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**ZHUHAI PORT (HONG KONG) CO., LIMITED XINGHUA PORT HOLDINGS LTD.**

**興華港口控股有限公司\***

*(Incorporated in Hong Kong with limited liability)*

*(Incorporated in the Republic of Singapore with limited liability)*

**(Stock Code: 01990)**

**JOINT ANNOUNCEMENT**

**(1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY  
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED  
FOR AND ON BEHALF OF  
ZHUHAI PORT (HONG KONG) CO., LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
XINGHUA PORT HOLDINGS LTD.;**

**(2) PROPOSED WITHDRAWAL OF LISTING OF  
XINGHUA PORT HOLDINGS LTD.;**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;**

**AND**

**(4) RESUMPTION OF TRADING**

**Financial Adviser to the Company**

**Financial Adviser to the Offeror**



\* *For identification purposes only*

## INTRODUCTION

The Offeror and the Company jointly announce that Essence International Securities will, for and on behalf of the Offeror, make a voluntary conditional general cash offer to acquire all of the Offer Shares.

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, or has control or direction over any voting rights and rights over the Shares, convertible securities, warrants, options or derivatives of the Company.

As at the date of this joint announcement, the Company has 814,412,028 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

## THE OFFER

### Principals terms of the Offer

Essence International Securities will make the Offer, for and on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued on the following basis:

**For each Offer Share . . . . . HK\$2.597, less the Dividend Adjustment  
(if any), in cash**

The Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights and interests of any nature and together with all rights becoming attached thereto after the Closing Date, including but not limited to all rights to any dividend, distribution and/or return of capital (as the case may be) declared, made or paid after the Closing Date.

If any dividend, distribution and/or return of capital (as the case may be) is made or paid in respect of the Shares after the date of this joint announcement and on or before the Closing Date, the Offeror will reduce the Offer Price by an amount equal to all or any part of the amount or value of such dividend, distribution and/or return of capital, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. The Offer Shareholders shall not be entitled to any dividend, distribution or return of capital declared, made or paid after the Closing Date.

As at the date of this joint announcement: (i) no dividend, distribution or return of capital has been announced, declared or paid by the Company since the payment of the interim dividend for the year ended 31 December 2019 as disclosed in the Company's 2019 annual report; and (ii) the Board has no intention to recommend the declaration or payment of any dividend, distribution or return of capital on or before the Closing Date.

**The Offeror will not increase the Offer Price for the Offer as set out above. Shareholders and potential investors of the Company 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.**

## **Condition of the Offer**

The Offer to be made by the Offeror is subject to the only Condition that valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares.

**As at the date of this joint announcement, the Offer Shares and the Disinterested Shares comprise all the 814,412,028 Shares in issue. Shareholders and potential investors should note that the number of the Offer Shares and the Disinterested Shares will be subject to changes for any dealings in the Shares by (i) the Offeror and parties acting in concert with it; and (ii) the Offeror, its related corporations or their respective nominees, after the date of this joint announcement.**

The Condition is not waivable. If the Condition cannot be fulfilled by the Closing Date, the Offer will lapse.

As at the date of this joint announcement, the Condition has not been satisfied.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60<sup>th</sup> day after the despatch of the Composite Document (or such later date to which the Executive may consent).

In accordance with Note to Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to the acceptances and when the Offer becomes unconditional in all respects. Further, pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. The Offer Shareholders are reminded that the Offeror does not have any obligations to keep the Offer open for acceptance beyond this 14-day period.

## **Total value of the Offer**

As at the date of this joint announcement, the Company has 814,412,028 Shares in issue.

Assuming there is no change to the issued share capital of the Company as at the date of this joint announcement and no Dividend Adjustment is made, on the basis of the Offer Price of HK\$2.597 per Offer Share, the total issued share capital of the Company is valued at HK\$2,115,028,036.716. Accordingly, on the basis that there are 814,412,028 Offer Shares subject to the Offer and assuming no Dividend Adjustment is made, the total consideration payable by the Offeror will be HK\$2,115,028,036.716.

## **Financial resources available to the Offeror**

The Offeror intends to finance and satisfy the consideration payable under the Offer by a loan facility granted by China Merchants Bank Co., Ltd., Hong Kong Branch.

Essence Corporate Finance, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable under the full acceptance of the Offer.

## **IRREVOCABLE UNDERTAKINGS**

On 29 July, 2020, each of the Relevant Shareholders has irrevocably undertaken to the Offeror, among others, to accept, or procure the acceptance of, the Offer in respect of the Shares held by the Ng Family (including the Shares held by BOS Trustee Limited) and Petroships, and the Offeror has irrevocably undertaken to each of the Relevant Shareholders among others, to make the Offer at a price not less than HK\$2.597. As at the date of this joint announcement, the Ng Family (including the Shares held by BOS Trustee Limited) and Petroships hold 495,242,578 Shares and 77,876,203 Shares respectively, representing approximately 60.81% and 9.56% of the total issued share capital of the Company.

Further details of the Irrevocable Undertakings are set out in the paragraph headed “Irrevocable Undertakings” of this joint announcement.

## **POSSIBLE COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL OF LISTING**

Pursuant to Section 215(1) of the Singapore Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period that the Offer is open for acceptance) in respect of not less than 90% of the Disinterested Shares, the Offeror will be entitled to compulsorily acquire all the remaining Offer Shares from Shareholders who have not accepted the Offer on the same terms as those offered under the Offer. As at the date of this joint announcement, the Offeror, its related corporations and their respective nominees do not own any Shares and the Disinterested Shares comprise all the 814,412,028 Shares in issue.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where any person seeks to acquire or privatise a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the Offeror and persons acting in concert with it during the Compulsory Acquisition Entitlement Period total 90% of the Offer Shares. As at the date of this joint announcement, the Offeror and parties acting in concert with it do not own any Shares and the Offer Shares comprise all the 814,412,028 Shares in issue.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in the Composite Document its intention to avail itself of any powers of compulsory acquisition, the Offer may not remain open for acceptance for more than four (4) months from the despatch date of the Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

Subject to the satisfaction of the requirements under the Singapore Companies Act and Rule 2.11 of the Takeovers Code, the Offeror intends to privatise the Company by exercising its rights under the Singapore Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Offer Shares not acquired by the Offeror under the Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

**If the level of acceptances of the Offer reaches the prescribed level under the Singapore Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on the Closing Date, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

While it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise the rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Offer reaching the prescribed level under the Singapore Companies Act and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offer Shares validly tendered for acceptance under the Offer are less than 90% of the Offer Shares (in respect of the requirement under Rule 2.11 of the Takeovers Code) and less than 90% of the Disinterested Shares (in respect of the requirement under the Singapore Companies Act) on the Closing Date, the Offer will not become unconditional and will lapse, and the Shares will remain listed on the Stock Exchange.

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

The Independent Board Committee, comprising Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann, being all the independent non-executive Directors, and Mr. Lee Cheong Seng, being the non-executive Director, who have no direct or indirect interest in the Offer other than their interest in the Shares (if any), has been established by the Company in accordance with Rules 2.1 and 2.8 of the Takeovers Code to give a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. As at the date of this joint announcement, Mr. Tan Chian Khong and Mr. Lee Cheong Seng hold 100,000 Shares and 3,100,000 Shares, representing 0.01% and 0.38% respectively of the total issued share capital of the Company. The Company considers that the shareholdings being held by Mr. Tan Chian Khong and Mr. Lee Cheong Seng will not affect their independence on giving the recommendation to the Offer Shareholders.

The Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

#### **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document in accordance with the Takeovers Code. The Composite Document will contain, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee, together with the relevant form of acceptance and transfer.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

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**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 24 July 2020 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 with effect from 9:00 a.m. on 30 July 2020.

## **WARNING**

**Shareholders and potential investors should note that the Offer is subject to the satisfaction of the Condition. Accordingly, the Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors of the Company are in any doubt about their position, they should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Offer Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee and a letter of advice from the Independent Financial Adviser in respect of the Offer.**

## **INTRODUCTION**

The Offeror and the Company jointly announce that Essence International Securities will, for and on behalf of the Offeror, make a voluntary conditional general cash offer to acquire all of the Offer Shares.

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, or has control or direction over any voting rights and rights over the Shares, convertible securities, warrants, options or derivatives of the Company.

As at the date of this joint announcement, the Company has 814,412,028 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.



## THE OFFER

### Principal terms of the Offer

Essence International Securities will make the Offer, for and on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued on the following basis:

**For each Offer Share . . . . . HK\$2.597, less the Dividend Adjustment (if any), in cash**

The Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights and interests of any nature and together with all rights becoming attached thereto after the Closing Date, including but not limited to all rights to any dividend, distribution and/or return of capital (as the case may be) declared, made or paid after the Closing Date.

If any dividend, distribution and/or return of capital (as the case may be) is made or paid in respect of the Shares after the date of this joint announcement and on or before the Closing Date, the Offeror will reduce the Offer Price by an amount equal to all or any part of the amount or value of such dividend, distribution and/or return of capital, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. The Offer Shareholders shall not be entitled to any dividend, distribution or return of capital declared, made or paid after the Closing Date.

As at the date of this joint announcement: (i) no dividend, distribution or return of capital has been announced, declared or paid by the Company since the payment of the interim dividend for the year ended 31 December 2019 as disclosed in the Company's 2019 annual report; and (ii) the Board has no intention to recommend the declaration or payment of any dividend, distribution or return of capital on or before the Closing Date.

**The Offeror will not increase the Offer Price for the Offer as set out above. Shareholders and potential investors of the Company 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.**

### Comparison of value

The Offer Price of HK\$2.597 per Offer Share (without taking into account the effect of any Dividend Adjustment) represents:

- (i) a premium of approximately 23.67% over the closing price of the Shares of HK\$2.100 per Share as quoted on the Stock Exchange on 24 July 2020, being the Last Trading Day;
- (ii) a premium of approximately 29.85% over the closing price of the Shares of HK\$2.000 per Share as quoted on the Stock Exchange on 23 July 2020, being the Last Full Trading Day;

- (iii) a premium of approximately 31.56% over the average closing price of the Shares of approximately HK\$1.974 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Full Trading Day;
- (iv) a premium of approximately 27.93% over the average closing price of the Shares of approximately HK\$2.030 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Full Trading Day;
- (v) a premium of approximately 58.35% over the average closing price of the Shares of approximately HK\$1.640 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Full Trading Day;
- (vi) a premium of approximately 1.28 times over the average closing price of the Shares of approximately HK\$1.141 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Full Trading Day;
- (vii) a premium of approximately 1.02 times over the audited consolidated net asset value per Share as at 31 December 2019 of approximately HK\$1.287 (based on a total of 814,412,028 Shares in issue as at the date of this joint announcement and the audited consolidated net asset value of the Group of RMB939,076,000 as at 31 December 2019, as disclosed in the annual report of the Company dated 2 April 2020 and the exchange rate of RMB0.89578 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 31 December 2019); and
- (viii) a premium of approximately 1.02 times over the unaudited consolidated net asset value per Share as at 30 June 2020 of approximately HK\$1.283 (based on a total of 814,412,028 Shares in issue as at the date of this joint announcement and the unaudited consolidated net asset value of the Group of RMB954,448,000 as at 30 June 2020, as disclosed in the interim results of the Company on 28 July 2020 and the exchange rate of RMB0.91344 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 30 June 2020).

### **Highest and lowest Share prices**

During the six-month period immediately prior to and including the Last Full Trading Day (i.e. from 24 January 2020 to 23 July 2020):

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.11 per Share on 13 July, 14 July and 15 July 2020; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.68 per Share on 30 March 2020.

### **Condition of the Offer**

The Offer to be made by the Offeror is subject to the only Condition that valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares.



**As at the date of this joint announcement, the Offer Shares and the Disinterested Shares comprise all the 814,412,028 Shares in issue. Shareholders and potential investors should note that the number of the Offer Shares and the Disinterested Shares will be subject to changes for any dealings in the Shares by (i) the Offeror and parties acting in concert with it; and (ii) the Offeror, its related corporations or their respective nominees, after the date of this joint announcement.**

The Condition is not waivable. If the Condition cannot be fulfilled by the Closing Date, the Offer will lapse.

As at the date of this joint announcement, the Condition has not been satisfied.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60<sup>th</sup> day after the despatch of the Composite Document (or such later date to which the Executive may consent).

In accordance with Note to Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to the acceptances and when the Offer becomes unconditional in all respects. Further, pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. The Offer Shareholders are reminded that the Offeror does not have any obligations to keep the Offer open for acceptance beyond this 14-day period.

### **Total value of the Offer**

As at the date of this joint announcement, the Company has 814,412,028 Shares in issue.

Assuming there is no change to the issued share capital of the Company as at the date of this joint announcement and no Dividend Adjustment is made, on the basis of the Offer Price of HK\$2.597 per Offer Share, the total issued share capital of the Company is valued at HK\$2,115,028,036.716. Accordingly, on the basis that there are 814,412,028 Offer Shares subject to the Offer and assuming no Dividend Adjustment is made, the total consideration payable by the Offeror will be HK\$2,115,028,036.716.

### **Financial resources available to the Offeror**

The Offeror intends to finance and satisfy the consideration payable under the Offer by a loan facility granted by China Merchants Bank Co., Ltd., Hong Kong Branch.

Essence Corporate Finance, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable under the full acceptance of the Offer.

## **Settlement of consideration**

Once the Offer has become, or has been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date of which (i) the Offer has become or is declared unconditional in all respects; or (ii) the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror or its agent acting on behalf of it to render such acceptance complete and valid, whichever is later.

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

## **Return of documents**

If the Offer does not become, or are not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the branch registrar of the Company in Hong Kong will be returned to the Offer Shareholders who have accepted the Offer by ordinary post at the Offer Shareholders' own risk as soon as possible but in any event within ten (10) days after the Offer has lapsed.

## **Effect of accepting the Offer**

Subject to the satisfaction of the Condition, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of the Company in Hong Kong, by accepting the Offer, the Offer Shareholders will sell their tendered Offer Shares to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights and interests of any nature and together with all rights becoming attached thereto after the Closing Date, including but not limited to all rights to any dividend, distribution and/or return of capital (as the case may be), declared, made or paid after the Closing Date.

Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

## **Hong Kong stamp duty**

The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptance of the Offer will be payable by the Offer Shareholders that accept the Offer at a rate of 0.1% of (i) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer; or (ii) the market value of the Offer Shares, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Offer Shareholders on acceptance of the Offer.

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

## **Taxation advice**

Offer 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 Offer. None of the Offeror, parties acting in concert with the Offeror, Essence Corporate Finance, Essence International Securities, the Company and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Overseas Shareholders**

The Offeror intends to make the Offer available to all Offer Shareholders, including those who are residents outside Hong Kong. The availability of the Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the 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 Offer Shareholders and beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such Offer Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.**

## **IRREVOCABLE UNDERTAKINGS**

### **Principal terms of the Irrevocable Undertakings**

**Date:** 29 July 2020

**Parties:** (1) Offeror;  
(2) Mr. Ng HW;  
(3) Mr. Patrick Ng;  
(4) Ms. Jane Ng;  
(5) Ms. Ng BB;  
(6) Petroships; and  
(7) Mr. Alan Chan Hong Joo

As at the date of this joint announcement, the Ng Family, (including the Shares held by BOS Trustee Limited) and Petroships hold 495,242,578 Shares and 77,876,203 Shares respectively, representing approximately 60.81% and 9.56% of the total issued share capital of the Company.

**Relevant Shareholders and Offeror Undertakings:**

Subject to the provisions relating to the obligations and liabilities set out below, each of the Relevant Shareholders has irrevocably undertaken to the Offeror as to the followings:

- (i) the Relevant Shareholders will, within three (3) business days from the despatch of the Composite Document, accept or procure the acceptance of the Offer in respect of the Undertaken Shares, so as to constitute a valid acceptance of the Offer in accordance with the terms of the Composite Document;
- (ii) notwithstanding that the Relevant Shareholders may become entitled to withdraw any such acceptance by virtue of laws or pursuant to the terms of the Offer themselves, the Relevant Shareholders shall not withdraw any such acceptance;
- (iii) the Relevant Shareholders will not sell, transfer, dispose of, lend, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal with any of the Undertaken Shares or any interest in it (whether conditionally or unconditionally) before the Offer closes, lapses or is withdrawn other than pursuant to the acceptance of the Offer;
- (iv) before the Offer closes, lapses or is withdrawn, the Relevant Shareholders will exercise all voting rights attached to the Undertaken Shares in such manner as (a) to enable the Offer to be approved, and (b) to oppose the taking of any action by the Company which might result in any condition of the Offer not being satisfied and not take any action in any manner which may prejudice the successful outcome of the Offer in any material respect, subject, in the case of the Relevant Shareholders who are directors of the Company, to their fiduciary duties as directors of the Company;
- (v) before the Offer closes, lapses or is withdrawn, the Relevant Shareholders will not purchase, sell or otherwise deal with any Shares or any interest therein, (except accepting the Offer pursuant to the Irrevocable Undertakings);
- (vi) before the Offer closes, lapses or is withdrawn, the Relevant Shareholders will not solicit, encourage, accept, agree to accept or give any indication of an intention to accept any offer from a third party (other than the Offeror) in respect of any or all of the Undertaken Shares whether conditional or unconditional (by whatever means the same is to be implemented);
- (vii) before the Offer closes, lapses or is withdrawn, the Relevant Shareholders will procure that the Company shall not declare, authorise, make or pay any dividend or other distribution to the Shareholders (whether in cash, stock or in kind) without the prior written consent of the Offeror;
- (viii) before the Offer closes, lapses or is withdrawn, the Relevant Shareholders will not enter into any agreement or arrangement with any person, whether conditionally or unconditionally, to undertake any of the acts prohibited by the above terms (iii) to (vi); and

- (ix) upon the Offer becoming unconditional, the members of the Relevant Shareholders (other than Petroships) will:
  - (a) to the extent that the Relevant Shareholder is a director of the Company or its subsidiaries, subject to his/her fiduciary duties as director of the Company or its subsidiaries (as the case may be), vote for any board resolution approving the appointment of such person(s) as the Offeror may nominate as directors of the Company and its subsidiaries;
  - (b) resign as a director of the Company and its subsidiaries (to the extent he or she is a director of such subsidiaries) at the earliest time permitted under the Takeovers Code and applicable laws; and
  - (c) take such action as may be necessary or reasonably requested by the Offeror to effect changes to the bank and other accounts of the Company and its subsidiaries as the Offeror may require as soon as practicable.

The Offeror has irrevocably undertaken to the Relevant Shareholders as to the followings:

- (i) at its own cost and in accordance with the Takeovers Code, publish this joint announcement as soon as reasonably practicable following the signing of the Irrevocable Undertakings and clearance have been obtained from the Executive and the Stock Exchange to publish this joint announcement;
- (ii) at its own costs and in accordance with the Takeovers Code, despatch the Composite Document in respect of the Offer to the Shareholders no later than the date of despatch of the Composite Document in compliance with Rule 8.2 of the Takeovers Code (or such later date as consented by the Executive for waiving from strict compliance with Rule 8.2 of the Takeovers Code);
- (iii) make the Offer at a price not less than HK\$2.597;
- (iv) not close the Offer prior to the 60<sup>th</sup> day after the date of which the Composite Document is despatched unless the Offer has become or has been declared unconditional in all respects;
- (v) make and conduct the Offer in accordance with the Takeovers Code, including compliance with general principle 1 of the Takeovers Code that all Shareholders are to be treated even-handedly and all Shareholders of the same class of the Shares within the Company are to be treated similarly; and
- (vi) obtain all clearances, approvals, licences, consents, authorisations, waivers (including deemed clearance through expiry of any applicable statutory time periods or waiting periods) and permits from any Relevant Authorities, any shareholders or any third party required by the Offeror from its shareholders, directors, creditors and any Relevant Authority (which, to the best knowledge to the directors of the Offeror, are (i) the approval from each of the board of directors of Zhuhai Port, the board of directors of the Offeror and the sole shareholder of the Offeror in respect of the Offer, the publication of this joint announcement and the despatch of the Composite Document; (ii) the clearance from the Executive in respect of the publication of this joint announcement and the despatch of the Composite Document; and (iii) the clearance from the Stock Exchange in respect of the despatch of the Composite Document.

As at the date of this joint announcement, the Offeror has obtained (i) the relevant approvals from each of the board of directors of Zhuhai Port, the board of directors of the Offeror, and the sole shareholder of the Offeror in respect of the Offer and the publication of this joint announcement; and (ii) the clearance from the Executive in respect of the publication of this joint announcement.

All obligations and liabilities of the Relevant Shareholders and the Offeror under the Irrevocable Undertakings will lapse and terminate:

- (i) if this joint announcement is not released by 4 August 2020;
- (ii) the Composite Document is not despatched by the date of despatch of the Composite Document in compliance with Rule 8.2 of the Takeovers Code (or such later date as consented by the Executive for waiving from strict compliance with Rule 8.2 of the Takeovers Code);
- (iii) the Offer is otherwise not made in accordance with the undertaking by the Offeror stated above; or
- (iv) on the withdrawal or lapsing of the Offer.

## **POSSIBLE COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL OF LISTING**

Pursuant to Section 215(1) of the Singapore Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period that the Offer is open for acceptance) in respect of not less than 90% of the Disinterested Shares, the Offeror will be entitled to compulsorily acquire all the remaining Offer Shares from Shareholders who have not accepted the Offer on the same terms as those offered under the Offer. As at the date of this joint announcement, the Offeror, its related corporations and their respective nominees do not own any Shares and the Disinterested Shares comprise all the 814,412,028 Shares in issue.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where any person seeks to acquire or privatise a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the Offeror and persons acting in concert with it during the Compulsory Acquisition Entitlement Period total 90% of the Offer Shares. As at the date of this joint announcement, the Offeror and parties acting in concert with it do not own any Shares and the Offer Shares comprise all the 814,412,028 Shares in issue.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in the Composite Document its intention to avail itself of any powers of compulsory acquisition, the Offer may not remain open for acceptance for more than four (4) months from the despatch date of the Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

Subject to the satisfaction of the requirements under the Singapore Companies Act and Rule 2.11 of the Takeovers Code, the Offeror intends to privatise the Company by exercising its rights under the Singapore Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Offer Shares not acquired by the Offeror under the Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from Stock Exchange pursuant to Rule 6.15 of the Listing Rules.



**If the level of acceptances of the Offer reaches the prescribed level under the Singapore Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on the Closing Date, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

While it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise the rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Offer reaching the prescribed level under the Singapore Companies Act and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offer Shares validly tendered for acceptance under the Offer are less than 90% of the Offer Shares (in respect of the requirement under Rule 2.11 of the Takeovers Code) and less than 90% of the Disinterested Shares (in respect of the requirement under the Singapore Companies Act) on the Closing Date, the Offer will not become unconditional and will lapse, and the Shares will remain listed on the Stock Exchange.

## **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

The Offeror and parties acting in concert with it had not dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares during the six-month period immediately prior to the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement, the Offeror and parties acting in concert with it does not hold, own or has control or direction over any voting rights and rights over the Shares, convertible securities, warrants, options or derivatives of the Company.

## **OTHER ARRANGEMENTS**

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

- (i) save for the Irrevocable Undertakings, none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and parties acting in concert with it;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which may be material to the Offer;
- (iv) there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (v) none of the Offeror or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (vi) there is no arrangement in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (vii) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (viii) save for the Irrevocable Undertakings, there is no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror and parties acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (ix) there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between the Offeror and parties acting in concert with it and any other person;
- (x) other than the Offer Price under the Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Offer;
- (xi) save for the Irrevocable Undertakings, there is no understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or parties acting in concert with it on the one hand, and the Relevant Shareholders or parties acting in concert with them on the other hand; and
- (xii) save for the Irrevocable Undertakings, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror or parties acting in concert with it or (b) the Company, its subsidiaries or associated companies.

## **INFORMATION OF THE GROUP**

### **Principal business**

The Company is an investment holding company which, through its subsidiaries, owns and operates in the People's Republic of China two highly accessible multi-purpose ports in Changshu City, Jiangsu province, namely the Changshu Xinghua Port, operated by Changshu Xinghua Port Co., Ltd, and the adjacent Changshu Changjiang International Port, operated by Changshu Changjiang International Port Co., Ltd.

### **Shareholding structure of the Company**

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after the completion of the Offer (assuming that the Offer is fully accepted by the Offer Shareholders):

|  | As at the date of this<br>joint announcement |                  | Immediately after<br>the completion of the Offer<br>(assuming that the Offer is<br>fully accepted by the Offer<br>Shareholders) |                  |
|--|--|------------------|---|------------------|
|  | No.<br>of Shares                             | Approximate<br>% | No.<br>of Shares  | Approximate<br>% |
| Offeror and parties acting in<br>concert with it                               | 0  | 0.00             | 814,412,028   | 100.00           |
| Mr. Patrick Ng <i>(Note 1)</i>   | 47,108,037                                   | 5.78             | 0   | 0.00             |
| Mr. Ng HW <i>(Note 1)</i>  | 29,200,037                                   | 3.59             | 0   | 0.00             |
| Ms. Ng BB <i>(Note 1)</i>  | 10,125,002                                   | 1.24             | 0   | 0.00             |
| Ms. Jane Ng <i>(Note 1)</i>  | 10,559,502                                   | 1.30             | 0   | 0.00             |
| Shares jointly held by Mr. Ng HW,<br>Ms. Ng BB and Ms. Jane Ng <i>(Note 1)</i> | 191,250,000                                  | 23.48            | 0   | 0.00             |
| BOS Trustee Limited <i>(Notes 2)</i>   | 207,000,000                                  | 25.42            | 0   | 0.00             |
| <b>Sub-total of the Ng Family and BOS<br/>Trustee Limited</b>                  | <b>495,242,578</b>                           | <b>60.81</b>     | <b>0</b>  | <b>0.00</b>      |
| Other associates <i>(Note 3)</i>   | 28,328,742                                   | 3.48             | 0   | 0.00             |
| Mr. Kor Tor Khoon <i>(Note 4)</i>  | 5,158,800                                    | 0.64             | 0   | 0.00             |
| Mr. Lee Cheong Seng <i>(Note 5)</i>  | 3,100,000                                    | 0.38             | 0   | 0.00             |
| Mr. Tan Chian Khong <i>(Note 6)</i>  | 100,000                                      | 0.01             | 0   | 0.00             |
| <b>Sub-total of Directors (other than<br/>Mr. Patrick Ng and Ms. Jane Ng)</b>  | <b>8,358,800</b>                             | <b>1.03</b>      | <b>0</b>  | <b>0.00</b>      |
| Petroships <i>(Note 7)</i>   | 77,876,203                                   | 9.56             | 0   | 0.00             |
| Other public Shareholders  | 204,605,705                                  | 25.12            | 0   | 0.00             |
| <b>Sub-total of public Shareholders</b>  | <b>282,481,908</b>                           | <b>34.68</b>     | <b>0</b>  | <b>0.00</b>      |
| <b>Grand Total</b>   | <b>814,412,028</b>                           | <b>100.00</b>    | <b>814,412,028</b>  | <b>100.00</b>    |

Notes:

1. Mr. Patrick Ng (chairman and an executive director of the Company), Mr. Ng HW, Ms. Ng BB and Ms. Jane Ng (an executive director of the Company) are siblings.
2. 207,000,000 Shares are held by BOS Trustee Limited on trust for Mr. Ng HW, Ms. Jane Ng and Ms. Ng BB.
3. Other associates refer to other siblings of the Ng Family who hold Shares in their own respective names, who are not considered to be public Shareholders.
4. Mr. KOR Tor Khoon, an executive Director, is beneficially interested in 5,158,800 Shares of which 5,133,000 Shares are held directly by Mr. Kor Tor Khoon and 25,000 Shares are held by the spouse of Mr. Kor Tor Khoon.

5. *Mr. Lee Cheong Seng, a non-executive Director, is beneficially interested in 3,100,000 Shares.*
6. *Mr. Tan Chian Khong, an independent non-executive Director, is beneficially interested in 100,000 Shares.*
7. *Petroships is owned as to 90% by Mr. Alan Chan Hong Joo, who had retired as a non-executive Director on 28 May 2019 and 10% by Madam Ng Thiam Eng, respectively.*

## **Financial information**

The following table is a summary of certain unaudited consolidated financial information of the Group for the six months ended 30 June 2020 as extracted from the Company's interim results announcement published on 28 July 2020 and certain audited consolidated financial information of the Group for the two financial years ended 31 December 2018 and 2019 as extracted from the Company's annual report published on 14 April 2020:

|                     | <b>For the<br/>six months<br/>ended 30 June<br/>2020<br/>(unaudited)<br/>(RMB'000)</b> | <b>For the year ended 31 December<br/>2019<br/>(RMB'000)</b> | <b>31 December<br/>2018<br/>(RMB'000)</b> |
|---------------------|--|--|---|
| Revenue             | 229,212  | 397,096  | 404,102                                   |
| Profit before tax   | 82,938   | 116,732  | 79,413                                    |
| Profit for the year | 55,610   | 83,772   | 51,742                                    |
|                     | <b>As at 30 June<br/>2020<br/>(unaudited)<br/>(RMB'000)</b>                            | <b>As at 31 December<br/>2019<br/>(RMB'000)</b>              | <b>2018<br/>(RMB'000)</b>                 |
| Total equity        | 954,448  | 939,076  | 889,550                                   |

## **INFORMATION OF THE OFFEROR**

The Offeror is a company incorporated in Hong Kong with limited liability in 2013. The Offeror is principally engaged in general trading, information consulting, logistics services and equity investment.

The Offeror is a wholly-owned subsidiary of Zhuhai Port which is a joint stock limited company incorporated in the People's Republic China, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000507). Zhuhai Port and its subsidiaries are principally engaged in (i) port and shipping management; (ii) logistics and supply chain management; (iii) energy and environmental protection; and (iv) the development of ancillary facilities of the port.

As at the date of this joint announcement, Zhuhai Port is held as to approximately 29.64% by Zhuhai Port Holdings and the voting rights of the shares of Zhuhai Port held by Zhuhai Port Holdings have significant influence on the resolution of Zhuhai Port's shareholders' meeting. Zhuhai Port Holdings is a state-owned enterprise established in the People's Republic of China and is wholly owned by the State-owned Asset Supervision and Administration Commission of the Zhuhai Municipal People's Government (珠海市人民政府國有資產監督管理委員會).

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

### **Views of the board of the Offeror**

The Zhuhai Port Group has over 10 years of experience in port and shipping management in People's Republic China, and directly or indirectly managed and operated six (6) ports as of 31 December 2019 with total cargo throughput over 30 million tonnes in 2019. The Zhuhai Port Group and its debt were rated AA+ grade by China Chengxin Securities Rating Co., Ltd. on 26 June 2019.

In the event that the Offeror successfully acquires the Company, the Zhuhai Port Group can, (i) consolidate the advantages of the existing international, inland and coastal areas of the Pearl River Delta, Hong Kong and Macao Special Administrative Region of the People's Republic of China shipping networks; (ii) strengthen the cooperation with the ports, shipping and logistics enterprises located in the Yangtze River Delta area; (iii) promote the expansion and development on ports, shipping and logistics businesses, realising the synergy effects of Zhuhai Port Group's business in the Yangtze River Delta and Pearl River Delta; and (iv) accelerate the fulfilment of the Zhuhai Port Group's corporate vision of building an international hub in the southern part of China.

The Offeror is of the view that the benefits of the Offer to the Zhuhai Port Group are (a) conforming with policy direction and Zhuhai Port Group's development strategies; (b) expanding the development capacity and developing new sources of growth for existing businesses; (c) providing synergy effects and improving the comprehensive business capabilities; and (d) providing positive impact on the financial indicators of the Zhuhai Port Group.

The Offer Price is determined with reference to the (a) prevailing share price of the Shares; (b) the average enterprise value to earnings before interest, taxes, depreciation and amortisation ratio of 19 companies listed in Shenzhen Stock Exchange or Shanghai Stock Exchange, which are principally engaged in port business; (c) operation performance, geographical advantages and comprehensive competitiveness of the Group; and (d) the control premium of the Group.

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

It is the intention of the Offeror to continue with the Group's existing principal business following the close of the Offer. Subject to the Group's business needs and prevailing market conditions, the Offeror may explore business opportunities to develop the existing business of the Group.

As at the date of this joint announcement, the Board is made up of three executive Directors, namely Mr. Patrick Ng, Mr. Kor Tor Khoon and Ms. Jane Ng, one non-executive Director, namely Mr. Lee Cheong Seng, and three independent non-executive Directors, namely Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann.

It is the Offeror's and all the Directors' intention that, upon the Offer becoming or being declared unconditional, all the existing Directors, namely Mr. Patrick Ng, Mr. Kor Tor Khoon, Ms. Jane Ng, Mr. Lee Cheong Seng, Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann, shall resign from the Board with effect from the earliest date permitted under the Takeovers Code or other applicable laws whichever is later.

Save as in connection with the Offeror's intention regarding the Group as set out above and the abovementioned potential resignations, as at the date of this joint announcement, the Offeror has no intention to (i) introduce any major changes to the existing business and operations of the Group following the close of the Offer; (ii) discontinue the employment of any employees of the Group; or (iii) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to ensure good corporate governance, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

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

The Independent Board Committee, comprising Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann, being all the independent non-executive Directors, and Mr. Lee Cheong Seng, being the non-executive Director, who have no direct or indirect interest in the Offer other than their interest in the Shares (if any), has been established by the Company in accordance with Rules 2.1 and 2.8 of the Takeovers Code to give a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. As at the date of this joint announcement, Mr. Tan Chian Khong and Mr. Lee Cheong Seng hold 100,000 Shares and 3,100,000 Shares, representing 0.01% and 0.38% respectively of the total issued share capital of the Company. The Company considers that the shareholdings being held by Mr. Tan Chian Khong and Mr. Lee Cheong Seng will not affect their independence on giving the recommendation to the Offer Shareholders.

The Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document in accordance with the Takeovers Code. The Composite Document will contain, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee, together with the relevant form of acceptance and transfer.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

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



## DISCLOSURE IN DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including persons holding 5% or more of a class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 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. Therefore, those who deal in relevant securities should 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

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 24 July 2020 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 with effect from 9:00 a.m. on 30 July 2020.

## WARNING

**Shareholders and potential investors should note that the Offer is subject to the satisfaction of the Condition. Accordingly, the Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors of the Company are in any doubt about their position, they should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Offer Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee and a letter of advice from the Independent Financial Adviser in respect of the Offer.**

## DEFINITIONS

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

|  |   |
|--|---|
| <b>“acting in concert”</b>                         | the meaning ascribed to it under the Takeovers Code   |
| <b>“associate(s)”</b>                              | the meaning ascribed to it under the Takeovers Code   |
| <b>“Board”</b>                                     | the board of Directors  |
| <b>“Closing Date”</b>                              | being the closing date of the Offer to be stated in the Composite Document, which is the 21st calendar day after the date of the posting of the Composite Document, or if the Offer is extended, any subsequent closing date(s) as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive in accordance with the Takeovers Code. For avoidance of doubt, the Offer will not be closed prior to the 60 <sup>th</sup> day after the despatch of the Composite Document unless the Offer has become or has been declared unconditional in all respects |
| <b>“Company”</b>                                   | Xinghua Port Holdings Ltd., a company incorporated in the Republic of Singapore with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 01990)  |
| <b>“Composite Document”</b>                        | the composite offer and response document combining the offer document to be issued by the Offeror and offeree board circular to be issued by the Company (accompanied by the acceptance and transfer forms) in respect of the Offer to be despatched to the Shareholders in accordance with the Takeovers Code   |
| <b>“Compulsory Acquisition Entitlement Period”</b> | the period commencing on the date of the Composite Document and ending on the date falling four (4) months after the date of the Composite Document (or such later date as the Executive may permit for the requisite level of acceptances to be reached in order for the Offeror to undertake compulsory acquisition)  |
| <b>“Condition”</b>                                 | condition to the Offer as set out under the section headed “Condition of the Offer” of this joint announcement  |
| <b>“Director(s)”</b>                               | the director(s) of the Company  |

|   |   |
|---|---|
| <b>“Disinterested Shares”</b>             | Shares other than those held by the Offeror, its related corporations or their respective nominees for the purpose of the Singapore Companies Act. As at the date of this joint announcement, the Offeror, its related corporations or their respective nominees do not own any Shares and the Disinterested Shares comprise all the 814,412,028 Shares in issue. For avoidance of doubt, the Ng Family’s, BOS Trustee Limited’s, and Petroships’ shareholding interests are not held by the Offeror, its related corporations or their respective nominees for the purpose of the Singapore Companies Act. Accordingly, such shareholding interests are considered “Disinterested Shares” for the purpose of the Singapore Companies Act |
| <b>“Dividend Adjustment”</b>              | if any dividend, distribution and/or return of capital (as the case may be) is made or paid in respect of the Shares after the date of this joint announcement and on or before the Closing Date, the Offeror will reduce the Offer Price by an amount equal to all or any part of the amount or value of such dividend, distribution and/or return of capital, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced   |
| <b>“Essence Corporate Finance”</b>        | Essence Corporate Finance (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer   |
| <b>“Essence International Securities”</b> | Essence International Securities (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror  |
| <b>“Executive”</b>                        | the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of the Executive Director  |
| <b>“Group”</b>                            | the Company and its subsidiaries  |
| <b>“HK\$”</b>                             | Hong Kong dollars, the lawful currency of Hong Kong   |
| <b>“Hong Kong”</b>                        | Hong Kong Special Administrative Region of the People’s Republic China  |
| <b>“Independent Board Committee”</b>      | an independent board committee comprising all the non-executive Directors, namely Mr. Tan Chian Khong, Mr. Soh Ee Beng, Mr. Ting Yian Ann, and Mr. Lee Cheong Seng  |

|  |  |
|--|--|
| <b>“Independent Financial Adviser”</b> | the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in relation to the Offer   |
| <b>“Irrevocable Undertakings”</b>      | the irrevocable deed of undertaking dated 29 July 2020 and executed by the Relevant Shareholders and the Offeror, pursuant to which each of the Relevant Shareholders has irrevocably undertaken to the Offeror, among others, to accept the Offer and the Offeror has irrevocably undertaken to each of the Relevant Shareholders, among others, to make the Offer at a price not less than HK\$2.597 |
| <b>“Last Full Trading Day”</b>         | 23 July 2020, being the last full trading day of the Shares on the Stock Exchange immediately prior to the halt of trading in the Shares pending the release of this joint announcement  |
| <b>“Last Trading Day”</b>              | 24 July 2020, being the last trading day of the Shares on the Stock Exchange immediately prior to the halt of trading in the Shares pending the release of this joint announcement   |
| <b>“Listing Rules”</b>                 | the Rules Governing the Listing of Securities on the Stock Exchange  |
| <b>“Mr. Ng HW”</b>                     | Mr. Ng Han Whatt, a brother of Mr. Patrick Ng, Ms. Jane Ng and Ms. Ng BB   |
| <b>“Mr. Patrick Ng”</b>                | Mr. Patrick Ng Bee Soon, the chairman of the Board and a brother of Mr. Ng HW, Ms. Jane Ng and Ms. Ng BB   |
| <b>“Ms. Jane Ng”</b>                   | Ms. Jane Kimberly Ng Bee Kiok, an executive Director and a sister of Mr. Ng HW, Mr. Patrick Ng and Ms. Ng BB   |
| <b>“Ms. Ng BB”</b>                     | Ms. Ng Bee Bee, a sister of Mr. Ng HW, Mr. Patrick Ng and Ms. Jane Ng  |
| <b>“Ng Family”</b>                     | Mr. Ng HW, Mr. Patrick Ng, Ms. Jane Ng and Ms. Ng BB   |
| <b>“Offer”</b>                         | the voluntary conditional general cash offer to be made by Essence International Securities for and on behalf of the Offeror to acquire all the issued Shares  |
| <b>“Offer Price”</b>                   | the price per Offer Share at which the Offer will be made in cash, being HK\$2.597 per Offer Share, less the Dividend Adjustment (if any)  |

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| <b>“Offer Share(s)”</b>          | all the Share(s) in issue, other than those Shares owned by the Offeror or parties acting in concert with it and has the same meaning of “disinterested shares” as defined under Rule 2.11 of Takeovers Code. As at the date of this joint announcement, the Offeror and parties acting in concert with it do not own any Shares and the Offer Shares comprise all the 814,412,028 Shares in issue. For avoidance of doubt, the Ng Family’s, BOS Trustee Limited’s, and Petroships’ shareholding interests are not held by the Offeror and its concert parties for the purpose of the Takeovers Code. Accordingly, such shareholding interests are considered “disinterested shares” for the purpose of Rule 2.11 of the Takeovers Code |
| <b>“Offer Shareholder(s)”</b>    | Shareholder(s) other than the Offeror and parties acting in concert with it   |
| <b>“Offeror”</b>                 | Zhuhai Port (Hong Kong) Co., Limited  |
| <b>“Overseas Shareholders”</b>   | Offer Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong   |
| <b>“Petroships”</b>              | Petroships Investment Pte. Ltd, which is owned as to 90% and 10% by Mr. Alan Chan Hong Joo and Madam Ng Thiam Eng respectively  |
| <b>“Relevant Authority(ies)”</b> | any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution   |
| <b>“Relevant Shareholders”</b>   | the Ng Family, Petroships and Mr. Alan Chan Hong Joo  |
| <b>“RMB”</b>                     | Renminbi, the lawful currency of the People’s Republic China  |
| <b>“SFC”</b>                     | the Securities and Futures Commission of Hong Kong  |
| <b>“SFO”</b>                     | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time   |
| <b>“Share(s)”</b>                | ordinary share(s) in the share capital of the Company   |
| <b>“Shareholder(s)”</b>          | holder(s) of the Share(s)   |
| <b>“Singapore Companies Act”</b> | the Companies Act (Chapter 50) of Singapore, as amended, modified, and supplemented from time to time   |
| <b>“Stock Exchange”</b>          | The Stock Exchange of Hong Kong Limited   |
| <b>“Takeovers Code”</b>          | the Code on Takeovers and Mergers issued by the SFC   |

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| <b>“Undertaken Shares”</b>    | an aggregate of 573,118,781 Shares, representing 70.37% of the total issued share capital of the Company, directly and/or beneficially held by the Ng Family, BOS Trustee Limited and Petroships   |
| <b>“Zhuhai Port”</b>          | Zhuhai Port Co., Ltd. (珠海港股份有限公司), the parent company of the Offeror, which is a joint stock limited liability company incorporated in the People’s Republic of China and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000507) |
| <b>“Zhuhai Port Group”</b>    | Zhuhai Port and its subsidiaries (including the Offeror)   |
| <b>“Zhuhai Port Holdings”</b> | Zhuhai Port Holdings Group Co., Ltd (珠海港控股集團有限公司)  |
| <b>“%”</b>                    | per cent.  |

By order of the board of directors of  
**Zhuhai Port (Hong Kong) Co., Limited**  
**Chen Hong**  
*Director*

By order of the board of directors of  
**Xinghua Port Holdings Ltd.**  
**Patrick Ng Bee Soon**  
*Chairman and Executive Director*

Hong Kong, 29 July 2020

*As at the date of this joint announcement, the executive directors of the Company are Mr. Patrick NG Bee Soon, Mr. KOR Tor Khoon and Ms. Jane Kimberly NG Bee Kiok; the non-executive director of the Company is Mr. LEE Cheong Seng; and the independent non-executive directors of the Company are Mr. TAN Chian Khong, Mr. SOH Ee Beng and Mr. TING Yian Ann.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with it) 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 directors of the Offeror) 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, Madam CHEN Hong, Mr. HE Yanchen and Mr. LUO Dun are the directors of the Offeror and Mr. OU Huisheng, Mr. HUANG Zhihua, Mr. LI Shaoshan, Madam ZHOU Juan, Mr. ZOU Junshan, Mr. TIAN Qiusheng, Mr. ZHANG Wenjing and Madam LU Xiaoyan are the directors of Zhuhai Port.*

*The directors of the Offeror and Zhuhai Port 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 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.*