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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00560)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE SUBSCRIPTION OF 51% EQUITY INTEREST  
IN THE TARGET COMPANY**

**THE CAPITAL INCREASE AND SHARES SUBSCRIPTION AGREEMENT**

Reference is made to the voluntary announcement of the Company dated 16 September 2024 in relation to, among other things, the expropriation of the lands at Sanbu Port and investment in construction of Sanbu New Port and public tender results.

Following the successful public tender, the Board is pleased to announce that on 15 October 2024, after trading hours, CKRTT as subscriber, the Existing Shareholder of Target Company and the Target Company entered into the Capital Increase and Shares Subscription Agreement, pursuant to which, CKRTT agreed to subscribe and the Existing Shareholder of Target Company and the Target Company agreed to issue the Subscription Shares (representing 51% of the equity interest in the Target Company) at a consideration of RMB114,600,800.

Upon Completion, the Target Company will become a direct non-wholly owned subsidiary of CKRTT.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Shares Subscription is more than 5% but less than 25%, the Shares Subscription would constitute a disclosable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 15 October 2024, after trading hours, CKRTT as subscriber, the Existing Shareholder of Target Company and the Target Company entered into the Capital Increase and Shares Subscription Agreement, pursuant to which, CKRTT agreed to subscribe and the Existing Shareholder of Target Company and the Target Company agreed to issue the Subscription Shares (representing 51% of the equity interest in the Target Company) at a consideration of RMB114,600,800.

## **THE CAPITAL INCREASE AND SHARES SUBSCRIPTION AGREEMENT**

The principal terms of the Capital Increase and Shares Subscription Agreement are summarized as follows:

- Date** : 15 October 2024 (after trading hours)
- Parties** : (1) CKRTT, as subscriber;
- (2) the Existing Shareholder of Target Company; and
- (3) the Target Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, except as disclosed, the Existing Shareholder of Target Company, the Target Company and their respective ultimate beneficial owners are Independent Third Parties and are not connected with the Group.

### **Nature of Transaction**

Following the successful public tendering of the Target Company on 14 September 2024, the parties agreed to enter into a definitive agreement, the Capital Increase and Shares Subscription Agreement. Pursuant to the Capital Increase and Shares Subscription Agreement, CKRTT as subscriber agreed to subscribe the Subscription Shares and the Existing Shareholder of Target Company and the Target Company agreed to issue the Subscription Shares at a consideration of RMB114,600,800.

### **Consideration**

The consideration for the Subscription Shares shall be RMB114,600,800, fully settled by a one-off lump sum payment in cash on or before 29 October 2024. The consideration shall be financed entirely by internal resources of the Group.

## **Basis of the consideration**

The consideration was determined by the successful public tender on 14 September 2024, which was conducted in accordance with the relevant PRC laws and regulations. Pursuant to the results of the public tender, CKRTT shall subscribe for the Subscription Shares, subject to the agreement of the terms by entering into a definitive agreement between the parties.

The Group considered that the consideration for the Subscription Shares was fair and reasonable after taking into account, among other things, (i) the final results of the public tender; (ii) the valuation report issued by an independent professional valuer on the assets of the Target Company; (iii) the audited report issued by an auditor (the “**Audited Report**”); and (iv) other factors as set out in the paragraph headed “Reasons for and Benefits of the Capital Increase and Shares Subscription Agreement”.

## **Financial Information of the Target Company**

The Target Company is currently in the process of constructing a new port with five 1,000-ton berths and an area of approximately 325 acres (of which the first phase land is 262.32 acres) (“**Sanbu New Port**”) and based on the Audited Report and the information made available to the Company, no revenue or profit has been generated.

Based on the Audited Report, as of 31 March 2024, the audited total assets, total liabilities and net assets of the Target Company are approximately RMB 289,110,000, RMB 179,110,000 and RMB 110,000,000 respectively.

## **Completion**

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

Pursuant to the Capital Increase and Shares Subscription Agreement, there is no condition precedent to Completion.

Upon Completion, the Target Company will be held as to 51% and 49% by CKRTT and the Existing Shareholder of Target Company respectively. The Target Company will become a direct non-wholly owned subsidiary of CKRTT. It is expected that the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

## **INFORMATION ABOUT THE PARTIES TO THE CAPITAL INCREASE AND SHARES SUBSCRIPTION 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.

### ***CKRTT***

CKRTT is a company incorporated in the British Virgin Islands with limited liability and is a non-wholly owned subsidiary of the Company. CKRTT is an investment holding company that holds equity interests in eight companies in the PRC. The main businesses of these companies include operating terminal cargo handling, transportation and warehousing.

### ***The Existing Shareholder of the Target Company***

The Existing Shareholder of the Target Company is a state-owned enterprise established under the laws of PRC, mainly engaged in industrial development, industrial asset management and investment.

Based on the public information and as at the date of this announcement, the Existing Shareholder of the Target Company is ultimately owned as to 100% by Kaiping City Asset Management Committee Office\* (開平市資產管理委員會辦公室).

### ***The Target Company***

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in the investment and development of cargo handling, transportation and warehousing business in Sanbu New Port in Jiangmen City. The Target Company was 100% held by the Existing Shareholder of the Target Company prior to Completion.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE AND SHARES SUBSCRIPTION AGREEMENT**

Sanbu Passenger and Freight Transportation, an associated company with 40% equity interest held by CKRTT, currently operates and manages a river port in Kaiping City, China (“**Sanbu Port**”). Due to the Jiangmen Municipal Government's plan to promote the urban construction and development of Kaiping City, the lands for wharves and buildings erected on the land of Sanbu Port will be expropriated by the Jiangmen Municipal Government.

Upon completion of its construction, Sanbu New Port will actively seize the development opportunities arising from the rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area and the future integration of Kaiping City's port and shipping resources to add ore and other bulk cargo sources. In addition, Sanbu New Port will provide domestic and foreign trade container, bulk cargo and general cargo transportation services, as well as warehousing and logistics services for bonded zones, warehousing, e-commerce and logistics parks which will create a comprehensive, public and modern port in Kaiping City. As disclosed in the Voluntary Announcement, having considered that after the expropriation of Sanbu Port, the existing customers, business and employees shall be moved to and be undertaken by Sanbu New Port, the Board considers that the Shares Subscription is a good investment opportunity and believes that the business of Sanbu New Port may generate continuous and stable revenue for the Group in the future.

The Board is of the view that the terms of the Capital Increase and Shares Subscription Agreement are on normal commercial terms and are fair and reasonable and the Shares Subscription is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Shares Subscription is more than 5% but less than 25%, the Shares Subscription would constitute a disclosable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Increase and Shares Subscription Agreement”	the capital increase and shares subscription agreement dated 15 October 2024, entered into between CKRTT as subscriber, the Existing Shareholder of Target Company and the Target Company in relation to Shares Subscription
“CKRTT”	Chu Kong River Trade Terminal Co., Ltd., a company incorporated in the British Virgin Islands with limited liability and is a non-wholly owned subsidiary of the Company
“Company”	Chu Kong Shipping Enterprises (Group) Co., Ltd.
“Completion”	the completion of the Shares Subscription
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Shareholder of the Target Company”	Kaiping City Investment Group Co., Ltd.* (開平市城市投資集團有限公司), a state-owned enterprise established under the laws of the PRC which holds 100% equity interest of the Target Company immediately prior to Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	persons(s) or company(ies) together with its/their beneficial owner(s) who or which is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, not connected person(s) to the Company and its associates in accordance with the Listing Rules;
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Sanbu Passenger and Freight Transportation”	Guangdong Sanbu Passenger and Freight Transportation Co., Ltd.* (廣東省三埠港客貨運輸合營有限公司), a company established under the laws of the PRC with limited liability, an associated company of the Group, 40%, 50% and 10% equity interest of which are direct or indirect held by CKRTT, Chu Kong Shipping Enterprises (Holdings) Company Limited and the Existing Shareholder of the Target Company respectively
“Shares Subscription”	the subscription of 51% equity interest in the Target Company by CKRTT pursuant to the terms of the Capital Increase and Shares Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	51% equity interest of the Target Company
“Target Company”	Kaiping City Industrial Investment Freight and Port Co., Ltd.* (開平市工投貨運港口有限公司), a company established under the laws of the PRC with limited liability, 100% equity interest of which are held by the Existing Shareholder of the Target Company immediately prior to Completion
“Voluntary Announcement”	the announcement of the Company dated 16 September 2024 relating to the public tender results
“%”	per cent

By order of the Board

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

**Liu Guanghui**

*Chairman*

Hong Kong, 15 October 2024

*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 Hon. Rock Chen Chung-nin and Mr. Tang Yi Hoi.*

*\*For identification purposes only*