
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CIG Yangtze Ports PLC, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



中國基建港口有限公司*
CIG Yangtze Ports PLC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1719)

**PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
SHARES AND TO BUYBACK SHARES
RE-ELECTION OF DIRECTORS
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
PROPOSED ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of CIG Yangtze Ports PLC (the “AGM”) to be held at Suite 2101, 21/F., Two Exchange Square, Central, Hong Kong on Friday, 25 May 2018 at 2:00 p.m. is set out on pages AGM-1 to AGM-6 of this circular.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

This circular, for which the directors of CIG Yangtze Ports PLC collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to CIG Yangtze Ports PLC. The directors of CIG Yangtze Ports PLC, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Suite 2101, 21/F., Two Exchange Square, Hong Kong on Friday, 25 May 2018 at 2:00 p.m., notice of which is set out on pages AGM-1 to AGM-6 of this circular
“Articles of Association”	the articles of association of the Company as may be amended and restated from time to time
“Board”	the Company’s board of Directors
“Buy-back Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to buy back the Shares up to a maximum of 10% of the total number of issued Shares as at the date of the passing of the relevant resolution
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	CIG Yangtze Ports PLC, an exempted company incorporated in the Cayman Islands on 17 January 2003 with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1719)
“Director(s)”	the director(s) of the Company
“Eligible Participants”	means any full-time employees, executives, officers and directors (including executive and non-executive directors) of the Company or any of its subsidiaries and any advisors, consultants, suppliers, agents, business affiliates and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“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 People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot and issue securities of the Company not exceeding 20% of the total number of issued Shares as at the date of the passing of the relevant resolution, and by an additional number representing the total number of Shares bought back by the Company pursuant to the Buy-back Mandate (if any)
“Latest Practicable Date”	18 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as may be amended and restated from time to time
“New Memorandum and Articles of Association”	the memorandum of association and articles of association of the Company proposed to be adopted to replace the existing Memorandum and Articles of Association at the AGM
“Old Share Option Scheme”	the share option scheme of the Company adopted on 2 September 2005 which was cancelled in 2011
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Option(s)”	option(s) to subscribe for Shares granted to (and subject to acceptance by) Eligible Participant(s) under the Share Option Scheme
“Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the AGM, the principal terms of which are set out in Appendix IV to this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



中國基建港口有限公司*
CIG Yangtze Ports PLC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1719)

Executive Directors:

Mr. Xie Bingmu

Mr. Zhang Jiwei

Ms. Liu Qin

Registered Office:

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Non-executive Directors:

Mr. Yan Zhi (Chairman)

Mr. Xia Yu

*Head office and principal place of
business in Hong Kong:*

Suite 2101, 21th Floor

Two Exchange Square

Central

Hong Kong

Independent non-executive Directors:

Mr. Lee Kang Bor, Thomas

Dr. Mao Zhenhua

Mr. Wong Wai Keung, Frederick

24 April 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
SHARES AND TO BUY BACK SHARES
RE-ELECTION OF DIRECTORS
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
PROPOSED ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM, among others, to seek your approval of resolutions for (i) the grant of the Issue Mandate and the Buy-back Mandate, (ii) the re-election of Directors, (iii) the adoption of the New Memorandum and Articles of Association, and (iv) the adoption of the Share Option Scheme. The resolutions will be proposed at the forthcoming AGM to be held on Friday, 25 May 2018 and are set out in the notice of AGM as set out on pages AGM-1 to AGM-6 of this circular.

* For identification purpose only

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATES TO ISSUE SHARES AND TO BUYBACK SHARES

At the annual general meeting of the Company held on 18 May 2017 (the “Last AGM”), ordinary resolutions were passed by the Shareholders granting general unconditional mandates to the Directors, (i) to issue and allot up to a maximum of 345,013,337 Shares, representing a maximum not exceeding 20% of the total number of issued Shares as at the date when the resolution was passed and (ii) to exercise the powers of the Company to buy back up to a maximum of 172,506,668 Shares of its own Shares, representing a maximum not exceeding 10% of the total number of issued Shares as at the date when the resolution was passed in accordance with the GEM Listing Rules. These general mandates, will expire at the conclusion of the forthcoming AGM.

At the AGM, ordinary resolutions will be proposed to seek the Shareholders’ approval for granting of the Issue Mandate and the Buy-back Mandate at the AGM. Details of the aforesaid ordinary resolutions are set out in ordinary resolutions numbered 7 to 9 in the notice of the AGM.

The Issue Mandate, if approved at the AGM, will grant to the Directors to exercise the power of the Company to allot and issue Shares up to maximum amount not exceeding 20% of the total number of issued Shares as at the date of the passing of the said ordinary resolution. Based on the 1,725,066,689 Shares in issue at the Latest Practicable Date and assuming no further Shares will be issued or bought back by the Company prior to the AGM, the maximum number of Shares which can be allotted and issued under the Issue Mandate will be up to 345,013,337 Shares.

The Buy-back Mandate, if approved at the AGM, will grant to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of the passing of the said ordinary resolution. Based on the 1,725,066,689 Shares in issue at the Latest Practicable Date and assuming no further Shares will be issued or bought back by the Company prior to the AGM, the maximum number of Shares which can be bought back under the Buy-back Mandate will be up to 172,506,668 Shares.

Further, subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Buy-back Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares bought back under the Buy-back Mandate, provided that such additional amount shall not exceed 10% of the total number of issued Shares as at the date of passing the resolution.

LETTER FROM THE BOARD

The Issue Mandate and the Buy-back Mandate, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held or until the date upon which such authority is revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever is earlier.

An explanatory statement required by the Listing Rules to be provided to the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the proposed resolution for the granting of the Buy-back Mandate at the AGM is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

Pursuant to Article 130 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. All retiring Directors shall be eligible for re-election. Accordingly, ordinary resolutions will be proposed to re-elect Mr. Xie Bingmu as executive Director and each of Mr. Lee Kang Bor, Thomas and Mr. Wong Wai Keung, Frederick as independent non-executive Director in accordance with the Articles of Association at the AGM.

Mr. Lee Kang Bor, Thomas (“Mr. Lee”) has served as independent non-executive Director for more than nine years since September 2005. Pursuant to Code A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, (a) such service to the Company for more than nine years could be relevant to determining an independent non-executive director’s independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mr. Lee a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Lee has not engaged in any executive management of the Group. During his years of services, Mr. Lee has contributed by providing independent viewpoints, enquires and advices to the Company in relation to its businesses, operations, future development and strategy. The Board considers that Mr. Lee has the character, integrity, ability and experience to continue to fulfill his role as required effectively. There is no evidence that his over nine years of services with the Company would have any impact on his independence. The Board believes that Mr. Lee’s continued tenure brings considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Lee who has over time gained valuable insight into the Group. The Board thus recommends him for re-election at the AGM by a separate resolution.

Biographic details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

In order to update the Memorandum and Articles of Association of the Company in line with amendments made to applicable laws of the Cayman Islands and the Listing Rules following the successful transfer of the listing of shares of the Company from the GEM to the main board of the Stock Exchange, and to incorporate certain housekeeping amendments, which amendments are rather extensive, the Board proposes to put forward to the Shareholders for approval at the AGM a special resolution to adopt the New Memorandum and Articles of Association in the form to be tabled at the AGM in substitution for, and to the exclusion of, its existing Memorandum and Articles of Association.

The summary of the proposed principal amendments to the New Memorandum and Articles of Association, and comparison against the existing Memorandum and Articles of Association of the Company (as applicable), are set out in Appendix III to this circular.

Shareholders are advised that the proposed New Memorandum and Articles of Association are written in English. The Chinese translation of the proposed New Memorandum and Articles of Association is for reference purpose only. In case of any inconsistency between the English and Chinese versions, the English version shall prevail.

ADOPTION OF SHARE OPTION SCHEME

The Old Share Option Scheme was adopted by the Company on 2 September 2005 and was cancelled in 2011. Other than the Old Share Option Scheme, the Company had no other subsisting option schemes as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no Options outstanding under the Old Share Option Scheme. Given that the Old Share Option Scheme had expired, the Board proposes to adopt the Share Option Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules in order to provide the Company with the flexibility of granting Options to the Directors, employees and other Eligible Participants as incentives or rewards for their contributions or potential contributions to the Group. The principal terms of the Share Option Scheme are set out in Appendix IV to this circular.

The adoption of the Share Option Scheme is conditional upon (i) the approval of the adoption of the Share Option Scheme as an ordinary resolution by Shareholders at the AGM; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options which may be granted under the Share Option Scheme.

LETTER FROM THE BOARD

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options under the Share Option Scheme.

The Directors believe that the Share Option Scheme will continue to provide Eligible Participants with the opportunity to participate in the growth of the Company by acquiring Shares which may, in turn, assist in attracting and retaining Eligible Participants who have made contributions to the success of the Company. The purpose of the Share Option Scheme is to provide incentives to Eligible Participants to contribute further to the Company. To ensure this purpose is achieved, the Directors plan to grant Options to Eligible Participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group based on their performance and other factors (such as their years of service with the Company and/or work experience and/or knowledge in the industry etc.) that are relevant in deciding the contribution of such Eligible Participants.

The Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its sole discretion, such terms and conditions on the grant of an Option, including the minimum period for which the Options must be held and/or the performance targets that must be achieved before such Options can be exercised and/or any other terms which may be imposed. This determination may vary on a case by case basis but no such terms will be imposed the result of which will be to the advantage of the Eligible Participant. The basis for the determination of the subscription price is specified in the rules of the Share Option Scheme. With such authority and flexibility, the Board may impose different conditions for each Eligible Participant as it considers appropriate so as to provide incentives or rewards to such selected Eligible Participants for their contribution or potential contribution to the Group.

Based on 1,725,066,689 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares that may be issued upon the exercise of the Options that may be granted under the Share Option Scheme is 172,506,668 Shares, being 10% of the issued share capital of the Company as at the date of the adoption of the Share Option Scheme.

The aggregate number of Shares which may be issued upon the exercise of all Options that may be granted under the Share Option Scheme and all outstanding share options granted and yet to be exercised under the other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to state the value of the Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option. In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no Options had been granted as at the Latest Practicable Date under the Share Option Scheme, certain variables are not available for calculating the value of the Options thereunder, the Directors believe that any calculation of the value of the Options under the Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of the Company.

None of the Directors are appointed as trustees of the Share Option Scheme or have a direct or indirect interest in the trustees of the Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the Share Option Scheme.

A summary of the principal terms of the proposed Share Option Scheme is set forth in Appendix IV to this circular. The rules of the Share Option Scheme proposed to be adopted by the Company at the AGM will be available for inspection at the principal place of business in Hong Kong at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong during normal business hours from the Latest Practicable Date up to and including the date of AGM.

AGM

The Company will convene the AGM at Suite 2101, 21/F., Two Exchange Square, Central, Hong Kong on Friday, 25 May 2018 at 2:00 p.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the AGM as set out on page AGM-1 to AGM-6 of this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you intend to be present and vote at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it

LETTER FROM THE BOARD

to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

LISTING RULES REQUIREMENT

Pursuant to Rule 13.39(4) of the Listing Rules, vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the conclusion of the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is also enclosed in this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and there is no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that (i) the granting of the Issue Mandate and the Buy-back Mandate, (ii) the extension of the Issue Mandate to include Shares bought back pursuant to the Buy-back Mandate, (iii) the re-election of Directors, (iv) the adoption of the New Memorandum and Articles of Association, and (v) the adoption of the Share Option Scheme are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Yan Zhi
Chairman

This is an explanatory statement given to the Shareholders relating to the resolution to be proposed at the AGM authorising the Buy-back Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1) (b) of the Listing Rules, which is set out as follows:

1. EXERCISE OF THE BUY-BACK MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 1,725,066,689. Subject to the passing of the resolution in relation to the Buy-back Mandate and on the basis that no further Shares are issued or bought back by the Company prior to the AGM, the maximum number of Shares which can be bought back under the Buy-back Mandate will be up to a maximum of 172,506,668 Shares (representing 10% of the total number of Shares in issue as at the date of the passing of the said resolution) during the period from the date of the passing of the ordinary resolution up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation or variation of the Buy-back Mandate by ordinary resolution of the Shareholders in general meeting, whichever is earlier.

2. REASONS FOR SHARE BUYBACK

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders. Such share buyback may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF SHARE BUYBACK

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company is empowered by its Articles of Association to buyback its Shares. Under the laws of the Cayman Islands, the capital portion payable on a share buyback by the Company may be paid out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the share buyback or, subject to

the Companies Law, out of capital and, in the case of any premium payable on a share buyback, such premium may be paid out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the Companies Law, out of capital.

4. GENERAL

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 of the Company for the financial year ended 31 December 2017) in the event that the Buy-back Mandate is exercised in full at the current prevailing market value. 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.

5. UNDERTAKING

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention, if the Buy-back Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

6. EFFECT OF THE TAKEOVERS CODE

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 purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Yan Zhi ("**Mr. Yan**"), the controlling shareholder of the Company and who through Zall Holdings Company Limited and Zall Infrastructure Investments Company Limited, was interested in an aggregate of 1,290,451,130 Shares, representing approximately 74.81% of the issued share capital of the Company.

In the event that the Directors exercise the proposed Buy-back Mandate in full, then (if the present shareholdings otherwise remained the same) the shareholdings of Mr. Yan in the Company would be increased to an aggregate of approximately 83.12% of the issued share capital of the Company. To the best knowledge of the Directors, such increases would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but would result in the public shareholding in the Company to be less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange). The Directors would not exercise the Buy-back Mandate to such an extent as may result in public shareholding of the Company to fall below 25%. The Directors are also not aware of any consequence which would arise under the Takeovers Code as a consequence of any share buyback pursuant to the Buy-back Mandate.

7. SHARE BUYBACK MADE BY THE COMPANY

During the previous six months preceding the Latest Practicable Date, the Company had not bought back any Shares (whether on the Stock Exchange or otherwise).

8. SHARE PRICES

The highest and lowest prices at which Shares have been traded on GEM up to 28 January 2018 and since 29 January 2018 on the Main Board of the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2017		
April	0.990	0.850
May	0.920	0.850
June	1.000	0.830
July	1.390	0.930
August	1.300	1.150
September	1.160	1.010
October	1.150	1.050
November	1.070	0.960
December	1.110	0.990
2018		
January	2.030	1.010
February	1.900	1.110
March	1.810	1.400
1 April to 18 April	1.580	1.370

Details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

1. **Mr. Xie Bingmu (謝炳木, “Mr. Xie”)**, aged 54, an executive Director, was appointed to the Board on 7 March 2014. He is also the chief executive officer, an authorised representative and the compliance officer of the Company. He has been the general manager of Wuhan International Container Company Limited* (武漢國際集裝箱有限公司) (“WIT”) since November 2003 and a director of WIT since January 2004. He completed the professional studies in business administration at Fujian Broadcasting University (福建廣播電視大學) in 1986 and completed a postgraduate course conducted by Xiamen University in 2001. He is an accountant in the PRC. Mr. Xie has over 30 years’ experience in port and container terminal business in the PRC. Mr. Xie joined the Group in March 2001. Prior to joining the Group and for the years between 1997 and 2001, Mr. Xie had worked in an international port company and container terminal company in the PRC.

Mr. Xie entered into a service agreement with the Company for a fixed term of three years from 7 March 2017 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association. The annual director’s fee for Mr. Xie is RMB84,000, which was determined with reference to his duties, responsibilities and the results of the Group. As at the Latest Practicable Date, Mr. Xie does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Xie did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years and has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. Lee Kang Bor, Thomas (李鏡波, “Mr. Lee”)**, aged 64, an independent non-executive Director, was appointed to the Board on 2 September 2005. He has been a member and the chairman of the Audit Committee and the Remuneration Committee since September 2005 and is a member of the Nomination Committee of the Company. He graduated from The Hong Kong Polytechnic University (formerly Hong Kong Polytechnic) with a higher diploma in accountancy in 1976. He received his bachelor and master of laws degrees from the University of London in 1988 and 1990, respectively. Mr. Lee is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants (UK) and was called to the Bar of the Honourable Society of Lincoln’s Inn in 1990. Mr. Lee is a past president and a member of the Council of the Taxation Institute of Hong Kong and a past president and honorary advisor of Asia Oceania Tax Consultants’ Association. Mr. Lee is the chairman of Thomas Lee & Partners Limited, Certified Tax Advisers. Mr. Lee is an independent non-executive director of Sparkle Roll Group Limited (stock code: 0970), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Lee had been an independent non-executive director of Camsing International Holding Limited (formerly known as Fitec International Group Limited, stock code: 2662), the shares of which are listed on the Main Board of the Stock Exchange, since 21 January 2016 and had been the chairman of the audit committee and a member of the remuneration committee of such company since 4 February 2016, until he resigned from such positions on 31 May 2016.

The Company and Mr. Lee entered into an appointment letter for a fixed term from 18 May 2017 until the Company’s annual general meeting in 2018, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association. Mr. Lee is entitled to a director’s fee of HK\$340,000 per annum, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Lee has not held any other position in the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years. Mr. Lee has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Mr. Wong Wai Keung, Frederick (黃煒強, “Mr. Wong”)**, aged 62, an independent non-executive Director, was appointed to the Board on 1 April 2014. He has been a member of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company since April 2014 and chairman of the Nomination Committee since October 2015. He has been a fellow member of the Institute of Chartered Accountants in England and Wales since 1993 and the Hong Kong Institute of Certified Public Accountants since 1991, and holds a master’s degree in electronic commerce from Edith Cowen University, Western Australia. Mr. Wong has over 30 years of accounting, finance, audit, tax and corporate finance experience and has worked at an international certified public accountants firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand. Mr. Wong is currently an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of Perfect Group International Holdings Limited (stock code: 3326) and an independent non-executive director, chairman of the audit committee and the risk management committee and member of the remuneration committee and the nomination committee of Wah Sun Handbags International Holdings Limited (stock code: 2683), the shares of both companies are listed on the Main Board of the Stock Exchange. Mr. Wong had been the chief financial officer of Asia Investment Finance Group Limited (stock code: 0033), the shares of which are listed on the Main Board of the Stock Exchange, since 18 September 2017 and also acted as the company secretary and authorised representative of the company since 25 September 2017 until he resigned from such positions on 3 November 2017. Mr. Wong had been the chief financial officer of APAC Resources Limited (stock code: 1104), the shares of which are listed on the Main Board of the Stock Exchange, since January 2011 and also acted as the company secretary of the company between April 2011 and December 2011 and since February 2013 until he resigned from such positions in July 2016 and served as a consultant to the company between August 2016 and October 2016. Prior to joining APAC Resources Limited, Mr. Wong was the chief financial officer, company secretary and authorised representative of the Company from January 2001 to January 2011. He was also an executive director of Hwa Kay Thai Holdings Limited (now known as China Solar Energy Holdings Limited) (stock code: 0155) from 1996 to 1999, the shares of which are listed on the Main Board of the Stock Exchange.

The Company and Mr. Wong entered into an appointment letter for a fixed term from 18 May 2017 until the Company’s annual general meeting in 2018, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. Mr. Wong is entitled to a director’s fee of HK\$320,000 per annum which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Wong did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Mr. Wong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board has delegated the task of recommending or determining the remunerations of the Directors to the Remuneration Committee of the Company. In recommending or determining the remunerations of the Directors, the Remuneration Committee would take into consideration, amongst others, the experience of the Directors.

Details of the proposed principal amendments contained in the New Memorandum and Articles of Association to be adopted by the Company, and comparison against the existing Memorandum and Articles of Association of the Company, are set out as follows:

**PROPOSED PRINCIPAL AMENDMENTS CONTAINED IN THE NEW
MEMORANDUM AND ARTICLES OF ASSOCIATION**

(a) simplifying the objects of the Company:

Reference to the existing Memorandum of Association:

Clause 3 The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:

3.1 To carry on business as an investment company and as an investment holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stock, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being.

3.2 To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, joint venture, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.

- 3.3 To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
- 3.4 To stand surety for or to guarantee, indemnify, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration therefor.
- 3.5 To carry on the business of promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
- 3.6 To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including the provision of any services.
- 3.7 To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

- 3.8 To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this Clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- Clause 4 Except as prohibited or limited by the Companies Law (2004 Revision), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2004 Revision) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading,

warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

Clauses 3 and 4 of the existing Memorandum of Association be replaced in their entirety with clause 3 of the new Memorandum of Association:

Clause 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

(b) allowing the surrender of shares to the Company for no consideration, as permitted by the laws of the Cayman Islands:

New Article 3.8 be added into the new Articles of Association:

Article 3.8 The Board may accept the surrender for no consideration of any fully paid share.

- (c) **allowing the register of members of the Company to be maintained in a format in compliance with the Listing Rules, as permitted by the laws of the Cayman Islands;**

New Article 4.5 be added into the new Articles of Association:

Article 4.5 For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Law in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.

- (d) **allowing shares in the Company to be transferred by methods permitted by the Listing Rules and approved by the Board:**

New Article 7.3 be added to the new Articles of Association:

Article 7.3 Notwithstanding Articles 7.1 and 7.2, transfers of shares which are listed on the Exchange may be effected by any method of transferring or dealing in securities permitted by the Listing Rules and which has been approved by the Board for such purpose.

- (e) **permitting the sending of notices electronically or by publishing the same on the Stock Exchange's website, in the manner permitted by the Listing Rules:**

Article 209 of the existing Articles of Association (as renumbered, Article 30.1 of the new Articles of Association) be amended as per below:

Article 30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied

by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the ~~newspapers~~ manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register/~~any one of the joint holders~~ and notice so given shall be sufficient notice to all the joint holders.

- (f) **adjusting the notice period in respect of (i) closure of register of members (ii) suspensions on share transfers; (iii) calling of annual and extraordinary general meetings of the Company;**

Articles 23, 53 and 80 of the existing Articles of Association (as renumbered, Articles 4.8, 7.9 and 12.4 of the new Articles of Association) be amended as per below:

Article 4.8 The register may, on 1410 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published ~~in~~ on the ~~newspapers~~ Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article.

Article 7.9 The registration of transfers may, on ~~14~~10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published ~~in~~on the ~~newspapers~~Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a Number 8 or higher typhoon signal and black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

Article 12.4 ~~An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The Subject to the requirement under the Listing Rules, the notice shall be inclusive~~exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting ~~and in the case of special business (as defined in Article 85) the general nature of that business.~~ The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

(g) removal of the distinction between special business and ordinary business transacted at general meetings of the Company:

Article 85 of the existing Articles of Association be deleted in its entirety:

Article 85 All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- 85.1 the declaration and sanctioning of dividends;
- 85.2 the consideration and adoption of the accounts and balance sheets and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;
- 85.3 the election of Directors in place of those retiring;
- 85.4 the appointment of Auditors;
- 85.5 the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the Auditors;
- 85.6 the granting of any mandate or authority to the Directors to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20 per cent. (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to Article 85.7; and
- 85.7 the granting of any mandate or authority to the Directors to repurchase securities of the Company

(h) removal of voting by show of hands at general meetings of the Company, except in respect of a procedural or administrative matter:

Article 90 of the existing Article of Association be replaced in its entirety with Article 13.5 of the new Articles of Association:

Article 90 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

90.1 the Chairman of the meeting; or

90.2 at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or

90.3 any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

90.4 any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Reference to the new Articles of Association:

Article 13.5 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

- (i) **removal of a Director's entitlement to vote on a proposal concerning another company in which such Director and/or his associates are interested in not more than 5% of the issued shares of such company, as an exception to the general restrictions placed on an interested Director against voting on any matter which he and/or his associates have any material interest:**

Article 134 of the existing Articles of Association (as renumbered, Article 16.22 of the new Articles of Association) be amended as per below:

Article 16.22 A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his ~~Associates~~ close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (a) the giving of any security or indemnity either:
- (i) to the Director or any of his ~~Associates~~ close associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his ~~Associates~~ close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his ~~Associates~~ close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

~~any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;~~

- (c) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his Associates close associates may benefit; or
 - (ii) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his Associates close associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (d) any contract or arrangement in which the Director or any of his Associates close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

- (j) **providing that a resolution of the Directors which relates to any matter or business in which a substantial shareholder of the Company or a Director has a material interest conflicting with that of the Company shall only be passed at a meeting of the Directors:**

Article 158 of the existing Articles of Association (as renumbered, Article 20.13 of the new Articles of Association) be amended as per below:

Article 20.13 Unless required otherwise by the Listing Rules, Aa resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 121–16.9) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution which relates to any matter or business in which a substantial shareholder of the Company (as defined in the Listing Rules from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material, shall not be passed by a resolution in writing and shall only be passed at a meeting of the Directors held in accordance with these Articles.

- (k) **providing that the removal of an auditor before the expiration of his term of office shall require the approval of an ordinary resolution at a general meeting of the Company:**

Article 207 of the existing Articles of Association (as renumbered, Article 29.2 of the new Articles of Association) be amended as per below:

Article 29.2 The Company shall at ~~any~~every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may

before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.

- (l) **allowing the Company to (i) transfer by way of continuation to a jurisdiction outside the Cayman Islands; and (ii) merger with another company; as permitted by the laws of the Cayman Islands:**

New Articles 36 and 37 be added to the new Articles of Association:

Article 36 **Transfer by Way of Continuation**

The Company shall, subject to the provisions of the Companies Law and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Article 37 **Mergers and Consolidations**

The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies Law), upon such terms as the Directors may determine.

- (m) **certain other housekeeping and tidying up changes.**

This appendix summarizes the principal terms of the Share Option Scheme.

(A) PURPOSE

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants had made, may have made or will make to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(B) WHO MAY JOIN

The Board may, at its discretion, offer to grant an Option to the Eligible Participants to subscribe for such number of new Shares as the Board may determine at a subscription price determined in accordance with paragraph (f) below.

Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the Option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(C) ACCEPTANCE OF AN OFFER OF OPTIONS

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

(D) MAXIMUM NUMBER OF SHARES

The maximum number of Shares in respect of which Options may be granted under the Share Option Scheme and under any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of the passing of the resolution for the adoption of the Share Option Scheme (i.e. 172,506,668 Shares, assuming no further issue or repurchase of Shares from the Latest Practicable Date). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant Options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which Options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (r) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

(E) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of Options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the Options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
 - (aa) the Eligible Participant's name, address and occupation;
 - (bb) the date on which an Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (cc) the date upon which an offer for an Option must be accepted;
 - (dd) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);
 - (ee) the number of Shares in respect of which the Option is offered;

- (ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;
- (gg) the date of the notice given by the grantee in respect of the exercise of the Option; and
- (hh) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

(F) PRICE OF SHARES

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(G) GRANTING OPTIONS TO CONNECTED PERSONS

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of Options granted and to be granted (including

options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the subscription price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(H) RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS

A grant of options may not be made after a price sensitive event has occurred or after inside information has come to the knowledge of the Company until it has been published pursuant to the requirements of the Listing Rules and the Inside

Information Provisions of Part XIVA of the SFO. In particular, no Options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results or half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:

- (i) no Options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(I) RIGHTS ARE PERSONAL TO GRANTEE

An Option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such grantee.

(J) TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an Option may be exercised will be determined by the Board in its absolute discretion, save that no Option may be exercised more than 10 years after it has been granted. No Option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(K) PERFORMANCE TARGET

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(L) RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the grantee of an Option ceases to be an employee of the Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the Option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the Option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(M) RIGHTS ON DISMISSAL

If the grantee of an Option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service

contract with the Group, or has been convicted of any criminal offense involving his integrity or honesty, his Option will lapse and not be exercisable after the date of termination of his employment.

(N) RIGHTS ON TAKEOVER

If a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant Option, the grantee of an Option shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(O) RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(P) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS OR CREDITORS

If a compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to the Company accompanied

by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two business days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which fails to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(Q) RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

(R) EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any Options so far as unexercised and/or the subscription price per Share of each outstanding Option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note

thereto. The capacity of the auditors of the Company or the approval independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(S) EXPIRY OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the Option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any

applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(T) ALTERATION OF THE SHARE OPTION SCHEME

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting of the Company provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting of the Company.

(U) CANCELLATION OF OPTIONS

Subject to paragraph (i) above, any cancellation of Options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (m).

(V) TERMINATION OF THE SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further Option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(W) ADMINISTRATION OF THE BOARD

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

NOTICE OF THE AGM



中國基建港口有限公司*

CIG Yangtze Ports PLC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1719)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of CIG Yangtze Ports PLC (the “Company”) will be held at Suite 2101, 21/F., Two Exchange Square, Central, Hong Kong on Friday, 25 May 2018 at 2:00 p.m. for the following purposes:

Ordinary Resolutions

To consider and, if though fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the auditors of the Company for the year ended 31 December 2017;
2. To re-elect Mr. Xie Bingmu as executive Director;
3. To re-elect Mr. Lee Kang Bor, Thomas as independent non-executive Director;
4. To re-elect Mr. Wong Wai Keung, Frederick as independent non-executive Director;
5. To authorise the board of Directors of the Company (the “Board”) to fix the Directors’ remuneration;
6. To re-appoint Grant Thornton Hong Kong Limited as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration;
7. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

* For identification purpose only

NOTICE OF THE AGM

“That:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval of paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the total number of the issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and

NOTICE OF THE AGM

- (iii) the passing of an ordinary resolution by the shareholders of the Company (the “Shareholders”) in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

- 8. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“That:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to buyback its shares on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company authorised to be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of shares of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF THE AGM

- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

9. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**That** conditional upon resolutions numbered 7 and 8 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution numbered 7 above be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company bought back by the Company under the authority granted pursuant to resolution numbered 8 above, provided that such amount shall not exceed 10% of the total number of shares of the Company in issue at the date of the passing of the said resolution.”;

10. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**That** conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, the ordinary shares of HK\$0.1 each in the share capital of the Company (or such nominal amount as shall result from a capitalization issue, rights issue, sub-division, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular dispatched to the shareholders on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the meeting and for the purpose of identification signed by the chairman hereof (the “**Share Option Scheme**”), the Share Option Scheme be and is hereby approved and adopted to be the share option scheme of the Company and that the Directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including but without limitation:

NOTICE OF THE AGM

- (i) to administer the Share Option Scheme under which share options will be granted to the Eligible Participants (as defined in the Share Option Scheme) eligible under the Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the Share Option Scheme;
- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the Share Option Scheme and subject to the Listing Rules;
- (iv) make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

Special Resolution

11. To consider and, if thought fit, pass the following resolution as a special resolution:

“That:

- (a) the Company’s new memorandum of association and new articles of association, a copy of which has been produced to the meeting marked “B” and initialed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the memorandum of association and articles of association of the Company, in substitution for, and to the exclusion of, the existing memorandum of association and articles of association of the Company; and

NOTICE OF THE AGM

(b) any director or the company secretary of the Company be and is hereby authorised to do all such acts as he/she deems fit to effect the adoption of the new memorandum of association and new articles of association of the Company and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
CIG Yangtze Ports PLC
Yan Zhi
Chairman

Hong Kong, 24 April 2018

Notes:

1. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy needs not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such holders be present at the meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereto.
3. A form of proxy for the AGM is enclosed herewith.
4. In order to be valid, a form of proxy must be deposited by hand or by post at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of such power or attorney, not less than 48 hours before the time appointed for holding the AGM.
5. Shareholders or their proxies shall produce their identity documents when attending the AGM.
6. Shareholders or proxies attending the AGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against the resolution. Abstention votes will not be regarded by the Company as having voting rights for the purpose of vote counts.
7. For the purposes of ascertaining shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 21 May 2018 (Monday) to 25 May 2018 (Friday) (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for the entitlement to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 18 May 2018 (Friday).

As at the date hereof, the Board comprises three executive Directors namely Mr. Xie Bingmu, Mr. Zhang Jiwei and Ms. Liu Qin, two non-executive Directors namely Mr. Yan Zhi and Mr. Xia Yu and three independent non-executive Directors namely Mr. Lee Kang Bor, Thomas, Mr. Wong Wai Keung, Frederick and Dr. Mao Zhenhua.