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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)**

**CONTINUING CONNECTED TRANSACTION  
TERMINAL SERVICE COOPERATION AGREEMENT  
AND  
DETERMINATION OF ANNUAL CAP**

On 30 June 2022, Mawan Wharf (a connected subsidiary of the Company), entered into the Terminal Service Cooperation Agreement with Haixing (a connected subsidiary of the Company) for a term of one year commenced retrospectively on 1 January 2022 and ending on 31 December 2022 with respect to terminal services provided by Mawan Wharf for the terminal operations at the Berth #0.

For the purpose of Rule 14A.53 of the Listing Rules, on 30 June 2022, having considered the expected volume of cargos to be handled by Haixing at the Berth #0 for the whole year, the Directors resolved to set the annual cap in respect of the service fees payable to Mawan Wharf by Haixing under the respective Terminal Service Cooperation Agreement for the year ending 31 December 2022 as RMB15.49 million (equivalent to approximately HK\$18.22 million).

Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the services fees payable by Haixing to Mawan Wharf under the Terminal Service Cooperation Agreement for the year ending 31 December 2022 exceed 0.1% but are below 5%, it is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

**1. BACKGROUND**

On 30 June 2022, Mawan Wharf (a connected subsidiary of the Company), entered into the Terminal Service Cooperation Agreement with Haixing (a connected subsidiary of the Company) for a term of one year commenced retrospectively on 1 January 2022 and ending on 31 December 2022 with respect to terminal services provided by Mawan Wharf for the terminal operations at the Berth #0.

## 2. TERMINAL SERVICE COOPERATION AGREEMENT

The key terms of the Terminal Service Cooperation Agreement entered into between Mawan Wharf and Haixing are set out below:

Date: 30 June 2022

Parties: (1) Haixing  
(2) Mawan Wharf

Term: 1 January 2022 to 31 December 2022

Scope of service: For international container liner and barge operations that occur at the Berth #0, Haixing is responsible for the scheduling and berthing arrangements, ship and yard plans, operation instructions, and entry and exit operations. Mawan Wharf is responsible for mechanical attendance, dispatch of drivers and stevedores to ensure the corresponding operational capabilities.

Service fees: The service fees payable by Haixing to Mawan Wharf is calculated on the basis of the number of container cargos handled at the Berth #0 at the rate of RMB220 (equivalent to approximately HK\$258.82) per TEU in accordance with the below conversion rates:

- (i) 10-foot container cargo: 0.5 TEU;
- (ii) 20-foot container cargo: 1 TEU;
- (iii) 40-foot container cargo: 2 TEU;
- (iv) 45-foot container cargo: 2.25 TEU; and
- (v) non-container cargo: 1 TEU.

The standard charge of fresh water at Berth #0 is RMB10 (equivalent to approximately HK\$11.76) per tonne.

Haixing shall pay Mawan Wharf the service fees incurred from the previous month before the 25th of each month.

The service fees were negotiated and agreed by the parties on an arm's length basis with reference to the market service fees in nearby areas provided by independent third party providers.

Haixing shall settle all the fees payable to Mawan Wharf in cash funded by its internal resource.

The parties of the Terminal Service Cooperation Agreement have been negotiating the relevant terms to the Terminal Service Cooperation Agreement. As at the date of this announcement, Haixing confirmed that it has not paid any fees to Mawan Wharf since 1 January 2022. The parties agreed the Terminal Service Cooperation Agreement to take retrospective effect to apply from 1 January 2022.

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

Haixing is 67%-owned by the Company and 33%-owned by Sinotrans, which is a subsidiary of CMG, the ultimate holding company of the Company and therefore is a connected subsidiary of the Company under the Listing Rules.

Mawan Wharf is 40%-owned by Shenzhen Malai Storage Company Limited (a wholly-owned subsidiary of the Company) and 60%-owned by Media Port Investments Limited, which in turn is 50% owned by the Company and 50% owned by CMPG (a substantial shareholder of the Company). It is a subsidiary of the Company and an associate of CMPG and therefore a connected subsidiary of the Company under the Listing Rules.

Accordingly, the Terminal Service Cooperation Agreement entered into by Mawan Wharf with Haixing constitute a continuing connected transaction of the Company.

For the purpose of Rule 14A.53 of the Listing Rules, on 30 June 2022, having considered the expected volume of cargos to be handled by Haixing at the Berth #0 for the whole year (being approximately 70,000 TEU), the Directors resolved to set the annual cap in respect of the service fees payable to Mawan Wharf by Haixing under the respective Terminal Service Cooperation Agreement for the year ending 31 December 2022 as RMB15.49 million (equivalent to approximately HK\$18.22 million).

Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the services fees payable by Haixing to Mawan Wharf under the Terminal Service Cooperation Agreement for the year ending 31 December 2022 exceed 0.1% but are below 5%, it is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **4. GENERAL INFORMATION**

Haixing is a company incorporated in the PRC and its principal activity is terminal and other port facilities services, cargo handling and warehousing services. It is 67%-owned by the Company and 33%-owned by Sinotrans, which is a subsidiary of CMG, the ultimate holding company of the Company and therefore is a connected subsidiary of the Company.

Mawan Wharf is a limited liability company incorporated in the PRC and its principal activities are port services. It is 40%-owned by Shenzhen Malai Storage Company Limited (a wholly-owned subsidiary of the Company) and 60%-owned by Media Port Investments Limited, which in turn is 50% owned by the Company and 50% owned by CMPG (a substantial shareholder of the Company). It is a subsidiary of the Company and an associate of CMPG and therefore a connected subsidiary of the Company a subsidiary of CMPG and therefore a connected person of the Company.

CMG, the ultimate holding company of the Company, is an enterprise wholly-owned by the PRC Government (the State Council of the PRC) and supervised by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. It mainly provides services in three sectors, including transportation and related infrastructure, financial investment and asset management, and industry park and property development and management.

#### **5. REASONS FOR THE TRANSACTIONS**

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

The availability of berths along the coastlines for Haixing is tight, and therefore the cooperation with Mawan Wharf under the Terminal Service Cooperation Agreement will improve terminal operation capacity and relieve the pressure of berthing needs.

Taken into account the above, the Directors, including the independent non-executive Directors, are of the view that the Terminal Service Cooperation Agreement was entered into on normal commercial terms and in the ordinary and usual course of

business of the Company. Having considered the market port service fees in nearby areas and the volume of cargos to be handled by Haixing at the Berth #0 during the year, the Directors, including the independent non-executive Directors, are of the view that the terms of the Terminal Service Cooperation Agreement and the proposed annual cap for the year ending 31 December 2022 in respect of the service fees payable by Haixing to Mawan Wharf is fair and reasonable and in the interest of the Company and its shareholders as a whole.

None of the Directors have a material interest in the Terminal Service Cooperation Agreement, nor are they required to abstain from voting in the relevant board resolutions.

## 6. DEFINITIONS

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

<b>“associates”</b>	has the meaning ascribed to this term under Rule 14A.06 of the Listing Rules
<b>“Berth #0”</b>	The berth No. 0 located in Mawan, Shenzhen and is operated by Mawan Wharf
<b>“Board”</b>	the board of Directors of the Company
<b>“CMG”</b>	China Merchants Group Limited (招商局集團有限公司), a company incorporated in the PRC and the ultimate holding company of the Company
<b>“CMPG”</b>	China Merchants Port Group Co., Ltd. (招商局港口集團股份有限公司), a company incorporated in the PRC whose A shares and B shares are listed on the Shenzhen Stock Exchange (Stock Code: 001872/201872)
<b>“Company”</b>	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
<b>“connected person”</b>	has the meaning ascribed to this term under Rule 14A.06 of the Listing Rules

<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Haixing”</b>	Shenzhen Haixing Port Development Company Limited* (深圳海星港口發展有限公司), a company incorporated in the PRC and a connected subsidiary of the Company
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Mawan Wharf”</b>	Shenzhen Mawan Wharf Co., Ltd.* (深圳媽灣港航有限公司), a company incorporated in the PRC and a connected subsidiary of the Company
<b>“PRC”</b>	the People’s Republic of China
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sinotrans”</b>	Sinotrans South China Co., Ltd. (中國外運華南有限公司), a company incorporated in PRC, which is a subsidiary of CMG and a connected company of the Company
<b>“subsidiary (ies)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Terminal Service Cooperation Agreement”</b>	the service agreement dated 30 June 2022 entered into by Mawan Wharf with Haixing in relation to the terminal service provided by Mawan Wharf for terminal operations at Berth #0
<b>“%”</b>	per cent.

\* For identification purpose only

*For reference only, an exchange rate of HK\$1.00 to RMB0.85 has been used for the conversion of Renminbi into Hong Kong dollars in this announcement.*

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

Hong Kong, 30 June 2022

*As at the date of this announcement, the Board comprises Mr. Deng Renjie, Mr. Wang Xiufeng, Mr. Yim Kong, Mr. Liu Weiwu, Mr. Deng Weidong, Mr. Yang Guolin and Mr. Xu Song 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.*