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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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).

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

(Stock Code: 6117)

CONTINUING CONNECTED TRANSACTION REVISION OF ANNUAL CAPS UNDER THE OPERATION OUTSOURCING AGREEMENT 2022 AND 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 10 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 17 December 2024 at the Office Building of Rizhao Port Jurong Co., Ltd. is set out on pages 29 to 30 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.rzportjurong.com).

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.

27 November 2024

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 12 January 2022 and 23 July 2024 in relation to the Operation Outsourcing Agreement 2022 and the Supplemental Agreement I, respectively
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6117)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC natural persons or entities established under PRC laws
“EGM”	an extraordinary general meeting or any adjournment thereof of the Company to be convened at 10:00 a.m. on Tuesday, 17 December 2024 at the Office Building of Rizhao Port Jurong Co., Ltd. to consider and, if thought fit, approve the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder
“Existing Annual Caps”	the existing annual caps for the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) for the three financial years ending 31 December 2024 as disclosed in the Announcements
“H Share(s)”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each, listed and traded on the Main Board of the Stock Exchange

DEFINITIONS

“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 Supplemental Agreement II, the Revised Annual Caps 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 SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Supplemental Agreement II, the Revised Annual Caps 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
“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”	22 November 2024, 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

DEFINITIONS

“Notice of EGM”	a notice convening the EGM set out on pages 29 to 30 of this circular
“Operation Outsourcing Agreement 2022”	the operation outsourcing agreement dated 12 January 2022 entered into between the Company and Rizhao Port Lanshan
“PRC”	the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Revised Annual Caps”	the proposed revised annual caps for the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) for the financial years ending 31 December 2024
“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 incorporated in the PRC with limited liability, and a controlling shareholder of the Company
“Rizhao Port Lanshan”	Rizhao Port Lanshan Port Services Co., Ltd.* (日照港股份嵐山港務有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Rizhao Port
“RMB”	Renminbi, the lawful currency of the PRC
“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 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

DEFINITIONS

“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
“Supplemental Agreement I”	the supplemental agreement to the Operation Outsourcing Agreement 2022 dated 23 July 2024 entered into between the Company and Rizhao Port Lanshan
“Supplemental Agreement II”	the supplemental agreement to the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) dated 29 October 2024 entered into between the Company and Rizhao Port Lanshan
“Supplemental Agreements”	collectively, the Supplemental Agreement I and the Supplemental Agreement II
“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. ZHOU Tao (*Chairman*)
Mr. SEOW Kok Leong Terence
Mr. NYAN Ming Ren Francis
Mr. FANG Lei
Ms. LIU Rong

Executive Director:

Mr. CHEN Zhou

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

27 November 2024

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
REVISION OF ANNUAL CAPS UNDER THE
OPERATION OUTSOURCING AGREEMENT 2022
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 29 October 2024 in relation to, among other things, the Supplemental Announcement II, the Revised Annual Caps and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) further information on the Supplemental Agreement II; (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder; (iv) general information of the Company; and (v) a notice for convening the EGM.

2. SUPPLEMENTAL AGREEMENT II AND REVISION OF ANNUAL CAPS

References are made to the Announcements in relation to the Operation Outsourcing Agreement 2022 and the Supplemental Agreement I, pursuant to which the Company may from time to time engage Rizhao Port Lanshan to provide stevedoring, storage and delivery services of grain cargoes, in Lanshan port area, for a term commencing from 12 January 2022 to 31 December 2024.

On 29 October 2024 (after trading hours), the Company entered into the Supplemental Agreement II with Rizhao Port Lanshan to revise the Existing Annual Caps. Save for the revision of the Existing Annual Caps, all other terms and conditions under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) remain unchanged.

The principal terms of the Supplemental Agreement II are set out as follows:

Date

29 October 2024 (after trading hours)

Parties

- (a) The Company; and
- (b) Rizhao Port Lanshan, a wholly-owned subsidiary of Rizhao Port, which is the controlling shareholder of the Company, and hence a connected person of the Company.

LETTER FROM THE BOARD

Subject matter

Pursuant to the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I), the Company may from time to time engage Rizhao Port Lanshan to provide stevedoring, storage and delivery services of grain cargoes, in Lanshan port area, for a term from 12 January 2022 to 31 December 2024.

Pursuant to the Supplemental Agreement II, the Existing Annual Caps under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) shall be revised to the Revised Annual Caps under the Supplemental Agreement II.

The Existing Annual Caps under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) are set out as follows:

	For the years ending 31 December		
	2022	2023	2024
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Provision of stevedoring, storage and delivery services by Rizhao Port Lanshan	25,000,000	25,000,000	41,000,000

The Revised Annual Caps under the Supplemental Agreement II are set out as follows:

	For the years ending 31 December		
	2022	2023	2024
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Provision of stevedoring, storage and delivery services by Rizhao Port Lanshan	25,000,000	25,000,000	58,000,000

Save for the revision of the Existing Annual Caps, all other terms and conditions of the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) remain unchanged.

LETTER FROM THE BOARD

3. PRICING POLICY

The fee charged for the services provided by Rizhao Port Lanshan shall be determined through arm's length negotiations by the parties and based on normal commercial terms with reference to (a) qualification of service providers in stevedoring of grain cargoes in Lanshan port area; (b) the prevailing market price for the provision of similar types of services in the same or nearby service area by Independent Third Parties; (c) the actual services to be provided, the volume of cargoes to be handled and the duration of storage of cargoes; and (d) the historical prices offered to Independent Third Party service providers.

- (a) For the provision of stevedoring and delivery services of grain cargoes, the fee charged will be determined through the evaluation conducted by an Independent Third Party with reference to the operation process of the same or similar types of services in the port, the complexity of storage of the cargoes, the cost of providing such services, the fees charged within the industry, as well as the historical prices offered to Independent Third Party service providers. The Company will also take into account that Rizhao Port Lanshan is the only port operator with the qualification of stevedoring grain cargoes approved by the governmental authority in the Lanshan port area.
- (b) For the provision of storage services of grain cargoes, the fee charged will be determined with reference to the storage process, duration and quality requirements for such services, the storage prices charged by Rizhao Port Lanshan to other customers, the fee charged within the industry, as well as prices comparison of fees charged by the Company to other customers in respect of such services.

Before entering into any agreements pursuant to the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements), the Company will obtain quotations from two or more Independent Third Party service providers in the neighbouring ports through price inquiry. The Company will hold a special meeting to analyse whether there are competitive advantages to procure Rizhao Port Lanshan's services and to perform a comparison of the fee quotations in accordance with the pricing policy to ensure that the terms of the continuing connected transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) are fair and reasonable and no less favourable than the terms offered to the Company from Independent Third Parties.

LETTER FROM THE BOARD

4. HISTORICAL AMOUNTS

The historical transaction amounts under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) are set out as follows:

	For the years ended		For the nine
	31 December		months ended
	2022	2023	30 September
	RMB	RMB	RMB
	(audited)	(audited)	(unaudited)
Provision of stevedoring, storage and delivery services by Rizhao Port Lanshan	20,526,000	7,460,000	36,946,203.07

There has been a significant increase in the historical transaction amount for the nine months ended 30 September 2024 compared with the historical transaction amount for the year ended 31 December 2023 since there has been a large number of ships with soybean cargoes unloading this year and the Company's capacity of stevedoring and silo storage is close to saturation. In order to timely unload the soybean cargoes without causing loss of business, there has been an increasing demand for Rizhao Port Lanshan's stevedoring and storage services this year.

5. REVISED ANNUAL CAPS AND BASIS OF DETERMINATION

The Revised Annual Caps under the Supplemental Agreement II were determined with reference to (a) the transaction amounts incurred for the nine months ended 30 September 2024 in respect of the stevedoring, storage and delivery services provided by Rizhao Port Lanshan to the Company; and (b) the existing demand and the anticipated increase in demand for such services, taking into account the scale and operations of the grain import business of the Company.

The revision of the Existing Annual Caps as contemplated under the Supplemental Agreement II was mainly due to the estimated increase in storage costs for the grain cargoes stevedored by Rizhao Port Lanshan which have not yet been delivered, taking into account the Company's grain storage cycle requirements and current warehousing turnover capacity.

The Board confirms that as at the Latest Practicable Date, the transaction amounts under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) have not exceeded the Existing Annual Caps for the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) for the financial year ending 31 December 2024.

LETTER FROM THE BOARD

6. 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 Lanshan, a company incorporated in the PRC with limited liability, is principally engaged in port operation, customs supervised cargo storage services (excluding hazardous chemicals) etc. Rizhao Port Lanshan is a wholly-owned subsidiary of Rizhao Port, which is 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 its controlling shareholder, Rizhao Port Group, is a direct wholly-owned subsidiary of Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong SASAC.

7. REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT II

The entering into of the Supplemental Agreement II with Rizhao Port Lanshan was based on the Company's grain storage cycle requirements and the current warehousing turnover capacity. As customers formulate discharging plans according to their respective shipping flow, storage capacity and changing demands, there is uncertainty in the volume of grain cargoes to be discharged and delivered and it is difficult for the Company to estimate the storage time of such cargoes. Storage costs are calculated according to the daily inventory calculation and storage time. Since the grain cargoes stevedored by Rizhao Port Lanshan have not yet been delivered, the longer storage time of such cargoes will continue to increase storage costs subsequently.

The transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) are part of or related to the Company's principal business activities and are expected to grow the Company's revenue and/or provide the Company with overall business and operational convenience as well as synergistic benefits, which will be conducive to the Company in terms of increasing the business volumes in the market, stabilizing the customer base, enhancing the strategic development of overall business, and strengthening the competitive advantages in the regional market.

The terms of the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) 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 under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) (including the Revised Annual Caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

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

8. 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 Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) are fair and reasonable and no less favourable than the terms offered to the Company from the Independent Third Parties:

- (a) The finance office of the Company will perform monthly review on the transactions entered into under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) to ensure compliance with pricing policies and that the Revised Annual Caps will not be exceeded;
- (b) The relevant office of the Company carrying out the specific connected transactions under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) with Rizhao Port Lanshan will closely monitor the actual transaction amount on a monthly basis. If the actual transaction amount reaches approximately 85% of the Revised Annual Caps at any time of the year, the securities affairs office of the Company will report to the senior management of the Company, which will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures to revise the Revised Annual Caps and comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Listing Rules;
- (c) The finance office of the Company will report to the audit committee of the Company and the Board as necessary to ensure that the Revised Annual Caps are not exceeded;
- (d) The Company will conduct internal control review and financial audit on an annual basis, financial monitoring and decision analysis on a half-yearly basis, so as to ensure that the terms of the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) and the pricing policies are complied with;
- (e) The auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) in accordance with the Listing Rules; and

LETTER FROM THE BOARD

- (f) The Company's internal audit office will focus on the above internal control measures as part of their ongoing work plan and will report to the audit committee of the Company and the Board on a quarterly basis.

9. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Rizhao Port Lanshan is a wholly-owned subsidiary of Rizhao Port, which is a controlling shareholder of the Company. Accordingly, Rizhao Port Lanshan is an associate of Rizhao Port pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules. Therefore, the entering into of the Operation Outsourcing Agreement 2022, the Supplemental Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest of all applicable percentage ratios in respect of the Revised Annual Caps is higher than 5% on an annual basis, the entering into of the Supplemental Agreement II is subject to reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

10. EGM

The EGM will be held at 10:00 a.m. on Tuesday, 17 December 2024 at the Office Building of Rizhao Port Jurong Co., Ltd. for the purpose of allowing Shareholders to consider and, if thought fit, approve the resolution as set out in the Notice of EGM on pages 29 to 30 of this circular.

A form of proxy for use at the EGM are enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.rzportjurong.com). Whether or not you are able to attend the EGM in person, you are requested to complete the 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.

LETTER FROM THE BOARD

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 Supplemental Agreement II (together with the Revised Annual Caps) and the transactions contemplated thereunder 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.

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.

As at the Latest Practicable Date, Rizhao Port and its associates are interested in 840,000,000 Domestic Shares, representing approximately 50.6% of the total issued share capital of the Company, and are required to abstain from voting on the relevant resolution approving the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolution approving the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder at the EGM.

11. 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 Thursday, 12 December 2024 to Tuesday, 17 December 2024 (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 Wednesday, 11 December 2024.

12. 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.

LETTER FROM THE BOARD

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.

13. 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 Supplemental Agreement II 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 Revised 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 resolution for approving the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder.

14. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 11 to 12 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 13 to 24 of this circular, the additional information as set out in the appendix to this circular and the Notice of EGM.

Yours faithfully,
By Order of the Board
Rizhao Port Jurong Co., Ltd.
Zhou Tao
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

(Stock Code: 6117)

27 November 2024

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION REVISION OF ANNUAL CAPS UNDER THE OPERATION OUTSOURCING AGREEMENT 2022

We refer to the circular dated 27 November 2024 (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 Supplemental Agreement II (together with the Revised 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 Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder as set out in the Circular. Gram Capital 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 16 to 17 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 Supplemental Agreement II, the Revised 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 Supplemental Agreement II (together with the Revised 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 Supplemental Agreement II 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 Revised 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 Supplemental Agreement II, the Revised 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 Annual Cap Revision 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

27 November 2024

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

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION FURTHER REVISION OF ANNUAL CAPS UNDER THE OPERATION OUTSOURCING AGREEMENT 2022

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 revision of the Existing Annual Caps for the year ending 31 December 2024 (“**FY2024**”) pursuant to the Supplemental Agreement II (the “**Annual Cap Revision**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 27 November 2024 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 12 January 2022, the Company and Rizhao Port Lanshan entered into the Operation Outsourcing Agreement 2022, pursuant to which the Company may from time to time engage Rizhao Port Lanshan to provide stevedoring, storage and delivery services of grain cargoes (the “**Operation Outsourcing Services**”), in Lanshan port area, for a term commencing from 12 January 2022 to 31 December 2024 (the “**Operation Outsourcing Transactions**”). On 23 July 2024, the Company entered into the Supplemental Agreement I with Rizhao Port Lanshan to revise the annual cap of the Operation Outsourcing Transactions for FY2024. Save for the aforesaid annual cap revision, all other terms and conditions under the Operation Outsourcing Agreement 2022 remain unchanged.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 29 October 2024 (after trading hours), the Company entered into the Supplemental Agreement II with Rizhao Port Lanshan to revise the Existing Annual Caps. Save for the revision of the Existing Annual Caps, all other terms and conditions under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreement I) remain unchanged.

With reference to the Board Letter, the Annual Cap Revision is required to re-comply with the provisions under Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions and is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Annual Cap Revision are on normal commercial terms and are fair and reasonable; (ii) whether the Annual Cap Revision is in the interests of the Company and the Shareholders as a whole and conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Annual Cap Revision 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 an independent financial adviser in relation to (i) continuing connected transaction and major transaction, details of which were set out in the Company's circular dated 5 December 2022; (ii) continuing connected transactions and discloseable and connected transaction, details of which were set out in the Company's circular dated 12 December 2022; (iii) continuing connected transactions, details of which were set out in the Company's circular dated 20 January 2023; (iv) discloseable and connected transaction, details of which were set out in the Company's circular dated 27 April 2023; and (v) major and connected transaction, details of which were set out in the Company's circular dated 11 May 2023. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 were only independent financial adviser engagements and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as 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 is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Annual Cap Revision. 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 the 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 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, Rizhao Port Lanshan, 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 Annual Cap Revision. 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 Annual Cap Revision, we have taken into consideration the following principal factors and reasons:

1. Background of the Company and Rizhao Port Lanshan

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 Rizhao Port Lanshan

With reference to the Board Letter, Rizhao Port Lanshan, a company incorporated in the PRC with limited liability, is principally engaged in port operation, customs supervised cargo storage services (excluding hazardous chemicals) etc. Rizhao Port Lanshan is a wholly-owned subsidiary of Rizhao Port, which is 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 its controlling shareholder, Rizhao Port Group, is a direct wholly-owned subsidiary of Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong SASAC.

2. Reasons for and benefits of the Annual Cap Revision

With reference to the Announcements, the Operation Outsourcing Transactions are part of or related to the Company's principal business activities and are expected to grow the Company's revenue and/or provide the Company with overall business and operational convenience as well as synergistic benefits, which are favourable for the Company to increase its business volume in the market, stabilise its customer base, enhance its overall business strategic development, and strengthen its competitiveness in the regional market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Directors, the Operation Outsourcing Services under the Operation Outsourcing Transactions as provided by Rizhao Port Lanshan (being the only port operator with the qualification of stevedoring grain cargoes approved by the governmental authority in the Lanshan Port area) to the Company were to ensure the normal engagement of the Group's operation and commercial activities in the Lanshan Port area. Furthermore, as the aforesaid transactions will be entered into in the ordinary and usual course of business of the Group and on a frequent basis, it would be costly and impracticable to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Listing Rules (if necessary).

Based on the above, we consider that the Operation Outsourcing Transactions are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole.

However, the historical amounts of Operation Outsourcing Transactions for the nine months ended 30 September 2024 accounted for approximately 90.1% to the Existing Annual Cap for FY2024. The Directors anticipated that the Existing Annual Cap for FY2024 may not be sufficient. Therefore, the Directors proposed to revise the Existing Annual Cap for FY2024 for the Operation Outsourcing Transactions.

Having considered (i) the reasons for and benefits of the Operation Outsourcing Transactions, which are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole; (ii) the Existing Annual Cap of the Operation Outsourcing Transactions for FY2024 may not be sufficient; (iii) our analyses on the Revised Annual Cap as set out below; and (iv) the Annual Cap Revision allows the Group to have sufficient room for conducting further Operation Outsourcing Transactions with Rizhao Port Lanshan, we consider that the Annual Cap Revision is conducted in the ordinary and usual course of business of the Group and is in the interest of the Company and the Independent Shareholders as a whole.

3. Principal terms of the Operation Outsourcing Transactions and the Annual Cap Revision

Set out below are the key terms of the Operation Outsourcing Transactions and the Annual Cap Revision, details of which are set out under the sections headed "2. Supplemental Agreement II and Revision of Annual Caps" of the Board Letter, "Operation Outsourcing Agreement 2022" of the Company's announcement dated 12 January 2022 and "Supplemental Agreement and Revision of Existing Annual Caps" of the Company's announcement dated 23 July 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Agreement date:

12 January 2022 (after trading hours) (as supplemented by the Supplemental Agreement I on 23 July 2024 and the Supplemental Agreement II on 29 October 2024)

Parties:

- (i) the Company; and
- (ii) Rizhao Port Lanshan, a wholly-owned subsidiary of Rizhao Port, which is the controlling shareholder of the Company, and hence a connected person of the Company.

Term:

From 12 January 2022 to 31 December 2024

Nature of transaction:

the Company may from time to time engage Rizhao Port Lanshan to provide stevedoring, storage and delivery services of grain cargoes (i.e. the Operation Outsourcing Services), in Lanshan port area.

Pricing policy:

The fee charged for the Operation Outsourcing Services provided by Rizhao Port Lanshan shall be determined through arm's length negotiations by the parties and based on normal commercial terms with reference to (a) qualification of service providers in stevedoring of grain cargoes in Lanshan port area; (b) the prevailing market price for the provision of similar types of services in the same or nearby service area by Independent Third Parties; (c) the actual services to be provided, the volume of cargoes to be handled and the duration of storage of cargoes; and (d) the historical prices offered to Independent Third Party service providers.

- (1) For the provision of stevedoring and delivery services of grain cargoes, the fee charged will be determined through the evaluation conducted by an Independent Third Party with reference to the operation process of the same or similar types of services in the port, the complexity of storage of the cargoes, the cost of providing such services, the fees charged within the industry, as well as the historical prices offered to Independent Third Party service providers. The Company will also take into account that Rizhao Port Lanshan is the only port operator with the qualification of stevedoring grain cargoes approved by the governmental authority in the Lanshan port area.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (2) For the provision of storage services of grain cargoes, the fee charged will be determined with reference to the storage process, duration and quality requirements for such services, the storage prices charged by Rizhao Port Lanshan to other customers, the fee charged within the industry, as well as prices comparison of fees charged by the Company to other customers in respect of such services.

Before entering into any agreements pursuant to the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements), the Company will obtain quotations from two or more Independent Third Party service providers in the neighbouring ports through price inquiry. The Company will hold a special meeting to analyse whether there are competitive advantages to procure Rizhao Port Lanshan's services and to perform a comparison of the fee quotations in accordance with the pricing policy to ensure that the terms of the Operation Outsourcing Transactions are fair and reasonable and no less favourable than the terms offered to the Company from Independent Third Parties.

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase or sale of materials/products/services from/to their connected persons, we noted that comparing prices with those offered by/to independent third parties for the same/similar product/service is one of the commonly adopted pricing policies. Therefore, we consider the pricing policies for the Operation Outsourcing Transactions to be fair and reasonable.

For our due diligence purpose, we obtained a list (the "**Sampling List**") of showing all vessels involving in the historical Operation Outsourcing Transactions for the nine months ended 30 September 2024, and selected three vessels from the list on a random sampling basis. As the selected transactions accounted for approximately 20% of the Operation Outsourcing Transactions for the nine months ended 30 September 2024 in terms of number of vessels, we consider the sample size is sufficient for our analyses purpose. The Group provided us relevant invoices in respect of the Operation Outsourcing Services (including both (i) stevedoring and delivery services; and (ii) storage services) and ancillary documents (such as breakdown of storage services in terms of weight, confirmation on weight of grains from such vessel, etc.) (the "**Sampling Documents**"). We noted from the aforesaid documents that the services fees charged by Rizhao Port Lanshan to the Group were not higher than those charged by the Group to independent third party clients for the same services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Board Letter, the Company has established the certain internal control measures (the “**Internal Control Measures**”) to ensure that the pricing mechanism and the terms of the Operation Outsourcing Transactions are fair and reasonable and no less favourable than the terms offered to the Company from the Independent Third Parties. Details of the Internal Control Measures are set out under the section headed “Internal Control Measures” of the Board Letter. Having considered that there will be review procedures on individual transactions to ensure the compliance of pricing policies on a monthly basis, we are of the view that the effective implementation of the Internal Control Measures will ensure the fair pricing of the Operation Outsourcing Transactions.

With reference to the Company’s annual report for the year ended 31 December 2023 (“**FY2023**”), the independent non-executive Directors have reviewed the continuing connected transactions (including the Operation Outsourcing Transactions) for FY2023 and confirmed that the continuing connected transactions (including the Operation Outsourcing Transactions) have been entered into (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms or better; and (iii) in accordance with the agreement governing the transaction and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company’s auditor was also engaged to report on the Company’s continuing connected transactions (including the Operation Outsourcing Transactions) for FY2023 pursuant to Chapter 14A of the Listing Rules. The auditor of the Company confirmed to the Board, among others, that they have not noticed anything that causes them to believe that any of the Company’s continuing connected transactions (including the Operation Outsourcing Transactions) (i) have not been approved by the Board; (ii) were not entered into in accordance with the relevant agreements governing such continuing connected transactions in all material aspects; and (iii) have exceeded the relevant annual caps for FY2023.

Based on the above, including (i) our review results; (ii) auditors’ confirmation and independent non-executive directors’ confirmation, we do not doubt the effectiveness of implementation of the Internal Control Measures for fair pricing of the Operation Outsourcing Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Revised Annual Cap

The table below demonstrates (i) the historical transaction amounts of the Operation Outsourcing Transaction for the two years ended 31 December 2023 and the nine months ended 30 September 2024, together with the Existing Annual Caps for the three years ending 31 December 2024; and (ii) the Revised Annual Cap:

	For the year ended 31 December 2022 RMB	For the year ended 31 December 2023 RMB	For the year ending 31 December 2024 RMB
Historical transaction amounts	20,526,000	7,460,000	36,946,203.07 (Note)
Existing Annual Caps	25,000,000	25,000,000	41,000,000
Utilisation rate	82.1%	29.8%	90.1% (Note)
			For the year ending 31 December 2024 RMB
Revised Annual Cap			58,000,000

Note: The figure was for the nine months ended 30 September 2024.

We understood that the Directors considered factors set out under the section headed “Revised Annual Caps and Basis of Determination” of the Board Letter when determining the Revised Annual Cap.

According to the above table, the annualised amounts for FY2024 (based on historical transaction amounts of approximately RMB36.9 million for the nine months ended 30 September 2024) would be approximately RMB49.3 million, which exceed the original annual cap of approximately RMB41.0 million for FY2024.

Upon our request, we obtained the calculation of the Revised Annual Cap, being the summation of existing annual cap of RMB41 million and additional fees of RMB17 million, which comprised (i) estimated fees for storage services of grain cargoes of approximately RMB11.3 million; and (ii) estimated fees for stevedoring and delivery services of approximately RMB5.9 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Estimated fees for storage services

Upon our enquiry, we were advised by the Directors that the estimated fees for storage services of approximately RMB11.3 million are fees for storage services for grain cargoes (i) from four vessels, of which the fees were confirmed by the Company and its clients mutually; and (ii) from four vessels, of which the fees had not been confirmed as relevant services were ongoing.

In respect of the storage services for grain cargoes from four vessels (the fees had not been confirmed as relevant services were ongoing), we obtained the following documents, (i) estimated fee breakdown for storage services for grain cargoes from each vessel; (ii) the commencement date of storage services with supporting documents; (iii) weight of grain cargoes stored as at 31 October 2024; and (iv) the expected taking out date.

After reviewing the above documents, we (i) acknowledged commencement date of storage services, which together with the expected taking out date implied the number of days for storage services; (ii) reviewed estimated fee breakdown for storage services for grain cargoes from each vessel and noted that the unit fees charged therein were in line with the actual unit fees charged by the Company according to the sampling documents; (iii) acknowledged weight of grain cargoes stored as at 31 October 2024. Based on the above, we consider the calculation of estimated fees for storage services for grain cargoes from such four vessels are fair and reasonable. Accordingly, we are of the view that the estimated fees for storage services are fair and reasonable.

Based on the above, we are of the view that the estimated fees for storage services comprised fees for storage services for grain cargoes of RMB11.3 million are fair and reasonable.

Estimated fees for stevedoring and delivery services

As advised by the Directors, they expected to engage Rizhao Port Lanshan to provide stevedoring and delivery services to one vessel in each of November 2024 and December 2024. The estimated fees for stevedoring and delivery services volume of grain cargoes to be handled and estimated per unit cost for stevedoring and delivery services.

As further advised by the Directors, the estimated volume of grain cargoes to be handled were determined with reference to the loading capacity of relevant vessel, and estimated per unit cost for stevedoring and delivery services were determined with reference to historical costs of relevant services charged by Rizhao Port Lanshan.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For our due diligence purpose, we compared (i) the estimated loading capacity of relevant vessel to the loading capacity of vessels as shown in the Sampling List; and (ii) the estimated per unit cost for stevedoring and delivery services to per unit cost for stevedoring and delivery services as shown in the Sampling Documents. We noted that the estimated loading capacity of relevant vessels are the same as loading capacity of vessels as shown in the Sampling List and the estimated per unit cost for stevedoring and delivery services was the same as per unit cost for stevedoring and delivery services as shown in the Sampling Documents. Accordingly, we are of the view that the estimated fees for stevedoring and delivery services of RMB5.9 million, calculating by the multiplying of the estimated volume of grain cargoes to be handled and estimated per unit cost for stevedoring and delivery services, are fair and reasonable.

Our conclusion on the Revised Annual Cap

Having considered the above factors, including (i) the historical transaction amounts of the Operation Outsourcing Transaction for the nine months ended 30 September 2024; (ii) the estimated fees for storage services comprised fees for storage services for grain cargoes of RMB11.3 million being fair and reasonable; and (iii) the estimated fees for stevedoring and delivery services of RMB5.9 million being fair and reasonable, we are of the view that the Revised Annual Cap is fair and reasonable.

Shareholders should note that as the Revised Annual Cap 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 it does not represent forecasts of revenue/expenses/costs to be recorded/incurred from Operation Outsourcing Transactions. Consequently, we express no opinion as to how closely the actual revenue/expenses to be incurred from the Operation Outsourcing Transactions will correspond with the Revised Annual Cap.

4. 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 values of the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) must be restricted by the Revised Annual Cap; (ii) the terms of the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) 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 transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) (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 actual amounts of the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) are anticipated to exceed the annual caps, or that there is any proposed material amendment to the terms of the transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements), as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

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 transactions contemplated under the Operation Outsourcing Agreement 2022 (as amended by the Supplemental Agreements) 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 Annual Cap Revision are fair and reasonable and on normal commercial terms; and (ii) the Annual Cap Revision is conducted in the ordinary and usual course of business of the Group and 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 resolution to be proposed at the EGM to approve the Annual Cap Revision, 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 around 30 years of experience in investment banking industry.

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. 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 2023, the date to which the latest published audited financial statements of the Company were made up.

3. 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 C3 of the Listing Rules.

4. 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. Zhou Tao, a non-executive Director and the chairman of the Board, is a member of the Party Committee, director and deputy general manager of Rizhao Port.
- (b) Mr. Fang Lei, a non-executive Director, is a senior expert of Rizhao Port.
- (c) Mr. Seow Kok Leong Terence, a non-executive Director, is the chief executive officer of Jurong Port.
- (d) Mr. Nyan Ming Ren Francis, a non-executive Director, is the chief financial officer of Jurong Port.
- (e) Ms. Liu Rong, a non-executive Director, is the deputy director of financial management department of Rizhao Port Group.
- (f) Ms. Feng Hui, a Supervisor, is the director of legal affairs and audit department of Rizhao Port.
- (g) Mr. Tham Wai Kong, a Supervisor, 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.

5. 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.

6. 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)).

7. 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 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to 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.

8. 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:

Name	Qualifications
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 did not have any shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and opinion dated 27 November 2024 and reference to its name in the form and context in which they appear.
- (d) The letter and recommendation given by Gram Capital are given as at the date of this circular for incorporation herein.
- (e) As at the Latest Practicable Date, Gram Capital 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 2023, being the date to which the latest published audited accounts of the Company were made up.

9. DOCUMENTS ON DISPLAY

A copy of the Supplemental Agreement II will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.rzportjurong.com) for a period of 14 days from the date of this circular (both days inclusive).

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 Tuesday, 17 December 2024 at the Office Building of Rizhao Port Jurong Co., Ltd. for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 27 November 2024 in relation to the EGM:

ORDINARY RESOLUTION

1. To consider and approve the Supplemental Agreement II, the Revised Annual Caps and the transactions contemplated thereunder.

By Order of the Board
Rizhao Port Jurong Co., Ltd.
Zhou Tao
Chairman

Rizhao, PRC, 27 November 2024

As at the date of this notice, the board of directors of the Company comprises Mr. Zhou Tao as Chairman and non-executive Director; Mr. Chen Zhou as the executive Director; Mr. Seow Kok Leong Terence, Mr. Nyan Ming Ren Francis, Mr. Fang Lei and Ms. Liu Rong as the non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as the independent non-executive Directors.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All votes of the resolution 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 Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (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 Thursday, 12 December 2024 to Tuesday, 17 December 2024 (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 4:30 p.m. on Wednesday, 11 December 2024.
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.