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**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)**

***Executive Directors:***

Mr. Deng Renjie (*Chairman*)  
Mr. Liu Weiwu  
Mr. Xiong Xianliang  
Mr. Bai Jingtao (*Managing Director*)  
Mr. Ge Lefu  
Mr. Wang Zhixian  
Mr. Zheng Shaoping

***Registered Office:***

38th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

***Independent Non-executive Directors:***

Mr. Kut Ying Hay  
Mr. Lee Yip Wah Peter  
Mr. Li Ka Fai David  
Mr. Bong Shu Ying Francis

29 April 2021

*To the Shareholders*

Dear Sir or Madam,

The purpose of this circular (the “**Circular**”) is to give shareholders (the “**Shareholders**”) of China Merchants Port Holdings Company Limited (the “**Company**”) information on matters to be dealt with at the annual general meeting of the Company (the “**AGM**”) scheduled on 1 June 2021, which include the following proposals: (i) the re-election of retiring Directors, (ii) the grant of mandate to grant options, and (iii) the renewal of the general mandates for buy-back and issue of shares, as set out in the notice of the AGM (the “**AGM Notice**”) dated 29 April 2021. This circular also provides particulars of Directors subject to re-election and sets out an explanatory statement regarding the buy-back mandate, as required to be sent to the Shareholders under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). This circular also constitutes the memorandum required under section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”). Reference in this document to “**Shares**” means fully-paid share(s) of all classes in the share capital of the Company.

## **1 RE-ELECTION OF RETIRING DIRECTORS**

As at 20 April 2021 (the “**Latest Practicable Date**”), the board of Directors (the “**Board**”) comprises Mr. Deng Renjie, Mr. Liu Weiwu, Mr. Xiong Xianliang, Mr. Bai Jingtao, Mr. Ge Lefu, Mr. Wang Zhixian, and Mr. Zheng Shaoping who are the executive directors, and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Ka Fai David, and Mr. Bong Shu Ying Francis who are the independent non-executive directors.

Pursuant to article 89 of the articles of association of the Company (the “**Articles of Association**”), Mr. Xiong Xianliang, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping shall retire from office by rotation at the AGM and shall be eligible and offer themselves for re-election. Pursuant to article 95 of the articles of association, Mr. Liu Weiwu shall retire from office at the AGM and shall be eligible and offer himself for re-election. Details of the directors of the Company (the “**Directors**”) proposed to be re-elected at the AGM are set out in Appendix I to this circular.

## **2 MANDATE TO GRANT OPTIONS AND GENERAL MANDATES TO BUY BACK AND ISSUE SHARES**

Under section 141 of the Companies Ordinance, directors of a company shall not, without shareholders’ prior approval in general meeting, allot new shares or grant rights to subscribe for, or to convert any security into shares in the company. The Company has a Share Option Scheme which was approved by the Shareholders on 9 December 2011 under which the Directors may grant to any participants of the Share Option Scheme share options to subscribe for Shares, subject to the terms and conditions as stipulated therein. Therefore, the Directors propose to seek the approval of the Shareholders at the AGM to grant to the Directors an unconditional mandate to grant share options under the Share Option Scheme, as set out in item 5A of the AGM Notice.

In addition, the Directors propose to seek the approval of the Shareholders at the AGM for the grant of:

- (a) the Buy-back Mandate (as defined in Appendix II to this circular) to buy back Shares up to a maximum of 10% of the Shares in issue as at the date of passing of the relevant resolutions, as set out in item 5C of the AGM Notice;
- (b) the issue mandate to issue Shares up to a maximum of 20% of the Shares in issue as at the date of passing of the relevant resolutions, as set out in item 5B of the AGM Notice; and
- (c) authority to the Directors to increase the maximum number of new Shares which may be issued under the general issue mandate (as referred to in paragraph (b) above) by adding to it the number of the Shares bought back pursuant to the Buy-back Mandate (as referred to in paragraph (a) above), as set out in item 5D of the AGM Notice.

An explanatory statement containing all information required pursuant to Rule 10.06(1)(b) of the Listing Rules is set out in Appendix II to this circular.

As at the Latest Practicable Date, 3,661,088,416 Shares were in issue. On the basis of such figure, the Directors would be authorised to issue up to 732,217,683 Shares during the period up to the next annual general meeting in 2022 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the general issue mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### **3 RECOMMENDATION**

The Directors believe that the proposals for (i) the re-election of retiring Directors, (ii) the grant of the mandate to grant options, and (iii) the renewal of the general mandates for buy-back and issue of Shares are in the best interest of the Company and the Shareholders as a whole. The Board recommends the Shareholders to vote in favour of all related resolutions to be proposed at the AGM.

### **4. OTHERS**

If COVID-19 continues to affect Hong Kong at the time of AGM, precautionary measures will be taken to prevent and control the spread of COVID-19 at the AGM, including:

- (i) mandatory body temperature screening at the entrance of the venue for each attendee. Any person with a body temperature over 37.5°C shall not be permitted to enter the venue;
- (ii) use of a surgical mask for each attendee;
- (iii) no distribution of corporate souvenirs/gifts or refreshments;
- (iv) all attendees at the AGM must be seated in accordance with the seating arrangement as fixed by the Company;
- (v) appropriate distancing and spacing between seats;
- (vi) limited number of seats available at the Venue, Shareholders shall be admitted on a “first-come-first-served” basis; and
- (vii) other measures which may be required by governmental bodies.

Any attendee who does not comply with the precautionary measures or is subject to quarantine, with any flu-like symptoms, who has had close contact with any person under quarantine, or has travelled overseas within 21 days immediately before the AGM shall not be permitted to enter the venue. All shareholders are strongly encouraged to appoint the chairman of the meeting as their meeting proxy to vote on the relevant resolutions(s) at the AGM as an alternative to attending the AGM in person and contacting the Investor Relations Department of the Company for questions to management.

Taking into account the recent development in relation to the COVID-19 outbreak, additional precautionary safety measures requirements may be issued by the Hong Kong government in relation to COVID-19. The Company will issue further notices to shareholders as and when appropriate in accordance with any guidelines or requirements of the Hong Kong Stock Exchange.

Yours faithfully

By order of the Board

**China Merchants Port Holdings Company Limited**

**Deng Renjie**

*Chairman*

## APPENDIX I TO THE CIRCULAR

The following are the particulars of the Directors (as required by Rule 13.51(2) of the Listing Rules) that are subject to retirement at the AGM and proposed for re-election in accordance with the Articles of Association at the AGM. Unless otherwise stated, companies referred to in this Appendix I are unlisted companies.

Mr. Liu Weiwu, aged 56, is the Head of the Finance Department (Property Rights Department) of China Merchants Group Limited. He graduated from the Economics Department of Xi'an Highway Institute with a Bachelor's Degree in Engineering. He obtained a Master Degree of Business Administration from Macau University of Science and Technology and then obtained the intermediate accountant qualification. He previously served as the Head of Treasury Division of Financial Department of Guangzhou Ocean Shipping Company, the Manager of Financial Department of Hong Kong Ming Wah Shipping Company Limited, the Deputy General Manager of the Finance Department of China Merchants Group Limited, and the Chief Financial Officer, the Deputy General Manager and the Director of China Merchants Energy Shipping Co., Ltd., shares of which are listed on the Shanghai Stock Exchange. He is also currently an Independent Non-executive Director of AviChina Industry & Technology Company Limited, shares of which are listed on the Hong Kong Stock Exchange. He was appointed to the Board of Directors as Executive Director on 22 March 2021.

Mr. Liu's directorship with the Company is subject to retirement and re-election pursuant to the Articles of Association. Mr. Liu is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Liu does not hold any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr. Liu did not and will not receive any Director's fee. There is an existing appointment letter between Mr. Liu and the Company for a term of three years commencing on 22 March 2021.

Mr. Xiong Xianliang, aged 53, is the General Manager of the Strategy and Development Department of China Merchants Group Limited. He graduated from Nankai University with a Master Degree and a Doctor Degree in Global Economics in July 1991 and January 1994, respectively. Prior to joining the Company, he was previously the Researcher Fellow and Division Chief of the Development Research Center of the State Council, the Deputy Head of the Chongqing Development and Planning Commission, the Deputy Head of the General Group of the Steering Committee Office of the Western Region Development of the State Council, the Inspector of the Research Office of the State Council, the General Manager of the Strategy and Research Department of China Merchants Group Limited, and the Non-executive Director of China Merchants Bank Co., Ltd., shares of which are listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and also served as General Manager of Institute of Science, Technology and Innovation, and the Chairman of the Development and Research Center of China Merchants Group Limited. He is also currently the Non-executive Director of China Merchants Securities Co., Ltd. and the Non-executive Director of Sinotrans Limited, shares of which are listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. He was appointed to the Board of Directors as Executive Director on 4 June 2018.

Mr. Xiong's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Xiong is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Xiong does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Xiong did not and will not receive to any Director's fee. There is an existing appointment letter between Mr. Xiong and the Company for a term of three years commencing on 4 June 2018.

Mr. Ge Lefu, aged 57, is the Chairman of Supervisory Committee of Liaoning Port Group Co., Ltd.. He graduated from Dongbei University of Finance & Economics with a master's degree and a doctorate degree in financial studies in July 1988 and March 2001, respectively. Prior to joining the Company, he was previously a teaching assistant at the Dalian Vocational Technical College, the Deputy Director and the Director of Budget Office of Dalian Municipal Bureau of Finance, the Deputy Director and a member of the Party Leadership Group of Dalian Municipal Bureau of Finance, the Director of the General Office of Municipal Financial Management of Dalian, the Director and the Party Secretary of the Leadership Group of Government Financial Management of Liaoning Province, the Deputy Party Secretary of Yingkou Municipal Committee, the Acting Mayor and the Mayor of Yingkou City, the Party Secretary of Leadership Group and the Director General of Liaoning Provincial Department of Transportation. He was appointed to the Board of Directors as Executive Director on 5 June 2019.

Mr. Ge's directorship with the Company is subject to retirement by rotation pursuant to the Articles of association. Mr. Ge is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Ge does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Ge did not and will not receive any Director's fee. Mr. Ge received total emolument of HK\$2.99 million for the year ended 31 December 2020 (including salary, discretionary bonus and employer's contribution to pension scheme). There is an existing appointment letter between Mr. Ge and the Company for a term of three years commencing on 5 June 2019.

Mr. Wang Zhixian, aged 56, joined the Company in July 1992 and is the Executive Director of the Company. He is a director of certain subsidiaries of the Company. He is also as Chairman of China Nanshan Development (Group) Incorporation. He graduated from Tianjin University, Shanghai Jiaotong University with a Master of Science. He obtained a master degree of Business Administration from Peking University. Mr. Wang has extensive management experience in port and shipping industry. Prior to joining the Company, he worked in Hempel-Hai Hong Paint Company as sales manager. After joining the Company, he was the Deputy General Manager of Industrial Management Department, General Manager of Business Planning Department, and he was the Deputy General Manager of Shenzhen Mawan Port Services Co., Ltd., the Chairman and CEO of Ningbo Daxie China Merchants International Terminal Co., Ltd. and the Managing Director of China Merchants Port Services (Shenzhen) Co., Ltd. and Shenzhen Haixing Harbour Development Co., Ltd., Deputy General Manager of the Company and a Non-executive Director of China International Marine Containers (Group) Co., Ltd., shares of which are listed on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. He was appointed to the Board of Directors as Executive Director on 18 February 2016.

Mr. Wang's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Wang is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Wang does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Wang did not and will not receive any Director's fee. Mr. Wang received total emolument of HK\$2.75 million for the year ended 31 December 2020 (including salary, discretionary bonus and employer's contribution to pension scheme). There is an existing appointment letter between Mr. Wang and the Company for a term of three years commencing on 18 February 2019.

Mr. Zheng Shaoping, aged 58, is the Executive Director and Deputy General Manager of the Company. He is also a director of certain subsidiaries of the Company. He graduated from Dalian Maritime University with Postgraduate Diploma in International Maritime Law, and obtained a Master Degree of Business Administration at University of Wales. Mr. Zheng has over 30 years' experience in the field of port management and successively served as the Vice Chairman of China Merchants Bonded Logistics Co., Ltd., the Chairman of Shekou Container Terminals Ltd., the General Manager and Chairman of Chiwan Container Terminal Co., Ltd., the General Manager and the Vice-Chairman of Shenzhen Chiwan Harbour Container Co., Ltd. and the Managing Director and the Chairman of Shenzhen Chiwan Wharf Holdings Limited, shares of which are listed on the Shenzhen Stock Exchange and a Non-executive Director of Dalian Port (PDA) Company Limited, shares of which is listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange. He is also currently as the Deputy General Manager of China Merchants Port Group Co., Ltd., Director of Shanghai International Port (Group) Co., Ltd. and Director of Ningbo Zhoushan Port Group Co., Ltd., both shares of which are listed on the Shanghai Stock Exchange. He was appointed to the Board of Directors as Executive Director on 10 February 2012.

Mr. Zheng's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Zheng is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Zheng does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Zheng did not and will not receive any Director's fee. Mr. Zheng received total emolument of HK\$2.86 million for the year ended 31 December 2020 (including salary, discretionary bonus and employer's contribution to pension scheme). There is an existing appointment letter between Mr. Zheng and the Company for a term of three years commencing on 29 March 2021.

Accordingly, with the recommendation of the nomination committee of the Company, the Board has proposed that each of the above retiring Directors, namely Mr. Liu Weiwu, Mr. Xiong Xianliang, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping, stands for re-election as Director by way of separate resolution at the AGM.

Save as disclosed above, each of Mr. Liu Weiwu, Mr. Xiong Xianliang, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, each of Mr. Liu Weiwu, Mr. Xiong Xianliang, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping is independent of and not connected with any Director, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, each of Mr. Liu Weiwu, Mr. Xiong Xianliang, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping has confirmed that there are no other matters relating to their re-election that need to be brought to the attention of the Shareholders and there is no other information in relation to their re-election which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



## **APPENDIX II TO THE CIRCULAR**

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

### **SHAREHOLDERS' APPROVAL**

All buy-backs of securities by a company with its primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

### **SOURCE OF FUNDS**

Buy-backs by a company may only be funded out of funds legally available for the purpose in accordance with its articles of association and the laws of Hong Kong.

### **TRADING RESTRICTIONS**

The total number of shares which a company is authorised to buy back on the Hong Kong Stock Exchange is limited to the shares representing up to a maximum of 10% of the existing issued shares, and warrants representing 10% of all such warrants at the date of the resolution approving the grant of the general mandate.

### **EXERCISE OF THE BUY-BACK MANDATE**

Whilst the Directors do not presently intend to buy back any Shares, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution set out as item 5C of the AGM Notice (the **"Buy-back Mandate"**) is passed would be beneficial to the Company.

It is proposed that up to 10% of the Shares in issue at the date of the passing of the resolution to approve the Buy-back Mandate may be bought back. As at the Latest Practicable Date, 3,661,088,416 Shares were in issue. On the basis of such figure, the Directors would be authorised to buy back up to 366,108,841 Shares during the period up to the next annual general meeting in 2022 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Buy-back Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### **REASONS FOR BUY-BACKS**

Buy-backs of Shares will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders. Such buy-backs may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

### **FUNDING OF BUY-BACKS**

Buy-backs pursuant to the Buy-back Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any buy-backs will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its articles of association and the laws of Hong Kong. Under the Companies Ordinance, payment in respect of a share buy-back may be made out of the Company's distributable profits and/or out of the proceeds of a fresh issue of shares made for the purpose of the buy-back.



There might be a material adverse impact on the working capital, or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2020) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

## **DISCLOSURE OF INTERESTS**

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their close associates, has any present intention, if the Buy-back Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No core connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Buy-back Mandate is exercised.

## **DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

## **SHARE BUY-BACK MADE BY THE COMPANY**

The Company had not bought back any Shares during the six months prior to the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

## **TAKEOVERS CODE CONSEQUENCES**

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. A waiver of this provision would not normally be given except in extraordinary circumstances.

As at the Latest Practicable Date, China Merchants Group Limited ("**CMG**"), the ultimate holding company of the Company, has a 63.58% shareholding interest in the Company and China Merchants Port Group Co, Ltd., ("**CMPG**") a substantial shareholder of the Company, has a 40.97% shareholding interest in the Company. If the Buy-back Mandate is exercised in full, based on the number of Shares in issue as at the Latest Practicable Date, CMG and CMPG will hold up to 70.65% and up to 45.52% shareholding interest in the Company, respectively, depending on the extent to which the Buy-back Mandate is exercised. Unless a waiver is granted by the Securities & Futures Commission of Hong Kong, such increase may give rise to an obligation on CMPG to make a

mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Buy-back Mandate to such an extent as would result in takeover obligations. Save as disclosed above, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any buy-backs if the Buy-back Mandate is exercised in full.

## MARKET PRICES

The highest and lowest prices at which the Shares have traded on the Hong Kong Stock Exchange during each of the previous twelve months before the printing of this circular were:

	Share Prices (per share)	
	Highest (HK\$)	Lowest (HK\$)
<b>2020</b>		
April	11.78	8.39
May	10.36	9.17
June	10.42	8.96
July	10.18	8.74
August	9.28	8.85
September	9.04	7.75
October	8.60	7.81
November	10.46	8.20
December	9.77	9.00
<b>2021</b>		
January	11.68	9.38
February	11.94	10.76
March	12.88	11.22
April (up to and including the Latest Practicable Date)	13.22	11.96