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

(Stock Code: 6117)

INSIDE INFORMATION ANNOUNCEMENT ON PROPOSED CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

THE PROPOSED RESTRUCTURING

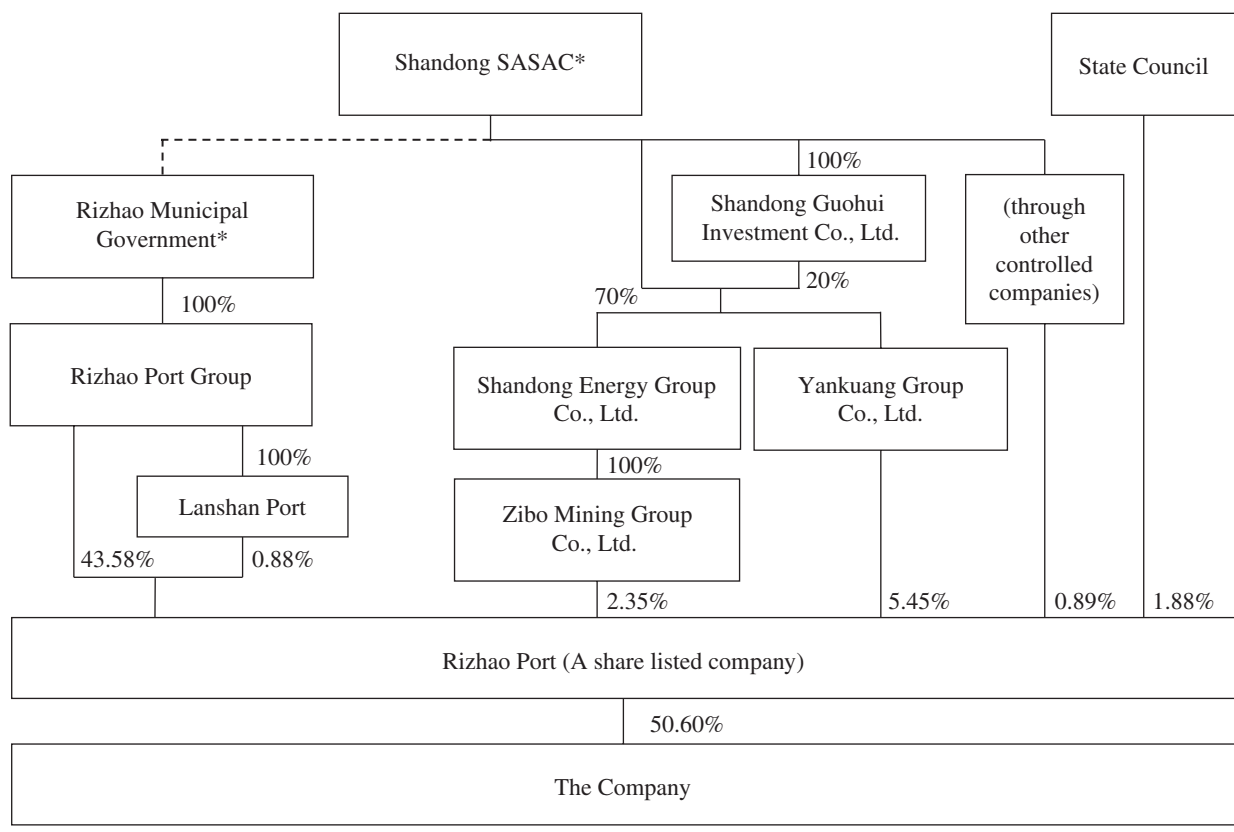
On 22 August 2019, the Company was informed by Rizhao Port, the controlling shareholder of the Company, that Rizhao Municipal Government has entered into the Equity Transfer Agreement on 22 August 2019 with Shandong SASAC and Shandong Port Group, pursuant to which, Rizhao Municipal Government has agreed to gratuitously transfer the 100% equity interests in Rizhao Port Group held by it to Shandong Port Group. The aim of the Proposed Restructuring is to consolidate the port resources in Shandong Province.

As at the date of this announcement, Rizhao Port directly holds 840,000,000 Domestic Shares of the Company, representing 50.60% of the total issued Shares of the Company. Rizhao Port Group directly holds 1,340,219,138 A shares of Rizhao Port, and indirectly holds 27,198,450 A shares of Rizhao Port through its wholly-owned subsidiary Lanshan Port, thereby holding an aggregate of 1,367,417,588 A shares of Rizhao Port in total, representing 44.46% of the total issued shares of Rizhao Port. Rizhao Municipal Government holds 100% equity interests in Rizhao Port Group. Shandong SASAC, via various non-wholly owned intermediate entities, indirectly controls 8.69% of the total issued shares of Rizhao Port.

Immediately after the completion of the Proposed Restructuring, Shandong Port Group, an entity ultimately controlled by Shandong SASAC, will directly own 100% of the equity interests in Rizhao Port Group which in turn will continue to own 44.46% of the total issued Shares of Rizhao Port. Combining with the existing 8.69% equity interest of Shandong SASAC in Rizhao Port, Shandong SASAC will thereby indirectly control 50.60% of the total issued Shares of the Company. As such, the ultimate controller of Rizhao Port Group will change from Rizhao Municipal Government to Shandong SASAC.

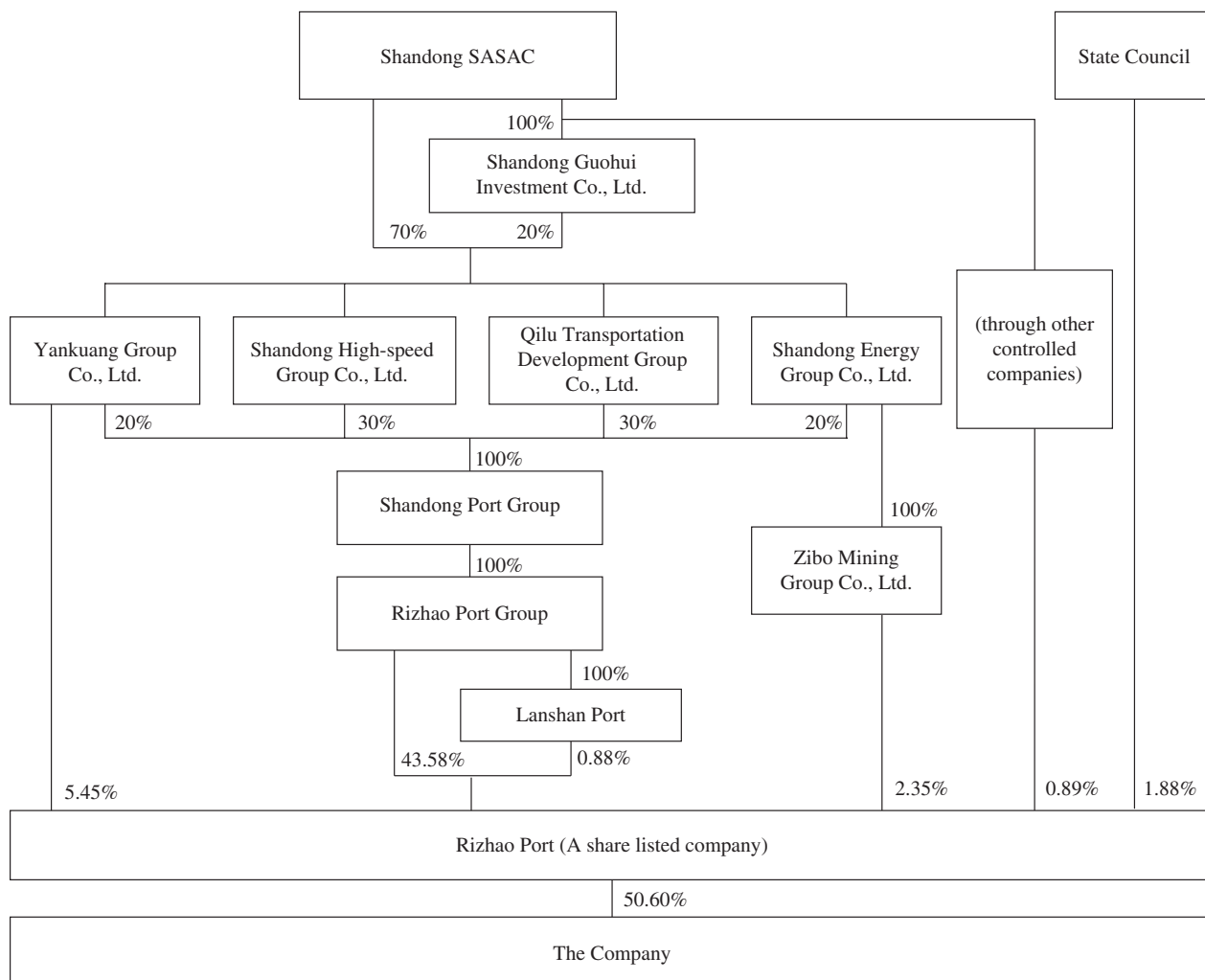
The simplified shareholding structures of the Company before and immediately after completion of the Proposed Restructuring are set out below:

Before the Proposed Restructuring



* Under PRC constitutional laws, Shandong Provincial Government is at a higher administrative level to Rizhao Municipal Government. Shandong SASAC is an authorized body of Shandong Provincial Government.

Immediately after the completion of the Proposed Restructuring



IMPLICATIONS UNDER THE TAKEOVERS CODE

The Proposed Restructuring may result in an obligation for Shandong Port Group to make a mandatory general offer by Shandong Port Group for all the Shares of the Company not already owned by it or parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code unless otherwise waived by the Executive.

The Company has been informed by Rizhao Port that Shandong Port Group will apply to the Executive for a waiver pursuant to Rule 26.1 of the Takeovers Code to dispense with its obligation to make a mandatory general offer for the Shares of the Company which may arise as a result of the Proposed Restructuring. The completion of the Proposed Restructuring will be subject to inter alia (i) the obtaining of the waiver from the Executive on the obligation to make a general offer for the Shares of the Company, (ii) the exemption from CSRC on the obligation of making a general offer regarding the A shares of Rizhao Port and (iii) the approval from the State Administration for Market Regulation on the declaration of concentration of business undertakings involved by the Proposed Restructuring. The Company has also been informed that no application has been made by Shandong Port Group to the Executive, the CSRC or the State Administration as at the date of this announcement, but Shandong Port Group will make such application as soon as possible.

It is not ascertained whether the aforesaid approvals from the relevant government departments in relation to the Proposed Restructuring could be obtained or whether it could be completed. The investors are reminded to pay attention to the investment risks.

COMPLIANCE WITH THE LISTING RULES AND TAKEOVERS CODE

The Company will make further announcement(s) with regard to the progress of the Proposed Restructuring as and when required under the Takeovers Code and/or the Listing Rules.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities (if any) of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Board”	the board of directors of the Company
“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
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“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
“Director(s)”	director (s) of the Company
“Equity Transfer Agreement”	equity transfer agreement dated 22 August 2019 entered into between Shandong SASAC, Shandong Port Group and Rizhao Municipal Government in relation to the Proposed Restructuring
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“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 on the Main Board of the Stock Exchange and traded in Hong Kong dollars

“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Lanshan Port”	Rizhao Port Group Lanshan Port Company Limited (日照港集團嵐山港務有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Restructuring”	the proposed transfer of 100% equity interests in Rizhao Port Group held by Rizhao Municipal Government to Shandong Port Group
“Rizhao Municipal Government”	Rizhao Municipal People’s Government
“Rizhao Port”	Rizhao Port Co., Ltd. (日照港股份有限公司), a company established in the PRC with limited liability whose shares are listed and traded on the Shanghai Stock Exchange (stock code: 600017), the Controlling Shareholder of the Company
“Rizhao Port Group”	Rizhao Port Group Co., Ltd. (日照港集團有限公司), a company incorporated in PRC with limited liability which is wholly-owned by Rizhao Municipal Government, the Controlling Shareholder of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Port Group”	Shandong Port Group Co., Ltd. (山東省港口集團有限公司), 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 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
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time and administered by the SFC
“%”	per cent

By Order of the Board
Rizhao Port Jurong Co., Ltd.
Zhang Baohua
Chairman

Rizhao, PRC, 22 August 2019

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Board comprises Mr. Zhang Baohua as Chairman and non-executive Director; Mr. He Zhaodi as executive Director; Mr. Ng Chee Keong, Mr. Ooi Boon Hoe, Mr. Shi Ruxin and Mr. Jiang Zidan as non-executive Directors; and Mr. Zhang Zixue, Mr. Lau Wai Leung Anders and Mr. Wu Xibin as independent non-executive Directors.