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**珠江船務企業(股份)有限公司**  
**Chu Kong Shipping Enterprises (Group) Co., Ltd.**

*(Incorporated in Hong Kong with limited liability)*

(Stock code: 00560)

**CONTINUING CONNECTED TRANSACTIONS**  
**REVISION OF ANNUAL CAP**

**SUMMARY**

Reference is made to the announcement of the Company dated 12 October 2018 in respect of, among others, the Master Ferries Rental Agreement under which GDPS Group leased its ferries to the Group.

As the Board estimates that the original annual cap under the Master Ferries Rental Agreement for the financial year ending 31 December 2021 will not be sufficient to meet the Group's needs, the Board proposes to revise the annual cap for the financial year ending 31 December 2021.

As GDPS indirectly holds approximately 70.0% of the total number of issued shares of the Company as at the date of this announcement, GDPS is a connected person of the Company. The transactions under the Master Ferries Rental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable Percentage Ratios of the revised annual cap for the financial year ending 31 December 2021 is more than 0.1% but less than 5%, the revision of the annual cap for the transactions under the Master Ferries Rental Agreement must comply with the announcement requirement in accordance with Rule 14A.54 of the Listing Rules but is exempt from independent shareholders' approval requirement thereunder.

## I. BACKGROUND

Reference is made to the announcement of the Company dated 12 October 2018 in respect of, among others, the Master Ferries Rental Agreement pursuant to which GDPS Group (formerly known as the “GNG Group”) agreed to lease its ferries to the Group at the request of any member of the Group from time to time in accordance with its terms and the terms and conditions of the relevant ferry rental agreements to be entered into between members of the Group and members of the GDPS Group.

## II. HISTORICAL TRANSACTION AMOUNTS

The following table summarizes the historical transaction amounts under the Master Ferries Rental Agreement for the two financial years ended 31 December 2020 and the seven months ended 31 July 2021:

	<b>For the financial year ended 31 December 2019 HK\$'000</b>	<b>For the financial year ended 31 December 2020 HK\$'000</b>	<b>For the seven months ended 31 July 2021 HK\$'000</b>
Transaction amount under the Master Ferries Rental Agreement	379	3,341	3,512

## III. ORIGINAL ANNUAL CAP AND REVISED ANNUAL CAP

As the Board estimates that the original annual cap under the Master Ferries Rental Agreement for the financial year ending 31 December 2021 will not be sufficient to meet the Group's needs, the Board proposes to revise the annual cap for the financial year ending 31 December 2021 as follows:

	<b>Annual Cap for the financial year ending 31 December 2021</b>	
	<b>Original HK\$'000</b>	<b>Revised HK\$'000</b>
Master Ferries Rental Agreement	4,100	8,000

Apart from the annual cap, other terms (including the payment terms) and conditions of the Master Ferries Rental Agreement will remain unchanged.

#### **IV. BASIS AND BENEFITS OF THE REVISED ANNUAL CAP**

The Board has taken into consideration the following factors in determining the revised annual cap under the Master Ferries Rental Agreement for the financial year ended 31 December 2021: (i) the historical transactions under the Master Ferries Rental Agreement for the two financial years ended 31 December 2020 and the seven months ended 31 July 2021; (ii) the local ferry business of Sun Ferry Services Company Limited newly added by the Group last year ; (iii) the ferries supply in Hong Kong's ferries rental market; (iv) the ferries rental situation in Hong Kong's ferries rental market ; (v) the historical performance of the Group and (vi) the business plan of the Group.

Taking into account the basis of the revised annual cap as detailed above, the Directors (including the independent non-executive Directors) consider that the proposed revision of the annual cap will stabilize the provision of ferry services in Hong Kong and the continuing connected transactions under the Master Ferries Rental Agreement are: (1) in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **V. LISTING RULES IMPLCIATIONS**

As GDPS indirectly holds approximately 70.0% of the total number of issued shares of the Company as at the date of this announcement, GDPS is a connected person of the Company. The transactions under the Master Ferries Rental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Mr. Huang Liezhang and Mr Wu Qiang being the executive Director and Ms. Zhong Yan being the non-executive Director, as at the date of this announcement, are also the directors of CKSE. Mr. Chen Jie and Mr. Liu Wuwei, being the executive Directors, are directors of subsidiaries of CKSE. Each of Mr. Huang Liezhang, Mr Wu Qiang, Ms. Zhong Yan, Mr. Chen Jie and Mr. Liu Wuwei is being regarded as having a material interest in the transactions under the Master Ferries Rental Agreement and have abstained from voting on the board resolution approving the revision of the annual cap.

As one or more of the applicable Percentage Ratios of the revised annual cap for the financial year ended 31 December 2021 is more than 0.1% but less than 5%, the revision of the annual cap for the transactions under the Master Ferries Rental Agreement must re-comply with the announcement requirement in accordance with Rule 14A.54 of the Listing Rules but is exempt from independent shareholders' approval requirement thereunder.

## **VI. INFORMATION ON THE GROUP**

The Group is mainly engaged in the operation and management of river trade cargo terminals in the Mainland China and Hong Kong; cargo transportation, warehousing and storage business; provision of management and other related services to high-speed waterway passenger transportation in Guangdong, Hong Kong and Macau; provision of ferry services in Hong Kong; and provision of diesel and lubricants for passenger ferries and cargo vessels in Hong Kong.

## **VII. INFORMATION ON GDPS GROUP**

GDPS Group is principally engaged in (i) the tourist and tourist related industries; (ii) the transportation of passengers and cargoes in the Pearl River Delta Region; and (iii) the leasing of properties.

## **DEFINITIONS**

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

“associates”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors
“CKSE”	Chu Kong Shipping Enterprises (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the controlling Shareholder that holds approximately 68.0% of the total number of issued shares of the Company as at the date of this announcement and a wholly-owned subsidiary of GDPS
“Company”	Chu Kong Shipping Enterprises (Group) Company Limited (stock code: 00560), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“GDPS”	廣東省港航集團有限公司 (Guangdong Provincial Port & Shipping Group Company Limited*), formerly known as 廣東省航運集團有限公司 (Guangdong Province Navigation Group Company Limited*), a company established under the laws of the PRC and indirectly holds 70.0% of the total number of issued shares of the Company as at the date of this announcement
“GDPS Group”	GDPS and its subsidiaries and associates (other than the Group)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Master Ferries Rental Agreement”	the Master Ferries Rental Agreement dated 12 October 2018 entered into between the Company and GDPS, pursuant to which the GDPS Group agrees to lease its ferries to the Group at the request of any member of the Group from time to time in accordance with its terms and the terms and conditions of the relevant ferry rental agreements to be entered into between members of the Group and members of the GDPS Group
“Pearl River Delta Region”	in broad terms, includes the Pearl River, its tributaries and other navigable inland waterways on the west bank of the West River in Guangdong Province which are accessible from Hong Kong territorial waters
“Percentage Ratios”	the percentage ratios, other than the profits ratio and the equity capital ratio, under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China (for the purpose of this announcement excludes Hong Kong, Macau and Taiwan)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Chu Kong Shipping Enterprises (Group) Co., Ltd.**  
**Huang Liezhang**  
*Chairman*

Hong Kong, 20 August 2021

*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.*