an aggregate consideration of RMB107,850,000, subject to the approval by the Independent Shareholders at the EGM.

LISTING RULES IMPLICATIONS

Rizhao Port Group is a controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Therefore, the entering into of the Land Use Right Transfer Contracts and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the transactions contemplated under the Land Use Right Transfer Contracts is higher than 5% but below 25% and the aggregate consideration is more than HK\$10,000,000, the entering into of the Land Use Right Transfer Contracts and the transactions contemplated thereunder also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to reporting, announcement and independent shareholders' approval requirements.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Land Use Right Transfer Contracts and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Gram Capital has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the Land Use Right Transfer Contracts and the transactions contemplated thereunder.

As at the date of this announcement, Rizhao 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 Land Use Right Transfer Contracts and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolutions approving the Land Use Right Transfer Contracts and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further information on the Land Use Right Transfer Contracts; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Properties; and (v) a notice of the EGM with the proxy form, is expected to be dispatched to the Shareholders on or before 28 April 2023 since additional time is required for the Company to prepare the information to be included in the circular.

INTRODUCTION

On 31 March 2023 (after trading hours), the Company entered into the Land Use Right Transfer Contracts with Rizhao Port Group, pursuant to which Rizhao Port Group agreed to transfer the land use rights of the Properties to the Company at an aggregate consideration of RMB107,850,000, subject to the approval by the Independent Shareholders at the EGM.

LAND USE RIGHT TRANSFER CONTRACTS

The principal terms of the Land Use Right Transfer Contracts are set out as follows:

(1) No. 1 Warehouse Transfer Contract

Date:	31 March 2023
Parties:	(a) Rizhao Port Group, as the transferor; and (b) the Company, as the transferee.
Property location:	South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)
Site area:	10,555.4 sq. m.
Term of use:	31 March 2023 to 28 August 2057
Land use:	Port terminal
Consideration:	RMB8,090,000

(2) Woodchip Stacking Yard Fire Pump Room Transfer Contract

Date: 31 March 2023

Parties: (a) Rizhao Port Group, as the transferor; and
(b) the Company, as the transferee.

Property location: South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)

Site area: 3,757.14 sq. m.

Term of use: 31 March 2023 to 28 August 2057

Land use: Port terminal

Consideration: RMB2,880,000

(3) Bulk Grain Phase Two Maize Stevedoring Electricity Substation Transfer Contract

Date: 31 March 2023

Parties: (a) Rizhao Port Group, as the transferor; and
(b) the Company, as the transferee.

Property location: South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)

Site area: 694.13 sq. m.

Term of use: 31 March 2023 to 28 August 2057

Land use: Port terminal

Consideration: RMB530,000

(4) Bulk Grain Phase One and Two Silo Area Transfer Contract

Date:	31 March 2023
Parties:	(a) Rizhao Port Group, as the transferor; and (b) the Company, as the transferee.
Property location:	South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)
Site area:	121,055.73 sq. m.
Term of use:	31 March 2023 to 28 August 2057
Land use:	Port terminal
Consideration:	RMB92,770,000

(5) Bulk Grain Phase Three No. 2 Electricity Substation Transfer Contract

Date:	31 March 2023
Parties:	(a) Rizhao Port Group, as the transferor; and (b) the Company, as the transferee.
Property location:	East of Beijing Road, South of Xinliang Road, Shijiu Street, Rizhao City, Shandong Province, the PRC (中國山東省日照市石臼街道北京路以東、新良路以南)
Site area:	725 sq. m.
Term of use:	31 March 2023 to 28 August 2053
Land use:	Industrial
Consideration:	RMB440,000

(6) Bulk Grain Phase Three Central Control Building Transfer Contract

Date:	31 March 2023
Parties:	(a) Rizhao Port Group, as the transferor; and (b) the Company, as the transferee.
Property location:	East of Beijing Road, South of Xinliang Road, Shijiu Street, Rizhao City, Shandong Province, the PRC (中國山東省日照市石臼街道北京路以東、新良路以南)
Site area:	5,155.36 sq. m.
Term of use:	31 March 2023 to 28 August 2053
Land use:	Industrial
Consideration:	RMB3,140,000

Payment terms and basis of determination of the consideration

The aggregate consideration for the transfer of land use rights of the Properties is RMB107,850,000, which was determined by the parties after arm's length negotiations with reference to the appraised market value of the Properties as at 31 January 2023 of RMB107,850,000 conducted by an independent property valuer on a market value basis using comparison approach. The aggregate consideration for the transfer of land use rights of the Properties shall be paid by the Company in cash within one month from the date on which the Land Use Right Transfer Contracts take effect and it will be financed by internal resources of the Company, bank facilities or a combination of both.

Conditions Precedent

The Land Use Right Transfer Contracts shall take effect upon the satisfaction of the following conditions precedent:

- (i) the approval by the board of directors of both parties in respect of the Land Use Right Transfer Contracts and the transactions contemplated thereunder in accordance with the articles of association; and
- (ii) the approval by the independent shareholders of the Company in respect of the Land Use Right Transfer Contracts and the transactions contemplated thereunder at an extraordinary general meeting of the Company.

Completion

Rizhao Port Group and the Company shall, within 30 days after the Land Use Right Transfer Contracts take effect, submit the necessary documents to the land administrative department for approval of the transfer of the land use right of the Properties. Upon payment of consideration by the Company to Rizhao Port Group and obtaining approval by the land administrative department, the Company shall obtain the land use certificates of the Properties and the rights and obligations of the Properties and the buildings and other attachments erected thereon shall be transferred to the Company.

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.

Rizhao Port Group, a company incorporated in the PRC with limited liability, is principally engaged in port operations, logistics, construction, finance and trade. Rizhao Port Group is a direct wholly-owned subsidiary of Shandong Port Group Co., Ltd. (山東省港口集團有限公司), which is a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LAND USE RIGHT TRANSFER CONTRACTS

In order to further enhance the operation level of the Company, the Company intends to acquire part of the land assets of Rizhao Port Group, for the purpose of meeting the property and real estate management needs of the Company, enhancing its asset integrity and effectively reducing property leasing costs, which will be conducive to the long-term development of the Company and in the interests of the Company and the Shareholders as a whole.

The terms of the Land Use Right Transfer Contracts 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 the Independent Financial Adviser) have confirmed that the transactions contemplated the Land Use Right Transfer Contracts are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Land Use Right Transfer Contracts and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolutions approving the Land Use Right Transfer Contracts and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

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GENERAL

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Gram Capital has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the Land Use Right Transfer Contracts and the transactions contemplated thereunder.

As at the date of this announcement, Rizhao 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 Land Use Right Transfer Contracts and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolutions approving the Land Use Right Transfer Contracts and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further information on the Land Use Right Transfer Contracts; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Properties; and (v) a notice of the EGM with the proxy form, is expected to be dispatched to the Shareholders on or before 28 April 2023 since additional time is required for the Company to prepare the information to be included in the circular. .

DEFINITIONS

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

“Board”	the board of Directors
“Bulk Grain Phase One and Two Silo Area Transfer Contract”	the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of bulk grain phase one and two silo area located at South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)
“Bulk Grain Phase Three Central Control Building Transfer Contract”	the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of bulk grain phase three central control building located at East of Beijing Road, South of Xinliang Road, Shijiu Street, Rizhao City, Shandong Province, the PRC (中國山東省日照市石臼街道北京路以東、新良路以南)
“Bulk Grain Phase Three No. 2 Electricity Substation Transfer Contract”	the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of bulk grain phase three no. 2 electricity substation located at East of Beijing Road, South of Xinliang Road, Shijiu Street, Rizhao City, Shandong Province, the PRC (中國山東省日照市石臼街道北京路以東、新良路以南)

“Bulk Grain Phase Two Maize Stevedoring Electricity Substation Transfer Contract”	the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of bulk grain phase two maize stevedoring electricity substation located at South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)
“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”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC natural persons or entities established under PRC laws
“EGM”	an extraordinary general meeting or any adjournment thereof of the Company to be convened to consider and, if thought fit, approve the Land Use Right Transfer Contracts and the transactions contemplated thereunder
“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 Land Use Right Transfer Contracts and the transactions contemplated thereunder

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to conduct Type 6 (advising on Corporate Finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Land Use Right Transfer Contracts and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Land Use Right Transfer Contracts and the transactions contemplated thereunder
“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
“Land Use Right Transfer Contracts”	collectively, the Bulk Grain Phase Two Maize Stevedoring Electricity Substation Transfer Contract, the Bulk Grain Phase One and Two Silo Area Transfer Contract, the Bulk Grain Phase Three No. 2 Electricity Substation Transfer Contract, the Bulk Grain Phase Three Central Control Building Transfer Contract, the No. 1 Warehouse Transfer Contract and the Woodchip Stacking Yard Fire Pump Room Transfer Contract
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“No. 1 Warehouse Transfer Contract”	the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of no. 1 warehouse located at South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)

“Properties”	the no. 1 warehouse, the woodchip stacking yard fire pump room, the bulk grain phase two maize stevedoring electricity substation and the bulk grain phase one and two silo area which are located at South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東) and the bulk grain phase three no. 2 electricity substation and the bulk grain phase three central control building located at East of Beijing Road, South of Xinliang Road, Shijiu Street, Rizhao City, Shandong Province, the PRC (中國山東省日照市石臼街道北京路以東、新良路以南)
“Rizhao Port Group”	Shandong Port Rizhao Port Group Co., Ltd. (山東港口日照港集團有限公司), a company incorporated in the PRC with limited liability and a controlling shareholder of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share (s) 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
“sq. m.”	square meter

“Woodchip Stacking Yard Fire Pump Room Transfer Contract” the land use right transfer contract dated 31 March 2023 entered into between Rizhao Port Group and the Company in relation to the transfer of the land use rights of woodchip stacking yard fire pump room located at South of Shanghai Road, east of Haibin 5th Road, Rizhao City, Shandong Province, the PRC (中國山東省日照市上海路以南、海濱五路以東)

* *Unofficial English translation denotes for identification purposes only*

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

Rizhao, PRC, 31 March 2023

As at the date of this announcement, the Board comprises Mr. Cui Liang as Chairman and non-executive Director; Mr. Qin Yuning as executive Director; Mr. Seow Kok Leong Terence, Mr. Nyan Ming Ren Francis, Mr. Fang Lei and Mr. Chen Lei as non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as independent non-executive Directors.