

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

## **ANNOUNCEMENT**

### **CONTINUING CONNECTED TRANSACTIONS WITH A CONNECTED PERSON AT SUBSIDIARY LEVEL**

#### **PROVISION OF TERMINAL SERVICES AND DETERMINATION OF ANNUAL CAP**

##### **PROVISION OF TERMINAL SERVICES**

The Group has been providing various terminal services to the MSC Group with respect to various ports and terminals operated by the Group. Although MSC indirectly holds 50% of LCT, a subsidiary of the Company, as the total assets, profits and revenue of LCT were less than 10% of those of the Company for latest three years up and including the year ended 31 December 2020, LCT was an insignificant subsidiary of the Company for the purpose of Rule 14A.09(1) of the Listing Rules. Therefore, the Company had relied on the insignificant subsidiary exception in respect of the Terminal Services Transactions. However, based on the annual results of the Company for the year ended 31 December 2021 which was published on 30 March 2022, the revenue of LCT was more than 10% of those of the Company for the same period, and accordingly the Company can no longer rely on the insignificant subsidiary exception set out in Rule 14.09(1) of the Listing Rules. This announcement is therefore made pursuant to Rule 14A.60(1) of the Listing Rules.

The Company has adopted the Connected Transactions Management Policy pursuant to which members of the Group shall abide to the guidelines set out therein for the purposes of conducting connected transactions pursuant to the Listing Rules.

## **LISTING RULES IMPLICATIONS AND DETERMINATION OF ANNUAL CAP**

MSC indirectly holds 50% of LCT, a subsidiary of the Company. Accordingly, MSC is a connected person of the Company at a subsidiary level and the Terminal Services Transactions constitute continuing connected transactions of the Company.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the existing Terminal Services Transactions for, on a standalone basis, are less than 1% and therefore, these transactions, on a standalone basis, constitute de minimis continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. However, as these transactions are of similar nature or otherwise connected, these transactions will need to be aggregated as if they are one transaction.

For the purpose of Rule 14A.53 of the Listing Rules, on 8 April 2022, the Board resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of service fees receivable by members of the Group from the MSC Group for the Terminal Services Transactions at HK\$2,100 million for the period commenced on 30 March 2022 and ending 31 December 2022 and at HK\$2,520 million for the year ending 31 December 2023.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the aggregate service fees receivable by the Group from the MSC Group for (i) the period commenced on 30 March 2022 and ending 31 December 2022 and (ii) the year ending 31 December 2023 exceed 5% but are below 25%. As MSC is a connected person of the Company at subsidiary level, the Terminal Services Transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

### **1. PROVISION OF TERMINAL SERVICES**

The Group has been providing various terminal services to the MSC Group with respect to various ports and terminals operated by the members of the Group. These terminal services include stevedoring and lashing of containers, restowage, storage, berthing etc.

Although MSC indirectly holds 50% of LCT, a subsidiary of the Company, as the total assets, profits and revenue of LCT were less than 10% of those of the Company for latest three years up and including the year ended 31 December 2020, LCT was an insignificant subsidiary of the Company for the purpose of Rule 14A.09(1) of the Listing Rules. Therefore, the Company had relied on the insignificant subsidiary exception in respect of the Terminal Services Transactions. However, based on the annual results of the Company for the year ended 31 December 2021 which was published on 30 March 2022, the revenue of LCT was more than 10% of those of the Company for the same period, and accordingly the Company can no longer rely on the insignificant subsidiary exception set out in Rule 14.09(1) of the Listing Rules. This announcement is therefore made pursuant to Rule 14A.60(1) of the Listing Rules.

The relevant members of the Group and relevant members of the MSC Group will enter into specific agreements in respect of each of the Terminal Services Transactions.

In order to better manage connected transactions of the Company, the Company has adopted the Connected Transactions Management Policy pursuant to which members of the Group shall abide to the guidelines set out therein for the purposes of conducting connected transactions pursuant to the Listing Rules.

Pursuant to the Connected Transactions Management Policy, the Terminal Services Transactions by members of the Group to the MSC Group shall be at terms (i) not less favourable than those provided by independent third parties, (ii) fair and reasonable and (iii) in the interest of the shareholders of the Company as a whole.

The relevant parties shall ensure that the terms of the specific agreements are entered into in accordance with the principles set out in the Connected Transactions Management Policy. The specific price for each Terminal Service Transaction shall be negotiated at arm's length with reference to the recommended/market price published by the port authorities in the relevant jurisdiction with adjustments based on the volume of containers and type of service to be provided by the relevant member of the Group and the relevant member of the MSC Group at the time when the transaction is entered into.

## **2. LISTING RULES IMPLICATIONS AND DETERMINATION OF ANNUAL CAPS**

MSC indirectly holds 50% of LCT, a subsidiary of the Company. Accordingly, MSC is a connected person of the Company at a subsidiary level and the Terminal Services Transactions constitute continuing connected transactions of the Company.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the existing Terminal Services Transactions, on a standalone basis, are less than 1% and therefore, these transactions, on a standalone basis, constitute de minimis continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. However, as these transactions are of similar nature or otherwise connected, these transactions will need to be aggregated as if they are one transaction.

For the purpose of Rule 14A.53 of the Listing Rules, on 8 April 2022, the Board resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of service fees receivable by members of the Group from the MSC Group for the Terminal Services Transactions at HK\$2,100 million for the period commenced on 30 March 2022 and ending 31 December 2022 and at HK\$2,520 million for the year ending 31 December 2023.

The aggregate annual caps for (i) the period commenced on 30 March 2022 and ending 31 December 2022 and (ii) the year ending 31 December 2023 were determined with reference to (i) the historical amount of transactions between the MSC Group and the Group; (ii) the anticipated services to be provided to the MSC Group for period commenced on 30 March 2022 and ending 31 December 2022 and the year ending 31 December 2023, and (iii) the potential increase in market prices.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the aggregate service fees receivable by the Group from the MSC Group for (i) the period commenced on 30 March 2022 and ending 31 December 2022 and (ii) the year ending 31 December 2023 exceed 5% but are below 25%. As MSC is a connected person of the Company at subsidiary level, the Terminal Services Transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

### **3. INFORMATION ON THE PARTIES**

MSC, a company incorporated under the laws of Switzerland, indirectly holds 50% of LCT, a subsidiary of the Company. MSC is a privately-owned organisation driven by the Aponte family and it is principally engaged in global container shipping and logistics services.

### **4. REASONS FOR THE TRANSACTIONS**

The core business of the Group includes port and port-related business.

The Directors, including the independent non-executive Directors, are of the view that the Terminal Services Transactions are on normal commercial terms, in the ordinary and usual course of business of the Company and assist in maintaining the Group's sustainable growth.

Taking into account the market prices, the expected volume of containers operated by the relevant ports of the Group and the services to be required by the MSC Group for (i) the period commenced on 30 March 2022 and ending 31 December 2022 and (ii) the year ending 31 December 2023, the Directors, including the independent non-executive Directors, are of the view that the proposed aggregate annual caps in respect of the annual aggregate maximum amount of service fees receivable by members of the Group from the MSC Group for the Terminal Services Transactions for (i) the period commenced on 30 March 2022 and ending 31 December 2022 and (ii) the year ending 31 December 2023 are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors have a material interest in the Terminal Services Transactions nor are they required to abstain from voting in the relevant board resolutions.

## 5. DEFINITIONS

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

“Board”	the board of Directors of the Company
“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 Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Connected Transactions Management Policy”	an internal management policy issued by the Company on 8 April 2022 to set out the general principles to be abided by members of the Group when conducting connected transactions for the purposes of the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LCT”	Lomé Container Terminal S.A., a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MSC”	MSC Mediterranean Shipping Company S.A., a company incorporated under the laws of Switzerland
“MSC Group”	MSC and its subsidiaries
“PRC”	the People’s Republic of China

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Terminal Services Transaction(s)”	the provision of various terminal services by members of the Group to the MSC Group
“%”	per cent.

By Order of the Board  
**China Merchants Port Holdings Company Limited**  
**Deng Renjie**  
*Chairman*

Hong Kong, 8 April 2022

*As at the date of this announcement, the Board comprises Mr. Deng Renjie, Mr. Wang Xiufeng, Mr. Liu Weiwu, Mr. Deng Weidong, Mr. Yim Kong and Mr. Wang Zhixian as executive directors; and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Ka Fai David and Mr. Bong Shu Ying Francis as independent non-executive directors.*