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(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 1719)

INSIDE INFORMATION FORMATION OF A JOINT VENTURE

This announcement is made by CIG Yangtze Ports PLC (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

FORMATION OF JOINT VENTURE

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 15 July 2018, CIG Wuhan Multipurpose Port Limited* (武漢中基通用港口發展有限公司) (“**HIP**”), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “**JV Agreement**”) with Wuhan New Port Construction Investment and Development Group Co., Limited* (武漢新港建設投資開發集團有限公司) (“**Wuhan New Port Development**”) and Wuhan Port Development Group Co., Limited* (武漢港航發展集團有限公司) (“**Wuhan Port Development Group**”, together with HIP and Wuhan New Port Development, the “**JV Partners**”) pursuant to which the JV Partners have conditionally agreed to establish a limited liability joint venture company (the “**JV Company**”) in the People’s Republic of China (the “**PRC**”).

Pursuant to the terms of the JV Agreement, the registered capital of the JV Company shall be RMB10 million. HIP, Wuhan Port Development Group and Wuhan New Port Development shall respectively invest in the sums of RMB4.9 million, RMB3.5 million and RMB1.6 million for a 49%, 35% and 16% equity interest in the JV Company, respectively. Further, HIP is entitled to appoint the general manager and a majority (three out of five) members of the board of directors of the JV Company pursuant to the terms of the JV Agreement. As such, the Group is expected to obtain control over the JV Company for the purposes of International Financial Reporting Standards, and the results, assets and liabilities of the JV Company are expected to be consolidated into the consolidated financial statements of the Group.

* *For identification purposes only*

The JV Company will be principally engaged in the management and operation of terminals, including that of market development, price negotiations, dispatching command and settlement management, container handling services for domestic and foreign goods, management and storage of containers, and loading and unloading services for bulk and miscellaneous goods and logistics services related to the terminals. Currently, Phase one of the Yangluo Port area is operated and managed by HIP and Wuhan International Terminal*(武漢國際集裝箱有限公司)(“WIT”), an 85% held subsidiary of the Company, while Phases two and three of the Yangluo Port area, which are adjacent to Phase one, are operated and managed separately by the other JV Partners. Pursuant to the terms of the JV Agreement, it is contemplated that the JV Company will enter into management agreements with various relevant operators in the Yangluo Port area of Wuhan, PRC so as to centralize the operation and management of the Phases one, two and three of the Yangluo Port area. The JV Company will receive management fee income from the JV Partners based on the operating expenses of the JV Company, which will be shared among the JV Partners in proportion to the containers handled in Phases one, two and three of the Yangluo Port area. The profits and losses of the JV Company will be shared proportionally in accordance with the respective equity interests of the JV Partners in the JV Company.

The revenue from the management operation of all of the aforesaid three phases of the Yangluo Port area will be booked into the accounts of the JV Company and consequently would be reflected in the consolidated financial statement of the Group. Furthermore, it is expected the profit attributed to Phase one of the Yangluo Port area will increase due to anticipated reduction of cut-throat competitions and improved efficiency in the operation and management of the terminals in the Yangluo Port area. Accordingly, the Company anticipates there would be a significant increase in the revenue and improved profitability of the Group after the JV Company becomes fully operational. The Company will provide its shareholders and potential investors with further material update in this regard in due course.

REASONS FOR AND BENEFIT OF THE FORMATION OF JOINT VENTURE

Both Wuhan New Port Development and Wuhan Port Development Group are state-owned enterprises established in the PRC with limited liability. Wuhan New Port Development is principally engaged in state-owned assets operation, property rights management, infrastructure construction, investment and financing, and operation management and is a wholly-owned subsidiary of the Wuhan Port Development Group, which is principally engaged in the construction, investment, port operations, logistics, trade, and integrated transportation related to the Wuhan Yangtze River mid-stream shipping centre.

As at the date of the announcement, WIT is held as to 15% by Wuhan Port Group Co., Ltd.* (武漢港務集團有限公司), a company established in the PRC with limited liability, which is in turn held as to 25% by Wuhan New Port Development. Save as disclosed and to the best of the Board’s knowledge, information and belief, and having made all reasonable enquiries, both Wuhan New Port Development and Wuhan Port Development Group and their ultimate beneficial owners are all third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The terms of the JV Agreement were determined after arm's length negotiations between the JV Partners. The integrated operation of Yangluo Port area will deepen the construction of Wuhan shipping center, enhance the brand image of Wuhan port and the core competitiveness of Wuhan port aviation industry, and improve port specialization, market development, modernization, intensification and industrialization standards. The supporting role of the port industry will promote the integrated development of port, industry and city, and promote the sustainability and development of the economic and social development of Hubei Province and Wuhan City.

During the past few years, the Group's revenue and profits had been affected by the continuing price cutting by the neighbouring competing ports. After the centralization of operation and management, the JV Company will be able to determine independently the market price of the services provided in the Yangluo Port area, that in turn will expect to increase the overall revenue of Yangluo Port area and the Group's revenue and profits.

The Directors (including independent non-executive Directors) consider that the JV Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the JV Agreement are less than 5%, the entering into of the JV agreement by the Group with the other JV Partners does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the JV Partners are still in the process of setting up the JV Company, hence the JV Company may or may not be set up, and the information set out in this announcement are based on, among others, a preliminary assessment of the potential financial impact of the joint venture on the Group. Shareholders and potential investors of the Company are thus advised to exercise caution when dealing in the shares of the Company.

By the order of the Board
CIG Yangtze Ports PLC
Yan Zhi
Chairman

Hong Kong, 16 July 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Xie Bingmu and Mr. Zhang Jiwei, 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.