招商局港口控股有限公司
CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 00144)

DISCLOSEABLE TRANSACTION
ACQUISITION OF VAST IN BRAZIL

On 28 February 2025, the Company and the Buyer entered into the Share Purchase Agreement with the Sellers and Vast, pursuant to which the Buyer has agreed to conditionally purchase from the Sellers the Sale Shares, representing 70% of the total capital stock of Vast.

Upon Closing, the Company will, through the Buyer, hold 70% of the total capital stock of Vast and the remaining 30% of the total capital stock of Vast will be held by Prumo. Vast will become an indirect subsidiary of the Company and its financial results will be consolidated into the Group.

Since the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is 5% or more but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

1. BACKGROUND

On 28 February 2025, the Company and the Buyer entered into the Share Purchase Agreement with the Sellers and Vast, pursuant to which the Buyer agreed to conditionally purchase from the Sellers the Sale Shares, representing 70% of the total capital stock of Vast.

Upon Closing, the Company will, through the Buyer, hold 70% of the total capital stock of Vast and the remaining 30% of the total capital stock of Vast will be held by Prumo. Vast will become an indirect subsidiary of the Company and its financial results will be consolidated into the Group.

2. SHARE PURCHASE AGREEMENT

Date

28 February 2025

Parties

(1) the Company;

(2) the Buyer, a wholly-owned subsidiary of the Company;

(3) the Sellers; and

(4) Vast.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Sellers and Vast and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Subject Matter

Under the Share Purchase Agreement, the Buyer has agreed to conditionally purchase from the Sellers the Sale Shares, representing 70% of the total capital stock of Vast.

As of the date of this announcement, Vast is held as to 80% and 20% by Prumo and API, respectively. Upon Closing, Vast will be held as to 70% and 30% by the Buyer and Prumo, respectively.

Consideration and Payment Terms

The Consideration consists of (i) the Purchase Price; (ii) the Milestone Payments; and (iii) the Earn Out Payment, which are payable as follows:

(i) Purchase Price

The purchase price payable by the Buyer at Closing shall be an amount in BRL equal to USD448 million (equivalent to approximately HK$3,494 million), and subject to adjustments based on the actual amounts of the balances of cash, outstanding debt, customary debt-like liabilities and working capital of Vast as at the Closing Date.

The final purchase price after the adjustments (the "**Purchase Price**") shall in any event not exceed USD714 million (equivalent to approximately HK$5,569 million).

(ii) Milestone Payments

Milestone payments in the aggregated amount of USD56 million (equivalent to approximately HK$437 million) (the "**Milestone Payments**") are payable by the Buyer in BRL in four tranches within 20 business days following the Buyer's receipt of confirmation that the relevant milestone has been met. The relevant milestones include Vast obtaining certain operational license and approvals, and achieving certain operational targets by 31 December 2026 or 31 December 2027 (as applicable).

(iii) Earn Out Payment

The Sellers shall be entitled to receive an additional earn-out amount (the "**Earn Out Payment**") in BRL as follows:

(a) an amount equal to USD70 million (equivalent to approximately HK$546 million), if the actual accumulated EBITDA of Vast, based on the audited financial statements, for the five financial years ended 31 December 2029 is (i) at least USD1,269 million (equivalent to approximately HK$9,898 million), but (ii) less than USD1,522.80 million (equivalent to approximately HK$11,878 million); or

(b) an amount equal to USD91 million (equivalent to approximately HK$710 million), if the actual accumulated EBITDA of Vast, based on the audited financial statements, for the five financial years ended 31 December 2029 is at least USD1,522.80 million (equivalent to approximately HK$11,878 million).

The Earn Out Payment is contingent on the actual accumulated EBITDA of Vast and hence will not be payable by the Buyer unless the said requisite conditions are met. The Board considers that this would better align the Buyer's settlement obligations with Vast's actual earning capability, and provide the Buyer with a longer period to assess and observe whether Vast can demonstrate stability over its earnings in the coming few years, thus providing additional protection and flexibility to the Buyer.

The Company has agreed to guarantee the payment obligations of the Buyer under the Share Purchase Agreement.

Basis of the Consideration

The Consideration and payment terms for the Transaction were determined on an arm's length basis and are on normal commercial terms following negotiation between the Buyer and the Sellers after taking into account, among others, (i) the Valuation as at 31 December 2023 by the Valuer, being in the range of USD640 million to USD813 million; (ii) the financial performance and financial statements of Vast; (iii) the business prospect of Vast; and (iv) the synergies expected to be derived from the Transaction, as further described in the paragraph headed "Reasons for and Benefits of the Transaction" in this announcement. The Consideration under the Share Purchase Agreement will be funded by internal resources of the Group.

Since the Valuation was arrived at using the discounted cash flow method under the income approach, the Valuation constitutes a profit forecast for the purposes of Rule 14.61 of the Listing Rules. The Company will make a further announcement within 15 business days after publication of this announcement providing further information in relation to the Valuation as required by Rule 14.60A of the Listing Rules.

Conditions Precedent

Closing is conditional upon the fulfilment or, if applicable, waiver of a number of conditions precedent (together, the "**Conditions**"), the principal of which are summarised as follows:

(a) the necessary governmental and regulatory approvals including the Antitrust Approval, the ANTAQ Approval and the SASAC Approval having been obtained;

(b) all relevant consents, confirmations and/or approvals from relevant third parties in respect of the Transaction or in relation to Vast having been obtained;

(c) the restructuring of the Vast Group to carve out the assets, licenses and rights in connection with the excluded operational projects having been completed;

(d) there being no applicable law, injunction, judgment or ruling that would prevent or render illegal the consummation of the Transaction;

(e) the representations and warranties of the Sellers and the Buyer being true and correct as of Closing;

(f) the Sellers and the Buyer having performed and complied with their respective obligations in the Share Purchase Agreement; and

(g) there having been no material adverse change to Vast between the date of the Share Purchase Agreement and Closing.

Closing

Subject to the fulfilment or, if applicable, waiver of all the Conditions, Closing shall take place on the 20^{th} business day following notification of the fulfilment or waiver of the last of the Conditions to be fulfilled or waived (or on such other date as may be agreed by the Parties).

If Closing has not occurred on or before nine months from the date of the Share Purchase Agreement, the Share Purchase Agreement may be terminated by either the Buyer or the Sellers.

Upon Closing, the Company will, through the Buyer, hold 70% of the total capital stock of Vast and the remaining 30% of the total capital stock of Vast will be held by Prumo. Vast will become an indirect subsidiary of the Company and its financial results will be consolidated into the Group.

New Shareholders' Agreement

On Closing, the Buyer and Prumo, among others, will enter into a shareholders' agreement to regulate their relationship as shareholders of Vast.

3. INFORMATION ON VAST

Vast is a company incorporated in Brazil and operates the onshore crude oil transshipment terminal in the Port of Açu in Rio de Janeiro, Brazil. Port of Açu is an industrial deep-water port that is within 24 hours sailing distance from Brazil's major offshore pre-salt oil production fields. Vast is the only non-Petrobras to operate a private oil terminal in Brazil that is capable of receiving VLCCs (Very Large Crude Carriers). About 30% of Brazil's crude oil exports are currently transported through this terminal. The terminal currently has an average daily handling volume of 560,000 barrels per day, with a licensed capacity of 1.2 million barrels per day. As at the date of this announcement, Vast is held as to 80% and 20% by Prumo and API, respectively. The consolidated total assets and consolidated net liabilities of Vast extracted from its management accounts as at 30 June 2024 amounted to approximately USD1,115 million and USD115 million (equivalent to approximately HK$8,697 million and HK$897 million), respectively.

Set out below is a summary of the consolidated net profits (both before and after taxation and extraordinary items) extracted from the audited consolidated financial statements of Vast for the years ended 31 December 2022 and 2023:

	Year ended 31 December	
	2022	**2023**
	('000)	*('000)*
Consolidated net profit before taxation	USD2,300	USD43,278
equivalent to approximately	HK$17,940	HK$337,568
Consolidated net profit after taxation	USD3,288	USD21,135
equivalent to approximately	HK$25,646	HK$164,853

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is the global leading port developer, investor and operator with a comprehensive ports network at the hub locations along coastal China as well as Asia, Africa, Europe, Oceania, North America and South America.

The Group has, in recent years, been actively exploring and, as and when deemed appropriate, capturing available opportunities as one of the means to effectively add new growth drivers to its existing and sustainably growing ports business. Further to the Company's acquisition of TCP Participações S.A. in 2017, the acquisition of Vast will allow the Group to continue its expansion in the Latin America region and further consolidate its position globally.

Furthermore, the investment will provide the Group the opportunity to make use of the marine transportation hub of Vast to further develop its global comprehensive port service network.

The Directors (including all the independent non-executive Directors) are of the view that the Share Purchase Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Taking into account the above, the Directors are of the view that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

5. LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is 5% or more but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

6. GENERAL INFORMATION

Information on the Buyer

The Buyer is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is an investment holding company.

Information on the Sellers

Prumo is a closely held corporation incorporated in Brazil, and is ultimately controlled by EIG, an institutional investor in the global energy and infrastructure sectors which has committed over USD49.3 billion to the energy sector through projects and companies across six continents. Prumo is an economic multi-business group responsible for the strategic development of Port of Açu.

API is a closely held corporation incorporated in Brazil, and a wholly-owned subsidiary of Prumo. It is an investment holding company solely engaged in equity investment in Vast.

7. DEFINITIONS

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

"**ANTAQ Approval**"	the approval to be sought by the Parties from the *Agência Nacional de Transportes Aquaviários* (ANTAQ) of Brazil in respect of the Transaction
"**Antitrust Approval**"	the anti-trust approval to be sought by the Parties from the *Conselho Administrativo de Defesa Econômica* (CADE) of Brazil in respect of the Transaction

"**API**"	Açu Petróleo Investimentos S.A., a closely held corporation incorporated in Brazil and a wholly-owned subsidiary of Prumo
"**Board**"	the board of Directors of the Company
"**Brazil**"	the Federative Republic of Brazil
"**BRL**"	Brazilian Reais, the lawful currency of Brazil
"**Buyer**"	Cyber Chic Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"**Closing**"	the closing of the Transaction
"**Closing Date**"	the date on which Closing occurs
"**Company**"	China Merchants Port Holdings Company Limited (招商局港口控股有限公司), a company incorporated in Hong Kong and whose shares are listed on the Main Board of the HKSE (Stock Code: 00144)
"**Consideration**"	collectively, the Purchase Price, the Milestone Payments and the Earn Out Payment
"**connected person(s)**"	has the meaning ascribed to this term under Rule 14A.06 of the Listing Rules
"**Directors**"	the directors of the Company
"**EBITDA**"	earnings before (i) interest; (ii) tax; (iii) depreciation of tangible assets; and (iv) amortisation of goodwill, general provision and other intangible assets
"**Group**"	the Company and its subsidiaries
"**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong
"**HKSE**"	The Stock Exchange of Hong Kong Limited
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Listing Rules**"	the Rules Governing the Listing of Securities on the HKSE

"**Parties**"	the Buyer and the Sellers
"**PRC**"	the People's Republic of China
"**Prumo**"	Prumo Logística S.A., a closely held corporation incorporated in Brazil
"**SASAC Approval**"	the approval to be sought or filing to be completed by the Buyer with the State-owned Assets Supervision and Administration Commission of the PRC in respect of the Transaction
"**Sale Shares**"	Vast Shares representing 70% of the total capital stock of Vast
"**Sellers**"	Prumo and API
"**Share Purchase Agreement**"	the share purchase agreement dated 28 February 2025 entered into among the Company, the Buyer, the Sellers and Vast in relation to the Transaction
"**subsidiary(ies)**"	has the meaning ascribed to it under the Listing Rules
"**Transaction**"	the sale and purchase of the Sale Shares contemplated by the Share Purchase Agreement, as described in this announcement
"**USD**"	United States dollars, the lawful currency of the United States of America
"**Valuation**"	the valuation of the entire equity interest of Vast prepared by the Valuer
"**Valuer**"	Zhongtongcheng Asset Appraisal Co., Ltd.* (中通誠資產評估有限公司), an independent valuer
"**Vast**"	Vast Infraestrutura S.A., a closely held corporation incorporated in Brazil
"**Vast Group**"	Vast and its subsidiaries
"**Vast Shares**"	common shares of Vast
"**%**"	per cent.

* *For identification purpose only*

For the purpose of this announcement, the exchange rate of USD1.00 to HK$7.80 has been used. This is for the purpose of illustration only and does not constitute a representation that any amount in USD or HK$ has been or may be converted at such rate or any other exchange rate or not at all.

By Order of the Board
China Merchants Port Holdings Company Limited
Feng Boming
Chairman

Hong Kong, 28 February 2025

As at the date of this announcement, the Board comprises Mr. Feng Boming (Chairman) and Mr. Yim Kong as Non-Executive Directors; Mr. Xu Song, Mr. Lu Yongxin and Mr. Tu Xiaoping as Executive Directors; and Mr. Chan Hiu Fung Nicholas, Ms. Chan Yuen Sau Kelly, Mr. Li Ka Fai David, Mr. Wong Chi Wing and Ms. Wong Pui Wah as Independent Non-Executive Directors.