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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00560)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF 60% EQUITY INTERESTS  
IN THE TARGET COMPANY**

**THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 4 May 2020, after trading hours, the Company as the purchaser, the Vendor, the Target Company and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which (i) the Company as the purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares (representing 60% of the entire issued shares of the Target Company) at a consideration of HK\$232,800,000; and (ii) the Guarantor agreed to guarantee the performance of the obligations of the Vendor under the Sale and Purchase Agreement.

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

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios with respect to the Acquisition calculated by reference to Rule 14.07 of the Listing Rules exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements but is exempted from the independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

On 4 May 2020, after trading hours, the Company as the purchaser, the Vendor, the Target Company and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which (i) the Company as the purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares (representing 60% of the entire issued shares of the Target Company) at a consideration of HK\$232,800,000; and (ii) the Guarantor agreed to guarantee the performance of the obligations of the Vendor under the Sale and Purchase Agreement.

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are summarized as follows:

Date: 4 May 2020

Parties: (1) the Company as the purchaser;

(2) the Vendor;

(3) the Guarantor; and

(4) the Target Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor, the Guarantor and their respective ultimate beneficial owners are Independent Third Parties and are not connected with the Group.

## **ASSETS TO BE ACQUIRED**

Pursuant to the Sale and Purchase Agreement, the Company as the purchaser conditionally agreed to acquire the Sale Shares, representing 60% of the entire issued share capital of the Target Company and the Vendor conditionally agreed to sell the Sale Shares at a consideration of HK\$232,800,000.

Upon Completion, the Target Company will be held as to 60% and 40% by the Company and the Vendor respectively. The Target Company will become a direct non-wholly owned subsidiary of the Company. It is expected that the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

## **CONSIDERATION**

Subject to the Sale and Purchase Agreement becoming effective, the consideration for the sale and purchase of the Sale Shares shall be HK\$232,800,000, which will be financed by the Group's internal resources, and shall be settled on the Completion Date.

## **BASIS OF THE CONSIDERATION**

The consideration of HK\$232,800,000 was arrived after arm's length negotiations between the Company and the Vendor after taking into account, inter alia,

- (i) the business development and future prospects of the Target Company;
- (ii) historical financial performance and the existing brand reputation of the Target Company; and
- (iii) the fair market value of 100% equity interest of and in the Target Company as at the valuation date as set out in the Sale and Purchase Agreement, as determined by adopting the market approach as set out in the valuation report prepared by an independent professional valuer of not more than HK\$418,548,000.

Other factors considered are set out in the section headed "Reasons for and Benefits of the Acquisition" below.

Accordingly, the Directors are of the view that the consideration for the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **CONDITIONS PRECEDENT**

Completion shall be subject to and conditional upon the fulfilment or waiver of the following conditions precedent, as the case may be:-

- (a) the representations, warranties and undertakings given by the Vendor and the Guarantor in the Sale and Purchase Agreement remain true and are not breached;

- (b) the Vendor, the Guarantor and the Target Company are not materially in breach of any terms and conditions under the Sale and Purchase Agreement. All applicable legal and regulatory requirements have been complied, and all necessary approval and permit from the regulatory authorities, including but not limited to the Stock Exchange, the Securities and Futures Commission, the Marine Department and the Transport Department, for the transactions contemplated under the Sale and Purchase Agreement have been obtained;
- (c) the shareholder and the board of directors of the Target Company have passed the resolutions approving the distribution of dividend as agreed between the parties to the Sale and Purchase Agreement;
- (d) the Target Company has fully repaid to the Vendor the remainder of the outstanding shareholder's loan in the amount as agreed between the parties to the Sale and Purchase Agreement; and
- (e) no material adverse change has occurred to the financial, assets, operation and business positions of the Target Company before and up to the Completion Date.

The Vendor shall use its best endeavours to procure that all conditions precedent above are satisfied or waived before the Completion Date. The Company may in its absolute discretion at any time before the Completion Date waive the conditions precedent (a) to (c) and (e) above.

If the conditions precedent are not fulfilled (or waived by the Company in respect of conditions precedent (a) to (c) and (e) above) on or before Completion,

- (1) the Company shall have the right to extend the Completion Date to a date within 14 Business Days after the original Completion Date but in any event on or before the Long Stop Date; or
- (2) the Sale and Purchase Agreement shall lapse and the parties to the Sale and Purchase Agreement shall be released from all obligations thereunder forthwith and shall have no claim against each other, save for liabilities for any antecedent breaches.

## **COMPLETION OF THE ACQUISITION**

Upon fulfilment or waiver (as the case may be) of the conditions precedent above, Completion shall take place at 4:30 p.m. on the Completion Date or at such other time and date as the Vendor and the Company may agree in writing. Upon Completion, the Target Company will be held as to 60% and 40% by the Company and the Vendor respectively.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in operation of inner harbour and outlying island ferry routes in Hong Kong. As at the date of this announcement, the entire equity interests of the Target Company are wholly and directly owned by the Vendor.

Set out below is the audited financial information of the Target Company for the two financial years ended 30 June 2018 and 2019:

	<b>For the financial year ended 30 June</b>	
	<b>2018</b>	<b>2019</b>
	<i>(audited)</i>	<i>(audited)</i>
	<b>HK\$</b>	<b>HK\$</b>
Net profit before tax	41,522,463	30,327,846
Net profit after tax	34,703,263	25,486,046

As at 30 June 2019, the audited net asset value of the Target Company was approximately HK\$101,465,000.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company is principally engaged in the operation of inner harbour and outlying island ferry routes in Hong Kong with well-established operation, the business of which can further complement the existing business of the Group and enhance the Group's competitiveness in passenger transportation business.

The Directors consider that the Acquisition is carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT THE GROUP AND THE PARTIES TO THE AGREEMENT**

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

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in operation of inner harbour and outlying island ferry routes in Hong Kong. As at the date of this announcement, the entire equity interests of the Target Company are wholly and directly owned by the Vendor.

### ***The Company***

The Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding of businesses focusing mainly on terminal navigation logistics, high-speed waterway passenger transportation and fuel supply.

### ***The Vendor***

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the date of this announcement, the entire equity interests of the Vendor are wholly and indirectly held by the Guarantor.

### ***The Guarantor***

The Guarantor is a company incorporated in Bermuda with limited liability whose issued shares are listed on the Main Board of the Stock Exchange. The Guarantor and its subsidiaries are principally engaged in (i) the development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and (ii) the investment in and/or operation of environmental and logistics projects, facilities and transport.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios with respect to the Acquisition calculated by reference to Rule 14.07 of the Listing Rules exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements but is exempted from the independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of 600 shares, representing 60% equity interest in the Target Company by the Company as the purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday and authorized public holiday in Hong Kong)
“Company”	Chu Kong Shipping Enterprises (Group) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0560)
“Completion”	completion of the Acquisition
“Completion Date”	31 May 2020 or such other date as mutually agreed between the Vendor and the Company as the purchaser in writing
“Director(s)”	director(s) of the Company
“Guarantor”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0659)
“HK\$”	the Hong Kong dollars, the lawful current in Hong Kong

“Long Stop Date”	31 May 2020 or such other later date as mutually agreed between the Vendor and the Company as the purchaser in writing
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 May 2020 and entered into between the Company as the purchaser, the Vendor, the Target Company and the Guarantor in relation to the Acquisition
“Sale Shares”	600 ordinary shares of the Target Company, representing 60% of the entire issued shares of the Target Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	New World First Ferry Services Limited, a company incorporated in the British Virgin Islands with limited liability whose entire issued shares are legally and beneficially owned by the Vendor



“US\$”	the United States dollars, the lawful currency of the United States of America
“Vendor”	New World First Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Guarantor
“%”	per cent

By Order of the Board  
**Chu Kong Shipping Enterprises (Group) Co., Ltd.**  
**Wu Qiang**  
*Managing Director*

Hong Kong, 4 May 2020

*As at the date of this Announcement, the Company’s executive Directors are Mr. Huang Liezhang, Mr. Wu Qiang, Mr. Chen Jie 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.*