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**Hubei Port (Hong Kong) International Limited**  
湖北港口(香港)國際有限公司  
(Incorporated in Hong Kong with limited liability)

**China Infrastructure & Logistics Group Ltd.**  
中國通商集團有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1719)

## **JOINT ANNOUNCEMENT**

**(1) THE SALE AND PURCHASE AGREEMENT IN RELATION  
TO APPROXIMATELY 74.81% OF THE ISSUED SHARE CAPITAL  
OF CHINA INFRASTRUCTURE & LOGISTICS GROUP LTD.**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY CHINA  
INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED  
FOR AND ON BEHALF OF HUBEI PORT (HONG KONG) INTERNATIONAL LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF CHINA INFRASTRUCTURE & LOGISTICS  
GROUP LTD. (OTHER THAN THOSE OWNED AND/OR AGREED TO BE ACQUIRED BY  
HUBEI PORT (HONG KONG) INTERNATIONAL LIMITED AND PARTIES ACTING IN  
CONCERT WITH IT)**

**(3) RESUMPTION OF TRADING IN SHARES**

**Financial adviser to Hubei Port (Hong Kong) International Limited**



**Independent Financial adviser to China Infrastructure & Logistics Group Ltd.**



RAINBOW CAPITAL (HK) LIMITED  
泓博資本有限公司

## **THE SALE AND PURCHASE AGREEMENT**

On 31 December 2021 (after trading hours), among others, the Offeror and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the First Vendor and the Second Vendor conditionally agreed to sell, and the Offeror conditionally agreed to acquire the Sale Shares (882,440,621 Shares of which are from the First Vendor and 408,010,509 Shares of which are from the Second Vendor, respectively), representing approximately 74.81% of the total issued share capital of the Company as at the date of this joint announcement, at a total consideration of HK\$1,484,018,799.50, which is equivalent to HK\$1.15 per Sale Share, free from all Encumbrances and with all rights attaching thereto from and after Completion including the right to receive all dividends and distributions declared, made or paid, the record date of which falls on or after the Completion Date. The Sale and Purchase Agreement will supersede the Memorandum of Understanding.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, none of the Offeror, the ultimate beneficial owners of the Offeror, and the parties acting in concert with any of them (other than the Vendors) is interested in any Shares, other than the Sale Shares under the Sale and Purchase Agreement. Upon Completion, the Offeror will own a total of 1,290,451,130 Shares, representing approximately 74.81% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares, other than those Shares already owned by and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,725,066,689 Shares in issue. As at the date of this joint announcement, the Company has not issued any share options under the Share Option Scheme. The Company does not have any outstanding convertible securities, warrants, options, or derivatives in issue as at the date of this joint announcement which may confer any rights to subscribe for, convert or exchange into Shares.

## **PRINCIPAL TERMS OF THE SHARE OFFER**

Upon Completion, CICC, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share..... HK\$1.15 in cash

**The Offer Price of HK\$1.15 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Price will not be affected by the deduction of the Consideration, if any, as stipulated in the section headed “The Sale and Purchase Agreement — Consideration” in this joint announcement.**

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend which is outstanding and not yet paid and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions prior to the close of the Share Offer.

**The Offeror will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

#### **Total consideration of the Share Offer**

As at the date of this joint announcement, the Company has 1,725,066,689 Shares in issue. On the basis of the Offer Price being HK\$1.15, the total issued share capital of the Company would be valued at approximately HK\$1,983,826,692.35. Assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Share Offer, 434,615,559 Shares will be subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$499,807,892.85, based on the Offer Price.

#### **FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR**

The Offeror intends to finance and satisfy the Consideration and the Share Offer by way of the Facility, which will be secured by the Share Charge and the Letter of Undertakings. Assuming full acceptance of the Share Offer, the maximum aggregate amount payable by the Offeror for the Share Offer and the Sale and Purchase Agreement will be HK\$1,983,826,692.35.

CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror (i) for the payment in full of the acquisition of the Sale Shares under the Sale and Purchase Agreement; and (ii) to satisfy the amount required for the full acceptance of the Share Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, as at the date of this joint announcement, the Independent Board Committee has been formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee comprises of all the non-executive Directors who have no direct or indirect interest in the Share Offer, being Mr. Lee Kang Bor, Thomas, Dr. Mao Zhenhua and Mr. Wong Wai Keung, Frederick. Mr. Yan Zhi and Mr. Xia Yu are representatives of the Vendors on the Board and are deemed to have material interest in the Share Offer.

The Independent Financial Adviser has been appointed and such appointment has been approved by the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable, and as to the acceptance of the Share Offer pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

## **POSTING OF THE COMPOSITE DOCUMENT**

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted within 21 days of the date of this joint announcement or such later date as the Executive may approve in accordance with the Takeovers Code.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 30 December 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 January 2022.

## **WARNING**

**The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfillment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

### *Notice to US investors*

*The Share Offer will be made for the securities of a Cayman Islands company and is subject to Hong Kong disclosure and other procedural requirements, which are different from those of the United States securities laws. In addition, US holders of Shares should be aware that this document has been prepared in accordance with Hong Kong format and style, which differs from United States format and style. The Share Offer will be extended into the United States pursuant to the applicable US tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Share Offer will be subject to Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which differ from those applicable under US domestic tender offer procedures and law.*

*The receipt of cash pursuant to the Share Offer by a US holder of Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Share Offer.*

*It may be difficult for US holders of Shares to enforce their rights and any claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. US holders of Shares may not be able to sue a non-US company or its officers or directors in a non-US court for any violations of the securities laws of the United States. Further, it may be difficult for US holders of Shares to effect service of process within the United States upon the Offeror or the Company or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United States.*

*In accordance with the Takeovers Code and Rule 14e-5(b) of the US Securities Exchange Act, affiliates of CICC may continue to act as exempt principal traders in the Shares on the Stock Exchange.*

## **THE SALE AND PURCHASE AGREEMENT**

The Company was informed by the Vendors that, among others, the Offeror and the Vendors had entered into the Sale and Purchase Agreement on 31 December 2021 (after trading hours). The principal terms of the Sale and Purchase Agreement are summarised below:

- Date : 31 December 2021 (after trading hours)
- Parties : (1) The Offeror;
- (2) The First Vendor;
- (3) The Second Vendor, and where the context requires, as the sole beneficial owner of the First Vendor, the First Warrantor or the Covenantor; and
- (4) The Second Warrantor.

### **Subject matter of the Sale and Purchase Agreement**

Pursuant to the Sale and Purchase Agreement, the First Vendor and the Second Vendor conditionally agreed to sell, and the Offeror conditionally agreed to acquire the Sale Shares (882,440,621 Shares of which are from the First Vendor and 408,010,509 Shares of which are from the Second Vendor, respectively), representing approximately 74.81% of the total issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and with all rights attaching thereto from and after Completion including the right to receive all dividends and distributions declared, made or paid, the record date of which falls on or after the Completion Date. The Sale and Purchase Agreement will supersede the Memorandum of Understanding.

### **Consideration**

The Consideration is HK\$1,484,018,799.50, which is equivalent to HK\$1.15 per Sale Share, of which HK\$1,014,806,714.15 and HK\$469,212,085.35 are payable to the First Vendor and the Second Vendor, respectively.

The Consideration has been agreed between the Offeror and the Vendors after arm's length negotiations and having taken into account, among others, (i) the Company's historical share prices performance traded on the Stock Exchange; and (ii) the historical financial performance of the Group.

The Consideration shall be payable by the Offeror in the following manners (or any other payment and/or settlement arrangements as the parties to the Sale and Purchase Agreement may agree in writing):

- (a) within three Business Days following (i) the fulfilment or waiver of the Closing Conditions or (ii) the signing of the Sale and Purchase Agreement (whichever is the later), the Initial Payment shall be payable in cash to the designated bank account of the Vendors;
- (b) within three Business Days from the Completion Date, the Second Payment shall be payable in cash (unless otherwise agreed in such alternative payment arrangement in compliance with the Takeover Codes and the Listing Rules) to the designated bank account of the Vendors; and
- (c) within 90 days from the Completion Date, the Remaining Balance (after deduction of the NAV Shortfall (if any)), shall be payable in cash (unless otherwise agreed in such alternative payment arrangement in compliance with the Takeover Codes and the Listing Rules) to the designated bank account of the Vendors.

The Vendors and the Offeror shall jointly upon the Completion Date instruct the Agreed Accounting Firm to audit the Completion Accounts and such audit shall be completed within 70 Business Days after the Completion Date but before the due date for making the Remaining Balance (whichever is the earlier).

In the event that the net asset value (“NAV”) of the Company/Group as shown in the audited Completion Accounts (“**Completion NAV**”) is less than the audited NAV of the Group as at 31 December 2020 as stated in the 2020 annual report of the Group (“**Valuation Date NAV**”), such difference (“**NAV Shortfall**”) shall be deducted from the Remaining Balance.

In the event that the NAV Shortfall is greater than the Remaining Balance, the Vendors shall pay to the Offeror in cash such amount equal to the difference between the NAV Shortfall and the Remaining Balance in cash within five Business Days after the date on which the audited Completion Accounts is provided by the Agreed Accounting Firm.

For the avoidance of doubt, if the Completion NAV is equal to or more than the Valuation Date NAV, no party shall be required to make up for such difference to the other parties to the Sale and Purchase Agreement.

Due to the deferred payment of the Remaining Balance which will be settled after Completion, the Vendors are presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code until the full settlement of the Remaining Balance by the Offeror.

## **Closing Conditions of the Sale and Purchase Agreement**

Completion of the Sale and Purchase Agreement is subject to the fulfilment or waiver of the following conditions by the Offeror (other than items (A), (B) and (E) below which could not be waived) as at Completion:

- (A) the Stock Exchange (where necessary) and the Executive confirming in writing that they have no further comment on this joint announcement pursuant to Rule 3.5 of the Takeovers Code and the publication of this joint announcement on the Stock Exchange's website;
- (B) the current listing status of the Shares not having been withdrawn and/or the Shares continuing to be traded on the Stock Exchange on or prior to the Completion Date (save for any temporary suspension of trading in the Shares pending release of any announcement or document in connection with the transactions contemplated by the Sale and Purchase Agreement) or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of or any transaction contemplated by the Sale and Purchase Agreement (including, but not limited to, situations where the Company is no longer suitable for listing);
- (C) no license, permit or qualification that are material to the ordinary and normal course of the business of any member of the Group having been revoked, terminated or suspended;
- (D) there having been no findings from the continuing due diligence exercise on the Group conducted by the Offeror, which the Offeror may reasonably consider irremediable prior to the Completion Date and/or such may result in material adverse change (or effect);
- (E) approval from the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government in relation to the execution of the Sale and Purchase Agreement and the performance of the transactions contemplated thereunder having been obtained;
- (F) no order or judgement (which has been stayed, removed or withdrawn) of any regulatory authority having been issued, made or petition presented or resolution passed for the winding up of any member of the Group;



- (G) no notice, order, judgment, action or proceeding of any governmental authority having been served, issued or made to the Vendors or their ultimate beneficial owners which restrains, prohibits or makes unlawful the sale of the Sale Shares or which is likely to materially and adversely affect (i) the right of the Offeror to own the legal and beneficial title to the Sale Shares, free from Encumbrances; or (ii) the continued listing and trading of the Shares (including the Sale Shares) on the Main Board of the Stock Exchange as at the Completion Date; and
- (H) the representations and warranties given by the Vendors under the Sale and Purchase Agreement remaining true, accurate and not misleading.

If the above conditions are not fulfilled or waived on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse and be of no further effect except certain clauses as specified therein and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the Sale and Purchase Agreement. Other than Closing Conditions (A), (B) and (E), the Offeror may at its absolute discretion at any time waive in writing to the Vendors any of the Closing Conditions. The Vendors are not entitled to waive any Closing Conditions under the Sale and Purchase Agreement.

According to the Administrative Measures for the Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission of the PRC (“NDRC”) and the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the Ministry of Commerce (“MOFCOM”) of the PRC, a filing to the NDRC and the MOFCOM of certain information about the transactions contemplated by the Sale and Purchase Agreement has to be completed by Hubei Port Group Company Limited\* (湖北省港口集團有限公司), being the sole shareholder of the Offeror. In respect of the aforementioned Closing Condition (E), based on the Offeror’s understanding, the approval from the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People’s Government will only be granted upon such filing to the NDRC and the MOFCOM has been completed.

Immediately following Completion, the Offeror will be interested in a total of 1,290,451,130 Shares, representing approximately 74.81% of the entire issued share capital of the Company as at the date of this joint announcement.

As at the date of this joint announcement, save for Closing Condition (B), all remaining Closing Conditions have been satisfied.

## Completion

Subject to the Closing Conditions being satisfied or waived (save for Closing Conditions (A), (B) and (E) above which could not be waived) (as the case may be), Completion shall take place on the Completion Date or such other time as the parties to the Sale and Purchase Agreement may agree.

## Long Stop Date of the Sale and Purchase Agreement

The Sale and Purchase Agreement may be terminated prior to Completion if any of the Closing Conditions have not been fulfilled or waived on or before the Long Stop Date.

## Indemnities

- (a) Wuhan International Container Company Limited (武漢國際集裝箱有限公司) (the “**Lessee**”), a subsidiary of the Company, as lessee and Changcheng Guoxing Financial Leasing Co., Ltd.\* (長城國興金融租賃有限公司) (the “**Lessor**”) as lessor, entered into a sale and leaseback agreement dated 17 December 2019 (the “**Sale and Leaseback Agreement**”, as supplemented by a repayment period adjustment agreement dated 20 March 2020 (the “**Repayment Period Adjustment Agreement**”)) pursuant to which the Lessee sold certain assets to the Lessor and then leased back such assets from the Lessor at the total rent of RMB167,040,105.23 for a period of 42 months. By a guarantee agreement dated 17 December 2019 (the “**Guarantee**”, as supplemented by the Repayment Period Adjustment Agreement), the Second Vendor agreed to guarantee in favour of the Lessor the due performance of the payment obligations of the Lessee under the Sale and Leaseback Agreement and the Repayment Period Adjustment Agreement. Pursuant to the Repayment Period Adjustment Agreement, the guarantee provided by the Second Vendor shall cover the period up to 20 June 2026, or expiry of three years from the accelerated due date for repayment, if earlier.

In contemplation of the subject transaction and after discussion between the Second Vendor and the Lessor, the Lessor did not agree to release the obligations of the Second Vendor under the Guarantee and the Repayment Period Adjustment Agreement after Completion. In order to ensure the smooth transition of the operation of the Group after Completion, the Second Vendor agreed to continue to act as the guarantor under the Guarantee on the condition that the Offeror would agree to indemnify the Second Vendor for any losses the Second Vendor may incur under the said Guarantee after Completion. Such indemnification will be a dollar-for-dollar compensation and therefore it will not confer any additional benefit to the Second Vendor. As such, the Second Vendor is not provided with any favourable conditions under this arrangement.

- (b) The Vendors, on a joint and several basis, irrevocably and unconditionally undertake to indemnify the Offeror for its losses if, the business operator concentration declaration (經營者集中申報) is required for the transaction contemplated by the Sale and Purchase Agreement or such transaction leads to any penalty in respect of business operator concentration by the relevant regulatory authorities.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, none of the Offeror, the ultimate beneficial owners of the Offeror, and the parties acting in concert with any of them (other than the Vendors) is interested in any Shares, other than the Sale Shares under the Sale and Purchase Agreement. Upon Completion, the Offeror will own a total of 1,290,451,130 Shares, representing approximately 74.81% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares, other than those Shares already owned by and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,725,066,689 Shares in issue. As at the date of this joint announcement, the Company has not issued any share options under the Share Option Scheme. The Company does not have any outstanding convertible securities, warrants, options, or derivatives in issue as at the date of this joint announcement which may confer any rights to subscribe for, convert or exchange into Shares.

## **WARNING**

**The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfillment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **PRINCIPAL TERMS OF THE SHARE OFFER**

Upon Completion, CICC, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share .....HK\$1.15 in cash

**The Offer Price of HK\$1.15 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Price will not be affected by the deduction of the Consideration, if any, as stipulated in the section headed “The Sale and Purchase Agreement — Consideration” in this joint announcement.**

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend which is outstanding and not yet paid and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions prior to the close of the Share Offer.

**The Offeror will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

### **Comparison of value**

The Offer Price of HK\$1.15 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement and represents:

- (i) a premium of approximately 6.5% over the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on 29 December 2021, being the Last Trading Day;
- (ii) a premium of approximately 8.5% over the average closing price of approximately HK\$1.06 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 16.2% over the average closing price of approximately HK\$0.99 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 30.7% over the average closing price of approximately HK\$0.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 161.4% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.44 per Share as at 31 December 2020, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$767,527,000 as at 31 December 2020 by 1,725,066,689 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 150.0% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.46 per Share as at 30 June 2021, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$791,128,000 as at 30 June 2021 by 1,725,066,689 Shares in issue as at the date of this joint announcement.

## **Highest and lowest closing prices of the Shares**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately prior to and including the Last Trading Day were HK\$1.08 per share on 22, 28 and 29 December 2021 and HK\$0.7 per Share on 6 August 2021, respectively.

## **Total consideration of the Share Offer**

As at the date of this joint announcement, the Company has 1,725,066,689 Shares in issue. On the basis of the Offer Price being HK\$1.15, the total issued share capital of the Company would be valued at approximately HK\$1,983,826,692.35. Assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Share Offer, 434,615,559 Shares will be subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$499,807,892.85, based on the Offer Price.

## **FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR**

The Offeror intends to finance and satisfy the Consideration and the Share Offer by way of the Facility, which will be secured by the Share Charge and the Letter of Undertakings. Assuming full acceptance of the Share Offer, the maximum aggregate amount payable by the Offeror for the Share Offer and the Sale and Purchase Agreement will be HK\$1,983,826,692.35.

CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror (i) for the payment in full of the acquisition of the Sale Shares under the Sale and Purchase Agreement; and (ii) to satisfy the amount required for the full acceptance of the Share Offer.

## **Effects of accepting the Share Offer and Overseas Shareholders**

The Offeror intends to make available the Share Offer to all Shareholders, including those who are residents outside Hong Kong, to the extent practicable.

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive all dividends declared, paid or made, if any, on or after the date on which the Composite Document is despatched. The making of the Share Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the

obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions). Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

In the event that the despatch of the Composite Document to the Overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document may not be despatched to such Overseas Shareholders while all material information in the Composite Document shall still be made available to such Overseas Shareholders to the extent practicable. The Offeror will apply for waiver from the Executive regarding the issuance of the Composite Document to particular overseas shareholders pursuant to Note 3 to Rule 8 of the Takeovers Code at such time (where appropriate). Relevant Overseas Shareholders may still decide to accept the Share Offer. Any acceptance in such connection will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty payable by the Shareholders on acceptance of the Share Offer calculated at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror, whichever is higher, will be deducted from the amounts payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Payment**

Payment in cash in respect of the Share Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Share Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render each such acceptance of the Share Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Company, CICC, the Independent Financial Adviser, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

### **DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY**

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares held by the Vendors (who are deemed to be acting in concert with the Offeror under presumption class (9) in the definition of “acting in concert” under the Takeovers Code until the full settlement of the Remaining Balance by the Offeror), the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them do not own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them have not received any irrevocable commitment to accept or not accept the Share Offer;
- (iii) there is no agreement or arrangement in relation to outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and any person acting in concert with any one of them;
- (iv) there are no conditions to which the Share Offer is subject;
- (v) save for the Facility and the security arrangements in connection thereto, including the Share Charge and the Letter of Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror which may be material to the Share Offer;

- (vi) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer;
- (vii) there are no Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror, its ultimate beneficial owners and any parties acting in concert with any one of them have borrowed or lent;
- (viii) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendors and/or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares, save for the Consideration to be paid by the Offeror to the Vendors;
- (ix) save for the Sale and Purchase Agreement and the Letter of Undertakings, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with it on one hand, and the Vendors and/or parties acting in concert with any one of them on the other hand;
- (x) save for the Sale and Purchase Agreement and the Letter of Undertakings, there is no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2) (a) the Offeror and/or any parties acting in concert with it, or (b) the Company, its subsidiaries or associated companies; and
- (xi) save for the Sale and Purchase Agreement, none of the Offeror and its ultimate beneficial owners and any parties acting in concert with any one of them (including the Vendors) had acquired any voting right in the Company during the six-month period prior to the date of this joint announcement and up to the date of this joint announcement.

## **INFORMATION ON THE GROUP**

The Company was incorporated in the Cayman Islands with limited liability. The Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group's principal business is the investment in and development, operation and management of container and ports, as well as the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing and the supply chain management and trading business.

Set out below is a summary of (i) the audited financial information of the Group for each of the two financial years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020; and (ii) the unaudited financial information of the Group for the six-month periods ended 30 June 2020 and 2021 as extracted from the interim reports of the Company for the six months ended 30 June 2020 and 2021:



	For the year ended		For the six months ended	
	31 December		30 June	
	2019	2020	2020	2021
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	352,021	443,550	75,233	122,512
Profit/(loss) before taxation	55,392	36,802	(7,987)	12,486
Profit/(loss) for the year or period (where appropriate)	37,492	22,412	(8,896)	5,628

	As at 31 December		As at 30 June	
	2019	2020	2020	2021
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Total assets	1,829,470	1,870,226	1,870,226	1,660,150
Total liabilities	987,144	947,921	947,921	754,178
Net assets	842,326	922,305	922,305	905,972

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion but before the Share Offer:

Shareholders	Nature of Interest	Immediately before Completion		Immediately after Completion but before the Share Offer is made	
		No. of Shares	Approximate %	No. of Shares	Approximate %
<b>The Offeror and parties acting in concert with it</b>					
The Offeror	Beneficial owner	–	–	1,290,451,130	74.806
The First Vendor (Note 1)	Beneficial owner	882,440,621	51.154	–	–
The Second Vendor (Note 2)	Beneficial owner	408,010,509	23.652	–	–
<b>Subtotal</b>		<b>1,290,451,130</b>	<b>74.806</b>	<b>1,290,451,130</b>	<b>74.806</b>
Public Shareholders	Beneficial owner	434,615,559	25.194	434,615,559	25.194
<b>Total</b>		<b>1,725,066,689</b>	<b>100</b>	<b>1,725,066,689</b>	<b>100</b>

Notes:

- 1. The First Vendor is directly wholly-owned by the First Warrantor, which in turn is wholly-owned by the Second Warrantor, Mr. Yan Zhi. By virtue of the SFO, the Second Warrantor is deemed to be interested in the 882,440,621 Shares held by the First Vendor. Pursuant to the Sale and Purchase Agreement, as the Remaining Balance shall be payable by the Offeror to the First Vendor within 90 Business Days after the date of which the Completion occurs, the First Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code prior to the full settlement of the Remaining Balance by the Offeror.*
- 2. The Second Vendor is directly wholly-owned by the Second Warrantor, Mr. Yan Zhi. By virtue of the SFO, the Second Warrantor is deemed to be interested in the 408,010,509 Shares held by the Second Vendor. Pursuant to the Sale and Purchase Agreement, as the Second Payment and the Remaining Balance shall be payable by the Offeror to the Second Vendor after Completion, the Second Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code prior to the full settlement of the Remaining Balance by the Offeror.*

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in Hong Kong with limited liability on 3 December 2021, the shares of which are owned as to 100% by Hubei Port Group Company Limited\* (湖北省港口集團有限公司), which in turn are owned as to approximately 82.8571% by the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People’s Government\* (武漢市人民政府國有資產監督管理委員會), approximately 4.2857% by State-owned Assets Supervision and Administration Commission of Xianning Municipal People’s Government\* (咸寧市人民政府國有資產監督管理委員會), approximately 4.2857% by State-owned Assets Supervision and Administration Commission of Ezhou Municipal People’s Government\* (鄂州市人民政府國有資產監督管理委員會), approximately 4.2857% by State-owned Assets Supervision and Administration Commission of Huanggang Municipal People’s Government\* (黃岡市人民政府國有資產監督管理委員會) and approximately 4.2857% by State-owned Assets Supervision and Administration Commission of Huangshi Municipal People’s Government\* (黃石市人民政府國有資產監督管理委員會) as at the date of this joint announcement. Hubei Port Group Company Limited\* (湖北省港口集團有限公司) is a company principally engaged in the investment in and construction of infrastructures and the operation of ports, as well as the provision of other services including integrated logistics and supply chain management.

The Offeror and its ultimate beneficial owners are Independent Third Parties.

As at the date of this joint announcement, none of the Offeror, its respective ultimate beneficial owners, its director (being Ms. Zhou Wei), and the parties acting in concert with any of them (other than the Vendors) is interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, other than the Sale Shares.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Following the close of the Share Offer, the Offeror intends to continue the existing principal businesses of the Group.

The Offeror will conduct a review of the existing principal businesses and the financial position of the Group following the close of the Share Offer for the purpose of formulating business plans and strategies for the future development and expansion of the Group's principal business, that is, the investment in and development, operation and management of container and ports, as well as the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing and the supply chain management and trading business. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporation actions materialize, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror's intention regarding the Group as set out above, as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Offeror has no intention to redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) as at the date of this joint announcement.

### **Proposed change of the Board composition**

The Board is currently made up of three executive Directors, two non-executive Directors and three independent non-executive Directors.

The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations. Details of the new Directors will be disclosed in the Composite Document. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

### **Public float and maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the closing of Share Offer.

Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage of public float applicable to the Company, being 25.0% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer.

## **GENERAL**

### **Establishment of the Independent Board Committee**

Pursuant to Rule 2.1 of the Takeovers Code, as at the date of this joint announcement, the Independent Board Committee has been formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee comprises of all the non-executive Directors who have no direct or indirect interest in the Share Offer, being Mr. Lee Kang Bor, Thomas, Dr. Mao Zhenhua and Mr. Wong Wai Keung, Frederick. Mr. Yan Zhi and Mr. Xia Yu are representatives of the Vendors on the Board and are deemed to have material interest in the Share Offer.

### **Appointment of Independent Financial Adviser**

The Independent Financial Adviser has been appointed and such appointment has been approved by the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable, and as to the acceptance of the Share Offer pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

## **Posting of the Composite Document**

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted within 21 days of the date of this joint announcement or such later date as the Executive may approve in accordance with the Takeovers Code.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

## **Dealing disclosure**

For the purposes of the Takeovers Code, the Share Offer Period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

### ***Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Those who deal in relevant securities should therefore appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.*

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 30 December 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 January 2022.

## **WARNING**

**The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfilment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

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

“Agreed Accounting Firm”	an accounting firm to be appointed jointly by the Vendors and the Offeror for the purpose of audit of the Completion Accounts pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above or on which a “black” rainstorm warning is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands

“CICC”	China International Capital Corporation Hong Kong Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contract) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror
“Closing Conditions”	the conditions precedent to Completion set out in the Sale and Purchase Agreement
“Company”	China Infrastructure & Logistics Group Ltd. (中國通商集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Accounts”	the Company’s audited consolidated statement of financial position showing its net asset value at company and consolidated level as at the Completion Date (or such other date as may be agreed between the parties to the Sale and Purchase Agreement)
“Completion Accounts Date”	the Completion Date (or such other date as may be agreed between the Vendors and the Offeror)
“Completion Date”	the date by which (i) the delivery of the relevant documents, information, stamps, equipment, motor vehicles and immovable properties of the Group as stipulated in the Sale and Purchase Agreement by the associates of the Group in the PRC to the Offeror being completed; or (ii) the date of transfer of all rights of the Vendors as shareholders of the Sale Shares and their legal and beneficial interests in the Sale Shares to the Offeror being completed, whichever is later, on the condition that such date shall fall within three Business Days after the date of payment of the Initial Payment, (or such other date as may be agreed between the parties to the Sale and Purchase Agreement in writing)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Share Offer in compliance with the Takeovers Code
“Consideration”	the consideration in the sum of HK\$1,484,018,799.50 payable by the Offeror to the Vendors for the acquisition of the Sale Shares

“Director”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien, claim, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets, securities or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Facility”	a loan facility of up to HK\$2,000,000,000 in aggregate made available by China Merchants Bank Co., Ltd. to the Offeror under the Facility Agreement
“Facility Agreement”	the facility agreement dated 6 January 2022 entered into by the Offeror as the borrower and China Merchants Bank Co., Ltd. as lender in respect of the Facility
“First Vendor”	China Tongshang Investment Group Limited (中國通商投資集團有限公司), a company incorporated in the BVI with limited liability, and is wholly-owned by the First Warrantor, which in turn is wholly-owned by the Second Warrantor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the non-executive Directors who have no direct or indirect interest in the Share Offer, namely Mr. Lee Kang Bor, Thomas, Dr. Mao Zhenhua and Mr. Wong Wai Keung, Frederick, established for the purpose of advising and giving a recommendation to the Offer Shareholders in respect of the Share Offer and in particular as to whether the Share Offer is fair and reasonable and as to acceptance of the Share Offer
“Independent Financial Adviser”	Rainbow Capital (HK) Limited has been appointed, which appointment has been approved by the Independent Board Committee, for the purpose of advising the Independent Board Committee in respect of the Share Offer, as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer



“Independent Third Party(ies)”	a person/persons, or in the case of a company/companies, the company/companies or its/their ultimate beneficial owner(s), who is/are independent of and not connected with the Group and their respective connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Initial Payment”	a sum equivalent to 50% of the Consideration, of which HK\$507,403,357.08 is payable to the First Vendor and HK\$234,606,042.68 is payable to the Second Vendor
“Last Trading Day”	29 December 2021, being the last trading day on which the Shares were traded on the Stock Exchange before the publication of this joint announcement
“Letter of Undertakings”	the letter of undertakings provided by Hubei Port Group Company Limited* (湖北省港口集團有限公司), being the sole shareholder of the Offeror, to China Merchants Bank Co., Ltd. as security for the Facility
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m., on 29 June 2022, being the date falling six months after the date of the Sale and Purchase Agreement (or such later date as may be agreed in writing by the parties to the Sale and Purchase Agreement)
“Main Board”	the main board maintained and operated by the Stock Exchange
“Memorandum of Understanding”	a non-legally binding memorandum of understanding dated 22 November 2021 and entered into, among others, the Vendors and the Offeror in relation to the acquisition of 1,290,451,130 Shares
“Offeror”	Hubei Port (Hong Kong) International Limited (湖北港口(香港)國際有限公司), a company incorporated in Hong Kong with limited liability
“Offer Price”	HK\$1.15 per Offer Share in respect of the Share Offer
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offer Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it

“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China
“Remaining Balance”	a sum equivalent to 10% of the Consideration, of which HK\$101,480,681.41 is payable to the First Vendor and HK\$46,921,208.53 is payable to the Second Vendor, assuming no adjustment is made
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 December 2021 and entered into, among others, the Vendors and the Offeror in relation to the acquisition of 1,290,451,130 Shares
“Sale Shares”	1,290,451,130 shares, representing approximately 74.81% of the total issued share capital of the Company as at the date of this joint announcement
“Second Payment”	a sum equivalent to 40% of the Consideration, of which HK\$405,922,685.66 is payable to the First Vendor and HK\$187,684,834.14 is payable to the Second Vendor
“Second Vendor” or “First Warrantor” or “Covenantor”	Zall Holdings Company Limited (卓爾控股有限公司), a company incorporated in the BVI with limited liability and is wholly-owned by the Second Warrantor
“Second Warrantor”	Mr. Yan Zhi (閻志), as the ultimate beneficial owner of the First Vendor and the Second Vendor as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Share Charge”	the share charge to be entered into by the Offeror in relation to the entire issued shares in the Company owned by the Offeror from time to time, in favour of China Merchants Bank Co., Ltd. as security for the Facility

“Share Offer”	the possible unconditional mandatory cash offer to be made by CICC for and on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code
“Share Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of this joint announcement, and ending on the date of the close of the Share Offer, or such other time or date to which the Offeror may decide to extend the Share Offer in accordance with the Takeovers Code
“Share Option Scheme”	the share option scheme approved by Shareholders at the annual general meeting of the Company held on 25 May 2018, which is valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 25 May 2018
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“US”	the United States of America
“Vendors”	the First Vendor and the Second Vendor

By order of the board of directors of  
**Hubei Port (Hong Kong) International Limited**  
 湖北港口(香港)國際有限公司  
**Ms. Zhou Wei**  
*Director*

By order of the board of directors of  
**China Infrastructure & Logistics Group Ltd.**  
 中國通商集團有限公司  
**Mr. Yan Zhi**  
*Co-Chairman*

Hong Kong, 10 January 2022

*As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Peng Chi, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement to the extent it relates to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Company or Directors in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Zhou Wei is the director of the Offeror. In addition, as at the date of this joint announcement, Tu Shanfeng, Chen Bofu, Wang Dasheng, Yang Yeyuan, Xiao Xiaoqiu, Jiang Hui, Hu Shengxin, Fu Weifa and Xia Hongliang are the directors of Hubei Port Group Company Limited\*. The directors of the Offeror and Hubei Port Group Company Limited\* jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*\*For identification purposes only*