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**中國基建港口有限公司\***  
**CIG Yangtze Ports PLC**

*(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 28 December 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer 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 RMB52,810,100.

**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 are less than 25%, the entering into of the Equity Transfer 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 28 December 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer 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 RMB52,810,100. Salient terms of the Equity Transfer Agreement are as follows:

**The Equity Transfer Agreement**

**Date:**

28 December 2016

\* *For identification purpose only*

**Parties:**

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

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

**Assets to be acquired**

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

**Consideration**

The total consideration payable for the Acquisition is RMB52,810,100, which shall be payable by the Purchaser in cash to the Vendor in the following manner:

- (1) RMB15,843,030, representing 30% of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by the Jingmen Assets Exchange within three (3) business days following the entering into the Equity Transfer Agreement, which will in turn be transferred to the Vendor. In this regard, the net amount payable is RMB13,298,480, after taking into account a deposit of RMB2,640,600 which has already been paid by the Purchaser to a bank account designated by the Jingmen Assets Exchange during the tendering process and after deduction of the applicable transaction fee of RMB96,050 to be borne by the Purchaser from the deposit;
- (2) RMB21,124,040, representing 40% of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by the Jingmen Assets Exchange before 30 June 2017, which will in turn be transferred to the Vendor; and
- (3) RMB15,843,030, representing the balance of the total consideration for the Acquisition, shall be payable by the Purchaser to a bank account designated by the Jingmen Assets Exchange within 1 year of the entering into of the Equity Transfer Agreement, which will in turn be transferred to the Vendor.

Pursuant to the terms of the Equity Transfer 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 Jingmen Assets Exchange.

The consideration for the Acquisition will be financed by the internal resources available to the Group.

## **Basis of the consideration**

The consideration for the Acquisition contemplated under the Equity Transfer Agreement was arrived at with reference to the net asset value of the Target Company of RMB88,016,800 as at 14 November 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.

## **INFORMATION ON THE VENDOR AND THE TARGET COMPANY**

The Vendor, Zhongxiang City Transportation Investment Co., Limited\* (鐘祥市交通投資有限公司), is a company established in the PRC with limited liability under the Zhongxiang State owned Assets Supervision and Administration Bureau (鐘祥市國有資產監督管理局) and is 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 wholly owned subsidiary of the Vendor, a company established in the PRC in November 2016 and is principally engaged in (i) the investment, development and management of transportation infrastructure, (ii) loading and unloading of cargo, and (iii) shipping agency services. The Target Company currently develops the Port Project, which is located in Shipai County, Zhongxiang City of the PRC.

Based on the audited financial report of the Target Company as at 14 November 2016, the net and total assets of the Target Group are RMB88,016,800 and RMB88,016,800, respectively. Up to November 2016, the Target Company has not recorded any revenue or profit.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Port Project will be developed into a port, logistics and industrial mixed-use port district with an area of approximately 25 square kilometers. The port portion of the Port Project will occupy an area of approximately 2.5 square kilometers with the planned construction of four (4) 1000-tonne class berths, and a logistical park covering approximately 2.5 square kilometers to be constructed next to the port area. The Board believes the Port Project would provide opportunity for the Group to expand its geographical coverage and create synergy among its ports.

The Directors consider that the entering into of the Equity Transfer Agreement and the Acquisition contemplated thereunder are based on normal commercial terms which are fair and reasonable and is in the interests of the Company and its 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 85% owned WIT Port, the 100% owned Multi-Purpose Port, the 100% owned Hannan Port and the 60% owned Shayang Port of the Group.

The Purchaser was established in the PRC with limited liability. It is mainly engaged in 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 are less than 25%, the entering into of the Equity Transfer 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 Equity Transfer Agreement;
“Board”	the board of Directors;
“Company”	CIG Yangtze Ports PLC, a company incorporated in the Cayman Islands with limited liability and the 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;
“Equity Transfer Agreement”	the equity transfer agreement dated 28 December 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 Project”	the development project of a port, logistics and industrial mixed-use port district located in Shipai County, Zhongxiang City, 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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Zhongxiang City Port Development Co., Limited* (鐘祥市中基港口發展有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of the Vendor;
“Vendor”	Zhongxiang City Transportation Investment Co., Limited* (鐘祥市交通投資有限公司), a company established in the PRC with limited liability under the Zhongxiang State owned Assets Supervision and Administration Bureau (鐘祥市國有資產監督管理局); and
“%”	per cent.

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

Hong Kong, 28 December 2016

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

*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](http://www.cigyangtzeports.com) and the "Latest Company Announcement" page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days of its posting.*