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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8233)

FURTHER INFORMATION ON THE MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION

Reference is made to the announcement of CIG Yangtze Ports PLC, (the “**Company**”) dated 28 November 2015 in respect of, among others, the entering into the Acquisition Agreement and the Acquisition contemplated thereunder (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein have the same meanings as those defined in the Announcement.

Consideration

As disclosed in the Announcement, the Consideration Shares will be allotted and issued by the Company to the security account designated by the Vendor by two instalments. The second instalment, being 11,840,000 Consideration Shares, will not be allotted and issued immediately after completion of the Acquisition but only upon the satisfaction of Condition (b) under the section headed “**Undertakings made by the Vendor and the Guarantor**” in the Announcement. As such, the Company will at no time hold its own Shares after completion of the Acquisition.

Adjustments to the Consideration

As disclosed in the Announcement, the Vendor will, in consideration of HK\$1, grant a put option (the “**Put Option**”) to the Purchaser, pursuant to which if Condition (c) under the section headed “**Undertakings made by the Vendor and the Guarantor**” in the Announcement is not satisfied within three (3) years after the Completion Date, the Purchaser shall have a right to notify the Vendor in writing, requiring the Vendor to repurchase the Target Share at a price equivalent to the Consideration (subject to adjustments made to the Consideration).

* *For identification purpose only*

Such Condition (c) provides that the 港口經營許可證 (Port Operating License*) issued by the 交通管理部門 (traffic management department*) shall be obtained by the Hannan Port within three (3) years after the Completion Date. The three-year period required in fulfilling such Condition (c) was determined upon arm's length negotiations between the Company and the Vendor after taking into account of the estimated time required based on the past experience of the Company and the Vendor in obtaining similar type of licenses from the 交通管理部門 (traffic management department*).

Further announcement will be made by the Company upon a decision is being made by the Company as to whether to exercise the Put Option or not, and in deciding whether to exercise the Put Option, the Company will comply with the applicable requirements under the GEM Listing Rules, including but not limited to Rules 19.75(1), 20.77(3) and 20.77(4) of the GEM Listing Rules.

Undertaking made by the Vendor and the Guarantor

In respect of the Conditions under the section headed “**Undertakings made by the Vendor and the Guarantor**” in the Announcement, during the course of negotiation, the Company has considered the following information:

- (1) the due diligence review carried out and continue to be carried out by the Purchaser pursuant to the Acquisition Agreement on, among others, the assets, the business operation, financial status, sales and business prospects and other matters of the Target Group, the review of which include the prospects of the fulfilment of the Conditions (a) to (e) within the specified time, and the implications to the Company (including the Target Group) for the Vendor's or the Guarantor's failure in fulfilling each of the Conditions and the proposed mitigating measures set out below:
 - The Hannan Port is applying for the planning and construction permits on a piece of industrial land with an area of 159,542.02 square meters. If Condition (a) is not satisfied and the ownership of such land is retrieved by the government of Hubei Province, the area of land available to the Target Group for its stacking yard operation will be reduced by 159,542.02 square meters. The Company will require the Vendor or the Guarantor to compensate for any loss arising therein, in an amount of approximately HK\$50 million, which is the market value of such land dated 30 June 2015 according to a valuation report issued by an independent valuer. Failure to satisfy Condition (a) will not cause a material impact to the Target Group as it can utilize its other vacant land for its stacking yard operation;
 - If Condition (b) is not satisfied, the Target Group will lose the ownership of the two buildings specified therein, which will be compensated by the Company retaining the second instalment of the Consideration Shares;

- If Condition (c) is not satisfied, which is a material impact to the Target Group indicating that it could not continue its operations, the Put Option is in place for the Company to require the Vendor to repurchase the Target Share at a price equivalent to the Consideration (subject to adjustments made to the Consideration);
 - If Condition (d) is not satisfied, the Company will be subject to fines imposed by the social security bureau of Wuhan Province, which will be borne by the Vendor and the Guarantor, and the Company will step in to complete the relevant registration and payment of social insurance and housing fund by itself, the cost of which will also be borne by the Vendor and the Guarantor; and
 - The Aggregate Profit is guaranteed by the Vendor and the Guarantor pursuant to Condition (e). If the actual Aggregate Profit is lower than HK\$20 million, the Company's financial performance is protected by the indemnity provided by the Vendor and the Guarantor as specified in Condition (e), which will offset any shortfall between HK\$20 million and the actual Aggregate Profit.
- (2) the Vendor and the Guarantor undertake that they will bear all the costs and fees payable for the completion of Conditions (a) to (d). If any member of the Target Group pays for those costs and fees in advance, the Vendor, as directed by the Purchaser, agrees to transfer such amount of costs and fees to a bank account designated by the Purchaser;
 - (3) the Company will closely monitor the progress of the fulfilment of the Conditions (a) to (d) and will participate in the process and in the event that in the view of the Company that the progress is not satisfactory, the Company will step in and take charge of the process in fulfilling any of the Conditions (a) to (d);
 - (4) the Company has the right to take legal action against the Vendor and the Guarantor if in the opinion of the Company that the Vendor and the Guarantor are in breach of the Acquisition Agreement; and
 - (5) pursuant to the Acquisition Agreement, the Vendor and the Guarantor will indemnify the Company against any loss, debts or expenses incurred by the Company (including but not limited to reasonable legal fees) to fulfill any Condition (a) to (d) arising from the Vendor and the Guarantor's failure to fulfill any of the Conditions within the specific timeline.

In relation to Condition (e) under the section headed “**Undertakings made by the Vendor and the Guarantor**” in the Announcement, there is no limit for the indemnity provided by the Vendor and the Guarantor. In the event that the Target Group incurs losses in the two years ending 31 December 2017, the Vendor will be required to pay cash to compensate the losses incurred by the Target Group, in addition to the guaranteed profits. The Company will strictly comply with Rule 20.61 of the GEM Listing Rule in relation to Condition (e) and will make further announcement(s) and disclose the related matter in its annual report(s) as and when appropriate in accordance with the requirements of the GEM Listing Rules.

Changes in the Shareholding Structure

The table below sets out the change in the Company's shareholding structure immediately upon (i) the completion of the Placing; (ii) the completion of the Placing and the Acquisition (assuming no adjustment is made to the Consideration Shares); and (iii) the completion of the Placing and the Acquisition (assuming the number of the Consideration Shares is adjusted to a maximum amount of 408,010,509 Shares) for illustrative purpose:

	As at the date of this announcement		Immediately upon the completion of the Placing		Immediately upon the completion of the Placing and the Acquisition			
					(i) assuming no adjustment is made to the Consideration Shares		(ii) assuming the number of the Consideration Shares is adjusted to a maximum amount of 408,010,509 Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Zall Infrastructure Investments Company Limited (Note 1)	882,440,621	74.97	882,440,621	67.00	882,440,621	51.22	882,440,621	51.15
The Vendor	—	—	—	—	405,684,928	23.55	408,010,509	23.65
The Placees (Note 2)	—	—	140,000,000	10.63	140,000,000	8.13	140,000,000	8.12
Public Shareholders	294,615,559	25.03	294,615,559	22.37	294,615,559	17.10	294,615,559	17.08
Total	1,177,056,180	100.00	1,317,056,180	100.00	1,722,741,108	100.00	1,725,066,689	100.00

Notes:

- (1) Zall Infrastructure Investments Company Limited is wholly-owned by Zall Holdings Company Limited, which in turn is wholly-owned by Mr. Yan.
- (2) For illustrative purpose, it is assumed that all the Placing Shares (i.e. 140,000,000 Shares) will be successfully placed by the Placing Agent.

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

Hong Kong, 4 December 2015

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Liu Qin, Mr. Duan Yan and Mr. Xie Bing Mu, two non-executive Directors namely Mr. Yan Zhi, Mr. Fang Yibing and three independent non-executive Directors namely Mr. Lee Kang Bor, Thomas, Dr. Wang Tao 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 GEM Listing Rules of the Stock Exchange 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.