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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8233)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE 60% EQUITY INTERESTS IN THE TARGET COMPANY

THE ACQUISITION

On 29 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Investment Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Interest, representing 60% equity interest in the Target Company, at a total consideration of RMB47,147,900.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Acquisition exceeds 5% but all of the applicable percentage ratios is less than 25%, the entering into of the Investment Agreement and the Acquisition contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 19 of the Listing Rules.

THE ACQUISITION

On 29 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Investment Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Interest, representing 60% equity interest in the Target Company, at a total consideration of RMB47,147,900. The key terms of the Investment Agreement are as follows:

* *For identification purpose only*

The Investment Agreement

Date:

29 June 2016

Parties:

- (1) the Purchaser, a wholly-owned subsidiary of the Company
- (2) the Vendor; and
- (3) the Shayang County Government

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the Vendor, the Shayang County Government and their respective ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.

Assets to be acquired

Pursuant to the Investment Agreement, the Purchaser agreed to acquire, and the Vendor agreed to dispose of the Sale Interest, representing 60% equity interest in the Target Company.

The Target Company owns an integrated port construction project in Phase 1 of the central port area in Shayang Port (沙洋港中心港區一期). It is one of the major port construction projects under “12th Five-Year Plan” of Hubei Province of the PRC, which will serve as a water transportation hub connecting surrounding six provinces, an essential material distribution centre of Central Wuhan and also a superior port area for the middle reaches of Han River.

Consideration

The total consideration payable for the Acquisition is RMB47,147,900, which shall be payable by the Purchaser in cash in the following manner:

- (1) RMB14,144,370, representing 30% of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by Jingmen Assets Exchange upon the entering into the Investment Agreement, which will be in turn be transferred to the Vendor. In this regard, a deposit RMB2,357,500, which has already been paid by the Purchaser to a bank account designated by Jingmen Assets Exchange during the tendering process, will count towards the payment of the aforesaid 30% of the total consideration for the Acquisition, after deduction for the applicable transaction fee payable to the Jingmen Assets Exchange in the amount of RMB79,247.90;

- (2) RMB18,859,160, representing 40% of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by Jingmen Assets Exchange before 31 December 2016, which will in turn be transferred to the Vendor; and
- (3) RMB14,144,370, representing the balance of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by Jingmen Assets Exchange within 1 year of the entering into of the Investment Agreement, which will in turn be transferred to the Vendor.

Pursuant to the terms of the Investment Agreement, the Purchaser's payment obligations of the respective portion of the consideration for the Acquisition to the Vendor shall be deemed to be satisfied upon the payment by the Purchaser of the relevant sums to the Jingzhou Assets Exchange.

The consideration for the Acquisition will be financed by the internal resources and/or borrowings of the Group.

Basis of the consideration

The consideration for the Acquisition contemplated under the Investment Agreement was arrived at based on normal commercial terms with reference to the net asset value of the Target Company as at 12 March 2016 attributable to the Sale Interest.

Completion of the Acquisition

The parties will arrange and complete the relevant registration with the local authority in relation to the Acquisition upon receipt of the certificate relating to the Acquisition from the Jingmen Assets Exchange.

Upon completion of the Acquisition, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

Governance of the Target Company

Upon completion of the Acquisition, the Target Company Board shall comprise of five (5) directors, of which the Vendor shall be entitled to nominate two (2) directors, and the Purchaser shall be entitled to nominate three (3) directors. The Purchaser shall be further entitled to nominate the chairman of Target Company Board, the legal representative, general manager and the financial controller of the Target Company.

Further Obligations of the Parties

Upon the Target Company starting its operations, the Vendor shall be responsible for the provision of management services and coordination with the various governmental authorities with respect to the Port.

The Purchaser shall be responsible for assigning the relevant professionals and experts to supervise and provide guidance for the operation of the Port.

The Shayang County Government shall be responsible for, among others, (i) providing the Purchaser with the Additional Land with an area of 500 mu at an agreed price for the future development of a logistical park facility, (ii) leveling and preparing the Additional Land as well as the beach area between the Project's jetty facilities and the Additional Land, (iii) complete the shutdown or consolidation of the other port operations in Shayang County municipal area (other than the Port) within one (1) month from the start of the trial operation of the Port, and (iv) facilitate the approval of the Acquisition and the transactions contemplated thereunder by the relevant governmental authorities so as to ensure the compliance of the Acquisition with the relevant laws and regulations.

In this regard, in the event the Purchaser enters into any sale and purchase agreement in relation to the Additional Land, the Company will comply with the requirements of the Listing Rules in respect thereof and make further announcement(s) as and when appropriate.

Entire Agreement

The Investment Agreement forms the complete agreement between the parties relating to the transactions contemplated thereunder, and shall replace any prior written or oral contract, agreement, memorandum of understanding or other written arrangements. In the event of conflict between the Investment Agreement and the aforesaid agreements or any subsequent standard form contracts required under the relevant PRC laws to effect the Acquisition, the terms of the Investment Agreement shall prevail.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor, Shayang Xingang Investment Development Centre* (沙洋新港投資發展中心), is an organisation under the Shayang County Government mainly responsible for the investment of port and logistic infrastructure, construction as well as the capital operation and management of related projects.

The Target Company is a company established in the PRC in December 2002 and is principally engaged in (i) the investment, construction, development and management of transportation infrastructure, (ii) management and operation of the transportation-related advertising business, and (iii) land-related development through land reserve development centers.

Based on the audited financial report of the Target Company as at 12 March 2016, the net and total assets of the Target Group are RMB78,579,812.50 and RMB78,579,812.50, respectively. The unaudited consolidated financial information of the Target Group for the two years ended 31 December 2014 and 2015 respectively, which were prepared in accordance with the accounting principles generally accepted in the PRC, are as follows:

	UNAUDITED	
	For the year ended 31 December 2014 RMB	For the year ended 31 December 2015 RMB
Profit before and after taxation	15,841	8,291

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group, through the Acquisition, will establish a synergistic connection between the Port and the Company's Wuhan Yangluo Port in the Yangtze River Basin. This serves to maximise Yangluo Port's advantage as a logistic centre of the middle reaches of the Yangtze River, is in line with the development trend of "One Belt, One Road" policy in the PRC, and is beneficial to the Group for realising its strategic aims in the Yangtze River Basin.

Accordingly, the Directors consider that the terms of the Investment Agreement and the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PURCHASER

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company, through its subsidiaries, engages in the investment, development, operation and management of container ports which are conducted through the WIT Port, which is 85% owned by the Group.

The Purchaser was established in the PRC with limited liability. It is mainly engaged in businesses of ports construction and operation, commissioned import and export business for goods and technology, international and domestic freight forwarding agency.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Acquisition exceeds 5% but all of the applicable percentage ratios is less than 25%, the entering into of the Investment Agreement and the Acquisition contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 19 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition by the Purchaser of the Sale Interest in the Target Company pursuant to the Investment Agreement;
“Board”	the board of Directors;
“Company”	CIG Yangtze Ports PLC, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Investment Agreement”	the investment agreement dated 29 June 2016 entered into by and between the Purchaser and the Vendor in relation to the Acquisition;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jingmen Assets Exchange”	荊門產權交易公司 (Jingmen Assets Exchange Co., Limited*), a company established in the PRC with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Port”	the port under construction relating to Phase 1 of the central port area in Shayang Port (沙洋港中心港區一期), located in Shayang County of Hubei Province of the PRC;
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan;
“Purchaser”	CIG Wuhan Multipurpose Port Limited (武漢中基通用港口發展有限公司) a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;

“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	the 60% equity interest in the Target Company;
“Shareholders”	holder(s) of the Shares;
“Shares”	ordinary shares with a par value of HK\$0.01 each in the capital of the Company;
“Shayang County Government”	The county government of Shayang County of Hubei Province of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Shayang County Guoli Transportation Investment Co., Limited* (沙洋縣國利交通投資有限公司), a company established in the PRC which limited liability;
“Target Company Board”	the board of directors of the Target Company;
“Vendor”	Shayang Xingang Investment Development Centre* (沙洋新港投資發展中心), an organisation under the Shayang County Government; and
“%”	per cent.

By order of the Board
CIG Yangtze Ports PLC
Xie Bingmu
Executive Director

Hong Kong, 29 June 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Liu Qin, Mr. Duan Yan and Mr. Xie Bingmu, two non-executive Directors namely Mr. Yan Zhi, Mr. Fang Yibing and three independent non-executive Directors namely Mr. Lee Kang Bor, Thomas, Dr. Mao Zhenhua and Mr. Wong Wai Keung, Frederick.

* *For identification purpose only*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the Company's website at www.cigyangtzeports.com and the "Latest Company Announcement" page on the GEM website at www.hkgem.com for at least seven days of its posting.