

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6117)**

## **CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO 2025–2027 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 28 October 2022 and the circular of the Company dated 5 December 2022 in relation to, among others, the 2022–2024 Financial Service Framework Agreement.

On 10 December 2024 (after trading hours), the Company entered into the 2025–2027 Financial Service Framework Agreement with SPG Finance, pursuant to which SPG Finance agreed to provide deposit and settlement services to the Company for a term commencing on the Effective Date and ending on 31 December 2027.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SPG Finance is a non-wholly owned subsidiary of and is held as to 54% by Shandong Port Group, which is a controlling shareholder of the Company. Accordingly, SPG Finance is an associate of Shandong Port Group pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the 2025–2027 Financial Service Framework Agreement is more than 25% on an annual basis, the entering into of the 2025–2027 Financial Service Framework Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting, annual review, announcement and independent shareholders' approval requirements.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the 2025–2027 Financial Service Framework Agreement (including the Proposed Annual Caps) and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

TC Capital will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

As at the date of this announcement, Shandong Port Group and its associates are interested in 840,000,000 Domestic Shares, representing approximately 50.6% of the total issued share capital of the Company, and are required to abstain from voting on the relevant resolution approving the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolution approving the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) details of the 2025–2027 Financial Service Framework Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with the proxy form will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rzportjurong.com](http://www.rzportjurong.com)) and provided to the Shareholders upon request. As additional time is required for the Company to prepare the information to be included in the circular, the circular is expected to be published and provided to the Shareholders upon request on or before 15 January 2025.

Reference is made to the announcement of the Company dated 28 October 2022 and the circular of the Company dated 5 December 2022 in relation to, among others, the 2022–2024 Financial Service Framework Agreement.

On 10 December 2024 (after trading hours), the Company entered into the 2025–2027 Financial Service Framework Agreement with SPG Finance, pursuant to which SPG Finance agreed to provide deposit and settlement services to the Company.

## **2025–2027 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

The principal terms of the 2025–2027 Financial Service Framework Agreement are set out as follows:

### **Date**

10 December 2024

### **Parties**

- (a) The Company (as the service recipient); and
- (b) SPG Finance (as the service provider).

### **Nature of transaction**

SPG Finance agreed to provide deposit and settlement services to the Company.

### **Term**

The term of the 2025–2027 Financial Service Framework Agreement will commence on the Effective Date, being the date of fulfillment of the conditions precedent set out in the 2025–2027 Financial Service Framework Agreement, and ending on 31 December 2027, subject to early termination by either party giving at least 6 months' prior written notice to the other party.

Parties can extend or renew such terms by mutual agreement, provided that the requirements under the relevant laws, regulations and the Listing Rules are complied with.

### **Conditions precedent**

The 2025–2027 Finance Service Framework Agreement is conditional upon the resolution regarding the 2025–2027 Finance Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM.

## Pricing policy

The deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks in the same region.

The interest rate of other financial services related to or similar to the deposit service shall not be lower than the interest rates offered by independent commercial banks in the same region for comparable financial services.

The settlement service provided by SPG Finance is free of charge.

## HISTORICAL AMOUNTS AND EXISTING ANNUAL CAPS

The historical transaction amounts under the 2022–2024 Financial Service Framework Agreement are set out as follows:

<b>Transaction</b>	<b>For the years ended</b>		<b>For the ten</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2022</b>	<b>2023</b>	<b>31 October</b>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>(RMB in thousands)</i>		
Maximum daily balance of deposits	200,009	358,885	359,788
Interest income	0	3,600	420
Settlement service	0	0	0

The existing annual caps under the 2022–2024 Financial Service Framework Agreement are set out as follows:

<b>Transaction</b>	<b>For the years ending 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB in thousands)</i>		
Maximum daily balance of deposits	350,000	360,000	370,000
Interest income	600	7,000	7,500
Settlement service	0	0	0

## PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

The following table sets forth the Proposed Annual Caps for the transactions contemplated under the 2025–2027 Financial Service Framework Agreement:

Transaction	From the	For the years ending	
	Effective Date to 31 December 2025	31 December 2026	2027
	<i>(RMB in thousands)</i>		
Maximum daily balance of deposits	300,000	310,000	320,000
Interest income	5,000	5,200	5,400
Settlement service	0	0	0

The Proposed Annual Caps were estimated based on (i) historical daily deposit balance with SPG Finance for the years ended 31 December 2022 and 2023, and for the ten months ended 31 October 2024; (ii) the banking facilities the Company expects to obtain; and (iii) the increase in expected settlement needs resulting from the increase in operating income of the Company.

## INFORMATION OF THE PARTIES

The Company, a joint stock company incorporated in the PRC with limited liability, is principally engaged in comprehensive port-related services, including stevedoring, berth leasing, port management, storage, and logistics agency services.

SPG Finance, is a non-banking financial institution established in the PRC on 22 July 2014 and is subject to the Administrative Measures on Finance Companies within Group Enterprises (《企業集團財務公司管理辦法》) and other relevant regulations promulgated by PBOC and NFRA. The establishment of such non-banking financial institutions is subject to approval by NFRA and its operation is subject to the ongoing supervision of NFRA. Non-banking financial institutions shall comply with applicable regulations relating to interest rate issued by PBOC and NFRA.

In accordance with the laws and regulations of the PRC, finance companies within group enterprises are only permitted to provide financial services to enterprises within the same parent group. Therefore, SPG Finance is principally engaged in the provision of depository services, credit granting services, financial and financing advisory services, credit assurance services and relevant consulting and agency services; trade receivables collection and payment services; internal fund transfer and settlement services formulation of proposals for the corresponding settlement and clearing services and other financial services to Shandong Port Group and its member companies, including the Company.

As at the date of this announcement, SPG Finance is a non-wholly owned subsidiary of and is held as to 54% by Shandong Port Group, which is a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025–2027 FINANCIAL SERVICE FRAMEWORK AGREEMENT**

In the ordinary course of business of the Company, the Company transacts with various subsidiaries and/or affiliated companies of Shandong Port Group, which have maintained or will maintain settlement accounts with SPG Finance. The centralised maintenance of deposits by the Company with SPG Finance will facilitate clearing with other members of Shandong Port Group, reduce the processing time and is generally more administratively efficient than settlement through independent banks. In addition, SPG Finance has undertaken that the deposit interest rates are determined in accordance with the rates published by the PBOC and are not lower than the market rates provided by independent commercial banks, which is conducive to safeguarding Shareholders' interests and achieving win-win cooperation. Accordingly, the Company entered into the 2025–2027 Financial Service Framework Agreement to procure deposit and settlement services from SPG Finance.

The terms of the 2025–2027 Financial Service Framework Agreement have been arrived at after arm's length negotiations between the parties. The Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from the Independent Financial Adviser) have confirmed that the terms of the 2025–2027 Financial Service Framework Agreement (including the Proposed Annual Caps) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the 2025–2027 Financial Service Framework Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolution approving the 2025–2027 Financial Service Framework Agreement and the transactions contemplated thereunder.

## INTERNAL CONTROL MEASURES

The Company has established the following internal control measures to ensure that the pricing mechanism and the terms of the continuing connected transactions contemplated under the 2025–2027 Financial Service Framework Agreement are fair and reasonable and no less favourable than those offered by the Independent Third Parties:

- (a) Prior to making a deposit with SPG Finance, the Company's finance office will obtain quotations for similar deposit services from three PRC commercial banks independent of the Company and compare the interest rates offered by SPG Finance with those provided by other banks and the minimum interest rates prescribed by the PBOC at the relevant time;
- (b) The interest rate and the decision to place any deposit with SPG Finance will be reviewed and approved by the financial director of the Company;
- (c) The Company's finance office will closely monitor the actual transaction amounts under the 2025–2027 Financial Service Framework Agreement on a daily basis. If the actual transaction amount reaches approximately 85% of the Proposed Annual Caps at any time during the year, the finance office will report to the senior management of the Company, which will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures to further revise the annual cap amounts and comply with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;
- (d) The Company's finance office will review the transactions entered into under the 2025–2027 Financial Service Framework Agreement on a quarterly basis and report to the Company's audit committee and the Board to ensure that the Proposed Annual Caps under the 2025–2027 Financial Service Framework Agreement will not be exceeded;
- (e) The Company will conduct internal control review and financial audit on an annual basis, and conduct financial monitoring and decision-making analysis on a half-year basis so as to ensure compliance with the terms of the 2025–2027 Financial Service Framework Agreement and pricing policies;
- (f) The Company's auditors and independent non-executive Directors will conduct annual review on the transactions entered into under the 2025–2027 Financial Service Framework Agreement in accordance with the Listing Rules;
- (g) The internal audit office of the Company will focus on the above internal control measures as part of the continuous work plan and report to the audit committee of the Company and the Board on a semi-annual basis.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SPG Finance is a non-wholly owned subsidiary of and is held as to 54% by Shandong Port Group, which is a controlling shareholder of the Company. Accordingly, SPG Finance is an associate of Shandong Port Group pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the 2025–2027 Financial Service Framework Agreement is more than 25% on an annual basis, the entering into of the 2025–2027 Financial Service Framework Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting, annual review, announcement and independent shareholders' approval requirements.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the 2025–2027 Financial Service Framework Agreement (including the Proposed Annual Caps) and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

TC Capital will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

As at the date of this announcement, Shandong Port Group and its associates are interested in 840,000,000 Domestic Shares, representing approximately 50.6% of the total issued share capital of the Company, and are required to abstain from voting on the relevant resolution approving the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolution approving the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.



A circular containing, among others, (i) details of the 2025–2027 Financial Service Framework Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with the proxy form will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rzportjurong.com](http://www.rzportjurong.com)) and provided to the Shareholders upon request. As additional time is required for the Company to prepare the information to be included in the circular, the circular is expected to be published and provided to the Shareholders upon request on or before 15 January 2025.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2022–2024 Financial Service Framework Agreement”	the financial service framework agreement dated 27 March 2020 entered into between the Company and SPG Finance
“2025–2027 Financial Service Framework Agreement”	the financial service framework agreement dated 10 December 2024 entered into between the Company and SPG Finance, pursuant to which SPG Finance agrees to provide deposit and settlement services to the Company for the term commencing on the Effective Date and ending on 31 December 2027
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6117)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC natural persons or entities established under PRC laws

“Effective Date”	the date of fulfillment of the conditions precedent set out in the 2025–2027 Financial Service Framework Agreement
“EGM”	the extraordinary general meeting or any adjournment thereof of the Company to be convened to consider and, if thought fit, approve the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“H Share(s)”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin, established to advise the Independent Shareholders in respect of the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders of the Company who are not required by the Listing Rules to abstain from voting at the EGM on the resolution to approve the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025–2027 Financial Service Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder

“Independent Third Party(ies)”	an individual or a company which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the 2025–2027 Financial Service Framework Agreement for the period from the Effective Date to 31 December 2025 and for the two years ending 31 December 2027
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Port Group”	Shandong Port Group Co., Ltd. (山東省港口集團有限公司), a company incorporated in the PRC with limited liability, a controlling shareholder of the Company and a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission
“Share(s)”	share (s) of the Company, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	the holder (s) of the Share (s)

“SPG Finance”                      Shandong Port Group Finance Co., Ltd.\* (山東港口集團財務有限責任公司) (previously known as Qingdao Port Finance Co., Ltd.\* (青島港財務有限責任公司)), a company established in the PRC with limited liability and held as to 54% by Shandong Port Group as at the date of this announcement

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

\* *Unofficial English translation denotes for identification purposes only*

By Order of the Board  
**Rizhao Port Jurong Co., Ltd.**  
**Zhou Tao**  
*Chairman*

Rizhao, PRC, 10 December 2024

*As at the date of this announcement, the Board comprises Mr. Zhou Tao as Chairman and non-executive Director; Mr. Chen Zhou as executive Director; Mr. Seow Kok Leong Terence, Mr. Fang Lei, Mr. Nyan Ming Ren Francis and Ms. Liu Rong as non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as independent non-executive Directors.*