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**(Stock Code: 00560)**

**CONNECTED TRANSACTION IN RELATION TO THE ACQUISITIONS OF  
25% OF THE EQUITY INTEREST IN CKIFF AND  
10% OF THE EQUITY INTEREST IN CKISA**

**THE CKIFF AGREEMENT**

The Board is pleased to announce that on 30 December 2022 (after trading hours), the Company as purchaser and GDPS as vendor entered into the CKIFF Agreement, pursuant to which, the Company agreed to acquire and GDPS agreed to sell the CKIFF Interest (representing 25% of the equity interest in CKIFF) at a consideration of RMB12,897,000.

As of the date of this announcement, CKIFF is owned as to 75% and 25% by the Company and GDPS, respectively, and is a direct non wholly-owned subsidiary of the Company. Upon the CKIFF Completion, CKIFF will be wholly-owned by the Company.

**THE CKISA AGREEMENT**

The Board is pleased to announce that on 30 December 2022 (after trading hours), CKIFF as purchaser and GDCK as vendor entered into the CKISA Agreement, pursuant to which, CKIFF agreed to acquire and GDCK agreed to sell the CKISA Interest (representing 10% of the equity interest in CKISA) at a consideration of RMB443,000.

As of the date of this announcement, CKISA is owned as to 90% and 10% by CKIFF and GDCK, respectively, and is an indirect non wholly-owned subsidiary of the Company. Upon the CKISA Completion, CKISA will be wholly-owned by CKIFF.

**LISTING RULES IMPLICATIONS**

As of the date of this announcement, GDPS is indirectly interested in approximately 70% of the total issued share capital of the Company, being the controlling shareholder of the Company. Therefore, under Chapter 14A of the Listing Rules, GDPS is a connected person of the Company. As of the date of this announcement, GDCK is a wholly-owned subsidiary of GDPS. Therefore, under Chapter 14A of the Listing Rules, GDCK is a connected person of the Company. Accordingly, the CKIFF Acquisition and the CKISA Acquisition would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the CKIFF Acquisition and the CKISA Acquisition (on an aggregated basis) exceed 0.1% but all such applicable percentage ratios are less than 5%, the CKIFF Acquisition and the CKISA Acquisition are subject to the reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Liu Guanghui, Mr. Zhou Jun, and Mr. Liu Wuwei, being the executive Directors and Ms. Zhong Yan, being the non-executive Director, are also directors of the subsidiaries of GDPS. Each of Mr. Liu Guanghui, Mr. Zhou Jun, Mr. Liu Wuwei and Ms. Zhong Yan, is being regarded as having material interest in the transactions contemplated under the CKIFF Agreement and the CKISA Agreement and have abstained from voting on the board resolutions approving the CKIFF Agreement and the CKISA Agreement and the transactions contemplated thereunder.

## **INTRODUCTION**

The Board is pleased to announce that (i) on 30 December 2022 (after trading hours), the Company as purchaser and GDPS as vendor entered into the CKIFF Agreement, pursuant to which, the Company agreed to acquire and GDPS agreed to sell the CKIFF Interest (representing 25% of the equity interest in CKIFF) at a consideration of RMB12,897,000; and (ii) on 30 December 2022 (after trading hours), CKIFF as purchaser and GDCK as vendor entered into the CKISA Agreement, pursuant to which, CKIFF agreed to acquire and GDCK agreed to sell the CKISA Interest (representing 10% of the equity interest in CKISA) at a consideration of RMB443,000.

## **THE CKIFF AGREEMENT**

The principal terms of the CKIFF Agreement are summarized as follows:

**Date** : 30 December 2022 (after trading hours)

**Parties** : (1) the Company, as purchaser; and  
(2) GDPS, as vendor.

### **Nature of Transaction**

Pursuant to the CKIFF Agreement, the Company as purchaser agreed to acquire the CKIFF Interest, representing 25% equity interest in CKIFF and GDPS agreed to sell the CKIFF Interest at a consideration of RMB12,897,000.

### **Consideration**

The consideration in respect of the sale and purchase of the CKIFF Interest shall be RMB12,897,000, and shall be fully paid by the Company to GDPS in a lump sum by way of cash on or before 20 January 2023, financed by internal resources of the Group.

### **Basis of the consideration of the CKIFF Interest**

The consideration of the CKIFF Interest was determined after arm's length negotiations between the Company and GDPS, and is arrived at based on the valuation report prepared by an independent professional valuer on the valuation for the entire equity interest of CKIFF.

### **Completion**

The CKIFF Acquisition will be completed upon the completion of all registration procedures in relation to the CKIFF Acquisition with the relevant regulatory authorities.

Pursuant to the CKIFF Agreement, save as disclosed above, there is no condition precedent to the CKIFF Completion.

As of the date of this announcement, CKIFF was owned as to 75% and 25% by the Company and GDPS, respectively, and is a direct non wholly-owned subsidiary of the Company. Upon the CKIFF Completion, CKIFF will be wholly-owned by the Company.

### **THE CKISA AGREEMENT**

The principal terms of the CKISA Agreement are summarized as follows:

**Date** : 30 December 2022 (after trading hours)

**Parties** : (1) CKIFF, as purchaser; and  
(2) GDCK, as vendor.

### **Nature of Transaction**

Pursuant to the CKISA Agreement, CKIFF as purchaser agreed to acquire the CKISA Interest, representing 10% of the equity interest in CKISA and GDCK agreed to sell the CKISA Interest at a consideration of RMB443,000.

### **Consideration**

The consideration in respect of the sale and purchase of the CKISA Interest shall be RMB443,000, and shall be fully paid by CKIFF to GDCK in a lump sum by way of cash on or before 20 January 2023, financed by internal resources of the Group.

### **Basis of the consideration of the CKISA Interest**

The consideration of the CKISA Interest was determined after arm's length negotiations between CKIFF and GDCK, and is arrived at based on the valuation report prepared by an independent professional valuer on the valuation for the entire equity interest of CKISA.

## **Completion**

The CKISA Acquisition will be completed upon the completion of all registration procedures in relation to the CKISA Acquisition with the relevant regulatory authorities.

Pursuant to the CKISA Agreement, save as disclosed above, there is no condition precedent to the CKISA Completion.

As of the date of this announcement, CKISA was owned as to 90% and 10% by CKIFF and GDCK, respectively, and is an indirect non wholly-owned subsidiary of the Company. Upon the CKISA Completion, CKISA will be wholly-owned by CKIFF and indirectly wholly-owned by the Company.

## **INFORMATION ABOUT THE PARTIES TO THE CKIFF AGREEMENT AND THE CKISA AGREEMENT**

### **The Company**

The Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding, focusing mainly on terminal logistics, waterway passenger transportation, and fuel supply business. The Group establishes its terminal logistics business based on a number of cargo terminal enterprises in Guangdong and Hong Kong, which forms a complete supply chain of terminal logistics including cargo canvassing, feeder transportation, vessel agency, wharf handling, warehousing and storage services in Guangdong and Hong Kong. Another major business of the Group, the waterway passenger transportation based in Guangdong, Hong Kong and Macao, has developed into the largest operation network of waterway passenger transportation in the region. The Group also operates five inner harbour and outlying island ferry routes in Hong Kong. The fuel supply business of the Group mainly covers the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group include the provision of operation and management of facilities maintenance services for properties in Macao.

### **GDPS**

GDPS is a state-owned enterprise established under the laws of the PRC and is principally engaged in the provision of high-speed waterway passenger transportation and tourism, Qiongzhou Strait passenger transportation, port operation and management, cargo transportation, logistics and warehousing, near ocean cargo transportation, waterway investment development and construction, real estate development and property management.

As at the date of this announcement, GDPS indirectly holds approximately 70% of the total issued share capital of the Company and is the controlling shareholder of the Company.

## **CKIFF**

CKIFF is a company established under the laws of the PRC and is principally engaged in the provision of international transport agency business for importing, exporting and transiting cargoes by sea, land and air, including but not limited to cargo collection, cargo booking, cargo storage, cargo transshipment and cargo consolidation and unloading; the issuance of the bills of lading; the settlement of freight and miscellaneous charges, customs declaration and inspection, and the provision of related short-distance transport services and transport consultancy services; and the provision of international express delivery services.

As at the date of this announcement, CKIFF is owned as to 75% and 25% by the Company and GDPS, respectively, and is a direct non wholly-owned subsidiary of the Company.

## **GDCK**

GDCK is a company established under the laws of the PRC and is principally engaged in the management of waterborne passenger and cargo transportation; the handling of waterborne cargo transportation; the leasing of machineries and equipment; the leasing and management of properties; the sale of ship's spare parts, ship's hardware, ship's transportation equipment and electrical equipment, ship's petroleum products, ship's electrical machineries and equipment, ship's electronic products and communication equipment; and the sale of safety equipment.

As at the date of this announcement, GDCK is a wholly-owned subsidiary of GDPS.

## **CKISA**

CKISA is a company established under the laws of the PRC and is principally engaged in the provision of transport consultancy services; and the provision of international shipping agency services.

As at the date of this announcement, CKISA is owned as to 90% and 10% by CKIFF and GDCK, respectively, and is an indirect non wholly owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE CKIFF AGREEMENT AND THE CKISA AGREEMENT**

GDPS underwent a group reorganisation in 2003, pursuant to which 75% of the equity interest in CKIFF was transferred to the Company. Since then, the Company has since become the holding company of CKIFF and its subsidiary CKISA, holding 75% and 67.5% of the equity interest, respectively. The Company shall acquire the remaining equity interest in CKIFF and CKISA as an internal reorganisation.

Upon the CKIFF Completion and the CKISA Completion, CKIFF and CKISA shall become wholly-owned subsidiaries of the Company and shall increase the efficiency in the management decision making process and reduce management costs.

The Board (including the independent non-executive Directors) is of the view that the terms of the CKIFF Agreement and the CKISA Agreement are fair and reasonable. The CKIFF Acquisition and the CKISA Acquisition are conducted in the ordinary and usual course of business of the Group on normal commercial terms, and are in the interest of the Company and its shareholders as a whole.

As at the date of this announcement, Mr. Liu Guanghui, Mr. Zhou Jun, and Mr. Liu Wuwei, being the executive Directors and Ms. Zhong Yan, being the non-executive Director, are also directors of the subsidiaries of GDPS. Each of Mr. Liu Guanghui, Mr. Zhou Jun, Mr. Liu Wuwei and Ms. Zhong Yan, is being regarded as having material interest in the transactions contemplated under the CKIFF Agreement and the CKISA Agreement and have abstained from voting on the board resolution approving the CKIFF Agreement and the CKISA Agreement and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, GDPS is indirectly interested in approximately 70% of the total issued share capital of the Company, being the controlling shareholder of the Company. Therefore, under Chapter 14A of the Listing Rules, GDPS is a connected person of the Company. As of the date of this announcement, GDCK is a wholly-owned subsidiary of GDPS. Therefore, under Chapter 14A of the Listing Rules, GDCK is a connected person of the Company. Accordingly, the CKIFF Acquisition and the CKISA Acquisition would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

Furthermore, as 25% of the equity interests in CKIFF and 10% of the equity interests in CKISA shall be acquired by the Company from GDPS and its wholly-owned subsidiary GDCK within a 12-month period, the CKIFF Acquisition and the CKISA Acquisition shall be aggregated as a series of connected transactions under Rules 14A.81 and 14A.82 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the CKIFF Acquisition and the CKISA Acquisition exceed 0.1% but all such applicable percentage ratios are less than 5%, the CKIFF Acquisition and CKISA Acquisition are subject to the reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

“Board”	the board of Directors
“CKIFF”	Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. (廣東珠江國際貨運代理有限公司), a company established under the laws of the PRC with limited liability, 75% and 25% equity interest of which are held by the Company and GDPS respectively immediately prior to the CKIFF Completion
“CKIFF Acquisition”	the acquisition of 25% of the equity interest in CKIFF by the Company from GDPS pursuant to the terms of the CKIFF Agreement

“CKIFF Agreement”	the equity transfer agreement dated 30 December 2022 entered into between the Company as purchaser and GDPS as vendor in respect of the sale and purchase of 25% of the equity interest in CKIFF
“CKIFF Completion”	completion of the CKIFF Acquisition
“CKIFF Interest”	25% of the entire equity interest of CKIFF prior to the CKIFF Completion, being held by GDPS
“CKISA”	Chu Kong (Guangdong) International Shipping Agency Co., Ltd.* (廣東珠江國際船舶代理有限公司), a company established under the laws of the PRC with limited liability, 90% and 10% equity interest of which are held by CKIFF and GDCK respectively immediately prior to the CKISA Completion
“CKISA Acquisition”	the acquisition of 10% of the equity interest in CKISA by CKIFF from GDPS pursuant to the terms of the CKISA Agreement
“CKISA Agreement”	the equity transfer agreement dated 30 December 2022 entered into between CKIFF as purchaser and GDCK as vendor in respect of the sale and purchase of 10% of the equity interest in CKISA
“CKISA Completion”	completion of the CKISA Acquisition
“CKISA Interest”	10% of the entire equity interest in CKISA prior to the CKISA Completion, being held by GDCK
“Company”	Chu Kong Shipping Enterprises (Group) Co., Ltd.
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“GDCK”	Guangdong Chu Kong Shipping Co., Ltd.* (廣東珠江船務有限公司), a company established under the laws of the PRC with limited liability and wholly-owned by GDPS
“GDPS”	Guangdong Provincial Port & Shipping Group Company Limited* (廣東省港航集團有限公司), formerly known as Guangdong Province Navigation Group Company Limited*(廣東省航運集團有限公司), a state-owned enterprise established under the laws of the PRC which indirectly holds approximately 70% of the total issued share capital of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board

**Chu Kong Shipping Enterprises (Group) Co., Ltd.**

**Liu Guanghui**

*Chairman*

Hong Kong, 30 December 2022

*As at the date of this announcement, the Company’s executive Directors are Mr. Liu Guanghui, Mr. Zhou Jun and Mr. Liu Wuwei; non-executive Director is Ms. Zhong Yan; and independent non-executive Directors are Mr. Chan Kay-cheung, Ms. Yau Lai Man and Mr. Chow Bing Sing.*

*\*For identification purposes only*