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## **COSCO SHIPPING Ports Limited** **中遠海運港口有限公司**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1199)**

### **DISCLOSEABLE TRANSACTION ACQUISITIONS OF MINORITY INTERESTS IN HLT AND TLT AND INVESTMENT IN JV COMPANY**

#### **THE SHARE PURCHASE AGREEMENTS**

The Board is pleased to announce that on 23 October 2024 (Hong Kong time, after trading hours), SHIE (a direct wholly-owned subsidiary of the Company, as purchaser) entered into the Share Purchase Agreements, pursuant to which SHIE has conditionally agreed to purchase and each of (i) HPH has conditionally agreed to sell Sale Shares I, representing approximately 25.56% of the entire issued share capital of HLT in aggregate; (ii) Sapphire has conditionally agreed to sell Sale Shares II, representing approximately 4.44% of the entire issued share capital of HLT; and (iii) Sapphire has conditionally agreed to sell Sale Shares III, representing 12.5% of the entire issued share capital of TLT. The Aggregate Consideration under the Share Purchase Agreements is approximately US\$110,000,000 (part of which is expressed in THB and subject to foreign exchange rate fluctuations). The Share Purchase Agreements are inter-conditional upon each other.

Upon Completion,

- (i) HLT will be owned as to approximately 30%, 19% and 51% by SHIE, HPH and HPT, respectively; and
- (ii) TLT will be owned as to approximately 12.5%, 12.5%, 38.5% and 36.5% by SHIE, HPT, Repute International Limited and Hutchison Port Investments Limited, respectively.

#### **LISTING RULES IMPLICATIONS**

As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under each Share Purchase Agreement, on a standalone basis, are less than 5%, each Acquisition on a standalone basis does not constitute a discloseable transaction of the Company under the Listing Rules. Nevertheless, as (i) SPA I and SPA II involve acquisition of shares in the same company; (ii) SPA II and SPA III are entered into by a subsidiary of the Company with the same counterparty; (iii) the Target Companies are companies associated with each other and engage in operation of terminals at the same terminal port; and (iv) the Acquisitions are of similar nature, negotiated together and expected to be completed simultaneously, the Acquisitions are aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules.

Furthermore, as the JV Agreement in the Previous De Minimis JV was entered into by, amongst others, Golden Chance, being a direct wholly-owned subsidiary of the Company, and HPSL, being an indirect non-wholly owned subsidiary of HPH, and the completion of the JV Agreement took place within a 12-month period prior to the entering into of SPA I, the Previous De Minimis JV and the acquisition of Sale Shares I (together with acquisitions of Sale Share II and Sale Share III due to the reasons abovementioned) are also required to be aggregated as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Acquisitions together with the Previous De Minimis JV is more than 5% but less than 25%, the Acquisitions, when aggregated with the Previous De Minimis JV, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. None of the applicable percentage ratios in relation to the Acquisitions or the Previous De Minimis JV on a standalone basis exceeds 5%.

**The Acquisitions are subject to the satisfaction or waiver (if applicable) of the Conditions Precedent. There is no assurance that the Acquisitions will take place or as and when they may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Board is pleased to announce that on 23 October 2024 (Hong Kong time, after trading hours), SHIE (a direct wholly-owned subsidiary of the Company, as purchaser) entered into the Share Purchase Agreements, pursuant to which SHIE has conditionally agreed to purchase and each of (i) HPH has conditionally agreed to sell Sale Shares I, representing approximately 25.56% of the entire issued share capital of HLT in aggregate; (ii) Sapphire has conditionally agreed to sell Sale Shares II, representing approximately 4.44% of the entire issued share capital of HLT; and (iii) Sapphire has conditionally agreed to sell Sale Shares III, representing 12.5% of the entire issued share capital of TLT. The Aggregate Consideration under the Share Purchase Agreements is approximately US\$110,000,000 (part of which is expressed in THB and subject to foreign exchange rate fluctuations). The Share Purchase Agreements are inter-conditional upon each other.

Upon Completion,

- (i) HLT will be owned as to approximately 30%, 19% and 51% by SHIE, HPH and HPT, respectively; and
- (ii) TLT will be owned as to approximately 12.5%, 12.5%, 38.5% and 36.5% by SHIE, HPT, Repute International Limited and Hutchison Port Investments Limited, respectively.

## THE SHARE PURCHASE AGREEMENTS

The principal terms of the Share Purchase Agreements are summarised as follows:

### Date

23 October 2024

## **Parties**

- In respect of SPA I:
- (1) HPH as seller; and
  - (2) SHIE (a direct wholly-owned subsidiary of the Company) as purchaser.
- In respect of SPA II and SPA III:
- (1) Sapphire as seller; and
  - (2) SHIE (a direct wholly-owned subsidiary of the Company) as purchaser.

## **Subject matter**

- In respect of SPA I: HPH agreed to sell and SHIE agreed to purchase Sale Shares I, representing approximately 25.56% of the entire issued share capital of HLT in aggregate.
- In respect of SPA II: Sapphire agreed to sell and SHIE agreed to purchase Sale Shares II, representing approximately 4.44% of the entire issued share capital of HLT.
- In respect of SPA III: Sapphire agreed to sell and SHIE agreed to purchase Sale Shares III, representing 12.5% of the entire issued share capital of TLT.

## **Consideration and payment terms**

The Aggregate Consideration under the Share Purchase Agreements of approximately US\$110,000,000 (part of which is expressed in THB and subject to foreign exchange rate fluctuations), comprising the consideration payable in respect of each of Sale Shares I (including the Capital Injection, if any), Sale Shares II and Sale Shares III, shall be paid in cash as follows:

- (i) in respect of SPA I, SHIE shall pay the consideration in respect of Sale Shares I (including the Capital Injection, if any) to HPH at Completion; and
- (ii) in respect of SPA II and SPA III, SHIE will pay the first instalments (being 80%) of the consideration in respect of Sale Shares II and Sale Shares III to Sapphire within two (2) Business Days from the Satisfaction Date, while the remainder sums of the consideration shall be paid by SHIE to Sapphire at Completion.

The payment under the Aggregate Consideration shall be made by wire transfer in immediately available funds in accordance with the payment instructions described in the Share Purchase Agreements.

The Aggregate Consideration was determined after arm's length negotiations between the Parties with reference to:

- (i) in respect of Sale Shares I and Sale Shares II, the valuations of 30% of the total issued ordinary shares and 30% of the total issued preference shares of HLT as at the Valuation Reference Date prepared by an independent valuer adopting an income approach;

- (ii) in respect of Sale Shares III, the valuation of 12.5% of the entire equity interest in TLT as at the Valuation Reference Date prepared by an independent valuer adopting an income approach; and
- (iii) other factors set out in the section headed “Reasons for and benefits of the Acquisitions and the Previous De Minimis JV” in this announcement.

According to the Valuation Reports, income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the asset than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar asset with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be sensitive to certain inputs.

The Aggregate Consideration will be funded by the internal resources of the Company.

### **Conditions Precedent**

The Acquisitions under the Share Purchase Agreements are inter-conditional upon each other. Under the Share Purchase Agreements (as the case may be), completion of the Transactions is conditional upon satisfaction or waiver (if applicable) of, amongst others, the following conditions:

- (i) all the warranties given by each of the Parties being true, accurate and not misleading in all material respects as though they had been made at Completion, with reference to the facts, events and circumstances then existing;
- (ii) each and all of the material undertakings and covenants of each of the Parties to be performed on or before the date of Completion pursuant to the terms of the relevant Share Purchase Agreement having been duly performed in all material respects;
- (iii) the filing by SHIE with the SASAC in respect of the Acquisitions having completed and the confirmation issued by the SASAC or other applicable authority evidencing the completion of such filing having been received by SHIE;
- (iv) in respect of SPA I, the shareholding structure in the Target Companies having become the shareholding structure as set out in SPA I;
- (v) in respect of SPA I, HPH having duly obtained all permits, consents, approvals, statement of no objection, waivers, authorisations, confirmations, permission and/or registrations required for the consummation of the transactions contemplated in SPA I from the creditors as set out therein;
- (vi) in respect of SPA I, all consents and approvals of the Competition Authorities having been obtained and/or all applicable mandatory waiting periods in connection with any such filings, submissions or notification having expired or been terminated; and
- (vii) the Acquisitions being ready to be completed simultaneously.

## Completion

Completion shall take place on the third (3<sup>rd</sup>) Business Day (or such later date as the Parties may agree in writing) following the date on which all the Conditions Precedent have been fulfilled or waived (if capable of being waived) in accordance with the terms of the relevant Share Purchase Agreement.

## INFORMATION OF THE TARGET COMPANIES

The Target Companies are companies incorporated in Thailand with limited liability and principally engaged in the operation of terminals at Laem Chabang Port in Thailand.

### HLT

Set out below is the audited financial information of HLT (as prepared in accordance with International Financial Reporting Standards) for the financial years ended 31 December 2022 and 31 December 2023:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	<i>(THB'000)</i>	<i>(THB'000)</i>
Net loss before taxation	(1,256,253)	(1,216,498)
Net loss after taxation	(1,009,194)	(989,919)

The audited net asset value of HLT as at 31 December 2023 was approximately THB2,103,183,000.

### TLT

Set out below is the audited financial information of TLT (as prepared in accordance with International Financial Reporting Standards) for the financial years ended 31 December 2022 and 31 December 2023:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	<i>(THB'000)</i>	<i>(THB'000)</i>
Net profit before taxation	38,420	61,309
Net profit after taxation	31,133	48,988

The audited net asset value of TLT as at 31 December 2023 was approximately THB682,426,000.

## THE PREVIOUS DE MINIMIS JV

On 15 March 2023, (i) Golden Chance, (ii) HPSL, (iii) CMAT and (iv) the JV Company entered into the JV Agreement which governs the rights and obligations of Golden Chance, HPSL and CMAT in respect of their investment in and operation of the JV Company for the purposes of financing, developing and operation of a greenfield container terminal in the Port of Sokhna, Egypt. Pursuant to the JV Agreement, Golden Chance was required to provide an initial equity financing in the amount of US\$28,125,000, which was funded by internal resources of the Group. Upon completion of the JV Agreement on 31 May 2024, the JV Company is owned as to 50%, 25% and 25% by HPSL, CMAT and Golden Chance, respectively.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE PREVIOUS DE MINIMIS JV**

The Target Companies are principally engaged in the operation of terminals at Laem Chabang Port, the largest port in Thailand. Laem Chabang Port is strategically located on the eastern coast of Thailand, near the major industrial and manufacturing hubs of Bangkok and Rayong. This prime location offers excellent connectivity to global trade routes, making it an ideal gateway for international shipping. Investing in Laem Chabang Port would provide the Group with enhanced access to the growing markets of Southeast Asia, China, and the broader Asia-Pacific region. The port's well-developed infrastructure, including deep-water berths and modern handling facilities, enables efficient and cost-effective handling of containers and bulk cargo.

With the active support of the Thailand government in the development of Laem Chabang Port, the Group can benefit from a stable and favourable regulatory environment, which minimises operational risks. Additionally, ongoing infrastructure development projects, such as the Eastern Economic Corridor initiative, further strengthen the long-term growth and prospects of Laem Chabang Port and the surrounding region.

The Port of Sokhna is strategically located near the southern entrance of the Suez Canal, one of the world's busiest maritime shipping lanes. This location provides access to the Mediterranean Sea, the Red Sea and the Indian Ocean, and by extension, to markets in the Middle East, Europe and Africa. By investing in both Laem Chabang Port and the Port of Sokhna, the Group can strengthen its diversified market access, mitigate risks associated with regional economic or political instability, and increase its overall capacity in managing shipping routes and schedules.

The Directors (including the independent non-executive Directors) consider that the Acquisitions and the Previous De Minimis JV are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms of the Share Purchase Agreements and the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors is considered to have a material interest in the Acquisitions or the Previous De Minimis JV or is required to abstain from voting on the relevant Board resolution(s) approving the Acquisitions or the Previous De Minimis JV.

## **LISTING RULES IMPLICATIONS**

As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under each Share Purchase Agreement, on a standalone basis, are less than 5%, each Acquisition on a standalone basis does not constitute a discloseable transaction of the Company under the Listing Rules. Nevertheless, as (i) SPA I and SPA II involve acquisition of shares in the same company; (ii) SPA II and SPA III are entered into by a subsidiary of the Company with the same counterparty; (iii) the Target Companies are companies associated with each other and engage in operation of terminals at the same terminal port; and (iv) the Acquisitions are of similar nature, negotiated together and expected to be completed simultaneously, the Acquisitions are aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules.

Furthermore, as the JV Agreement in the Previous De Minimis JV was entered into by, amongst others, Golden Chance, being a direct wholly-owned subsidiary of the Company, and HPSL, being an indirect non-wholly owned subsidiary of HPH, and the completion of the JV Agreement took place within a 12-month period prior to the entering into of SPA I, the Previous De Minimis JV and the acquisition of Sale Shares I (together with acquisitions of Sale Share II and Sale Share III

due to the reasons abovementioned) are also required to be aggregated as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Acquisitions together with the Previous De Minimis JV is more than 5% but less than 25%, the Acquisitions, when aggregated with the Previous De Minimis JV, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. None of the applicable percentage ratios in relation to the Acquisitions or the Previous De Minimis JV on a standalone basis exceeds 5%.

## **INFORMATION ON THE PARTIES**

### **The Group and SHIE**

The Company is an investment holding company. The Group is principally engaged in the businesses of managing and operating terminals, and related businesses. SHIE is a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. SHIE is principally engaged in investment holding.

### **HPH**

HPH is a company incorporated in the British Virgin Islands with limited liability, and an indirect non-wholly owned subsidiary of CKH. HPH is principally engaged in the operation, management and development of ports and container terminals, and investment holding.

### **Sapphire**

Sapphire is a company incorporated in Thailand with limited liability. It is principally engaged in investment holding. As at the date of this announcement, the major shareholders of Sapphire are (i) a company incorporated in the British Virgin Islands which is wholly-owned by China-ASEAN Investment Cooperation Fund, and (ii) a Thai national. China-ASEAN Investment Cooperation Fund is a US\$-denominated offshore equity fund sponsored by the Export-Import Bank of China, among other institutional investors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of HPH and Sapphire and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

**The Acquisitions are subject to the satisfaction or waiver (if applicable) of the Conditions Precedent. There is no assurance that the Acquisitions will take place or as and when they may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Acquisitions” the acquisitions of Sale Shares I, Sale Shares II and Sale Shares III in accordance with the terms and conditions of SPA I, SPA II and SPA III respectively; and “Acquisition” means any one of them;

“Aggregate Consideration”	the aggregate value of the consideration of the Acquisitions;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for transaction of normal banking business in Hong Kong and Thailand;
“Capital Injection”	the amount which may be paid by HPH to HLT in respect of the unpaid capital of 10,500,000 issued preference shares of HLT from the date of SPA I up to Completion, the quantum of which shall be provided by HPH to SHIE no later than ten (10) Business Days prior to the date of Completion;
“CKH”	CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1);
“CMAT”	CMA Terminals SAS, a company incorporated under the laws of France;
“Company”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199);
“Competition Authorities”	means the relevant government, governmental, national, supranational, competition or antitrust body or other authorities, in the relevant jurisdictions as specified in SPA I, each of which is responsible for applying merger control or other competition or antitrust legislation in such jurisdiction;
“Completion”	the completion of the Acquisitions;
“Conditions Precedent”	the conditions precedent to Completion;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Golden Chance”	Golden Chance Investment Enterprise Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HLT”	Hutchison Laemchabang Terminal Limited, a company incorporated in Thailand with limited liability;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;



“HPH”	Hutchison Port Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“HPT”	Hutchison Ports (Thailand) Limited, a company incorporated in Thailand with limited liability;
“HPSL”	Hutchison Ports Sokhna Limited, a company incorporated under the laws of England and Wales with limited liability and an indirect non-wholly owned subsidiary of CKH;
“JV Agreement”	the shareholders’ agreement entered into among Golden Chance, HPSL, CMAT and the JV Company on 15 March 2023;
“JV Company”	Red Sea Container Terminals Overseas Limited, a company incorporated under the laws of England and Wales with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time;
“Parties”	HPH, Sapphire and SHIE;
“PRC”	The People’s Republic of China, which shall for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Previous De Minimis JV”	the investment in and operation of the JV Company pursuant to the JV Agreement, the completion of which took place on 31 May 2024;
“Sale Shares I”	1,000,000 issued ordinary shares of HLT (representing 10% of the total issued ordinary shares of HLT) and 10,500,000 issued preference shares of HLT (representing 30% of the total issued preference shares of HLT) to be acquired by SHIE from HPH under SPA I, representing approximately 2.22% and 23.33% of the entire issued share capital of HLT respectively;
“Sale Shares II”	2,000,000 issued ordinary shares of HLT (representing 20% of the total issued ordinary shares of HLT) to be acquired by SHIE from Sapphire under SPA II, representing approximately 4.44% of the entire issued share capital of HLT;
“Sale Shares III”	850,000 issued ordinary shares of TLT to be acquired by SHIE from Sapphire under SPA III, representing 12.5% of the entire issued share capital of TLT;
“Sapphire”	Sapphire Terminal (Thailand) Limited, a company incorporated in Thailand with limited liability;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;

“Satisfaction Date”	in respect of each of SPA II and SPA III, means the date on which: (a) the conditions (iii) and (vii) set out in the section "Conditions Precedent" of this announcement are satisfied in accordance with the terms of the relevant Share Purchase Agreement; and (b) there remains no breach of the remaining Conditions Precedent under the relevant Share Purchase Agreement;
“Share Purchase Agreements”	SPA I, SPA II and SPA III collectively; and “Share Purchase Agreement” means any one of them;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“SHIE”	means Sun Hope Investment Enterprise Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“SPA I”	the share purchase agreement dated 23 October 2024 entered into between SHIE and HPH in respect of the sale and purchase of Sale Shares I;
“SPA II”	the share purchase agreement dated 23 October 2024 entered into between SHIE and Sapphire in respect of the sale and purchase of Sale Shares II;
“SPA III”	the share purchase agreement dated 23 October 2024 entered into between SHIE and Sapphire in respect of the sale and purchase of Sale Shares III;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules; and “subsidiary” means any one of them;
“Target Companies”	HLT and TLT;
“THB”	Thai Baht, the lawful currency of Thailand;
“TLT”	Thai Laemchabang Terminal Co., Ltd., a company incorporated in Thailand with limited liability;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Valuation Reference Date”	31 December 2023, being the reference date for the valuation of the market value of the entire equity interest in the Target Companies;
“Valuation Reports”	the valuation reports prepared by an independent valuer in relation to the valuation of the entire equity interest in the Target Companies as at the Valuation Reference Date; and

“0%”

per cent.

By Order of the Board  
**COSCO SHIPPING Ports Limited**  
**ZHU Tao**  
*Chairman and Managing Director*

Hong Kong, 23 October 2024

As at the date of this announcement, the Board comprises Mr. ZHU Tao<sup>1</sup> (Chairman and Managing Director), Mr. ZHANG Wei<sup>2</sup>, Mr. MA Xianghui<sup>2</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. Adrian David LI Man Kiu<sup>3</sup>, Mr. LAM Yiu Kin<sup>3</sup>, Prof. CHAN Ka Lok<sup>3</sup> and Mr. YANG Liang Yee Philip<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director