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**招商局港口控股有限公司**

**CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**(Stock Code: 00144)**

***Executive Directors:***

Mr. Fu Gangfeng (*Chairman*)  
Mr. Hu Jianhua (*Vice Chairman*)  
Mr. Wang Hong  
Mr. Su Jian  
Mr. Bai Jingtao (*Managing Director*)  
Mr. Wang Zhixian  
Mr. Zheng Shaoping  
Ms. Shi Wei

***Registered Office:***

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

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

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

27 April 2018

*To the Shareholders*

Dear Sir or Madam,

The purpose of this circular (the “**Circular**”) is to give shareholders (the “**Shareholders**”) of China Merchants Port Holdings Company Limited (the “**Company**”) information on matters to be dealt with at the annual general meeting of the Company (the “**AGM**”) scheduled on 1 June 2018, which include the following proposals: (i) the re-election of retiring Directors, (ii) the grant of mandate to grant options, and (iii) the renewal of the general mandates for buy-back and issue of shares, as set out in the notice of the AGM (the “**AGM Notice**”) dated 27 April 2018. This circular also provides particulars of Directors subject to re-election and sets out an explanatory statement regarding the buy-back mandate, as required to be sent to the Shareholders under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the

“**Stock Exchange**”). This circular also constitutes the memorandum required under section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”). Reference in this document to “**Shares**” means fully-paid share(s) of all classes in the share capital of the Company.

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

As at 20 April 2018 (the “**Latest Practicable Date**”), the board of Directors (the “**Board**”) comprises Mr. Fu Gangfeng, Mr. Hu Jianhua, Mr. Wang Hong, Mr. Su Jian, Mr. Bai Jingtao, Mr. Wang Zhixian, Mr. Zheng Shaoping and Ms. Shi Wei who are the executive directors, and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John, Mr. Li Ka Fai David, and Mr. Bong Shu Ying Francis who are the independent non-executive directors.

Pursuant to article 89 of the articles of association of the Company (the “**Articles of Association**”), Mr. Bai Jingtao, Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John and Mr. Li Ka Fai David shall retire from office by rotation at the AGM and shall be eligible and offer themselves for re-election. Pursuant to article 95 of the Articles of Association, Mr. Fu Gangfeng and Mr. Su Jian shall retire from office at the AGM and shall be eligible and offer themselves for re-election. Details of the directors of the Company (the “**Directors**”) proposed to be re-elected at the AGM are set out in Appendix I to this circular.

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

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

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

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

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

As at the Latest Practicable Date, 3,277,619,310 Shares were in issue. On the basis of such figure, the Directors would be authorised to issue up to 655,523,862 Shares during the period up to the next annual general meeting in 2019 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the general issue mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### **3 RECOMMENDATION**

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

Yours faithfully  
By order of the Board  
**China Merchants Port Holdings Company Limited**  
**Fu Gangfeng**  
*Chairman*

## APPENDIX I TO THE CIRCULAR

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

Mr. Fu Gangfeng, aged 51, is the Chairman of the Company and the Director and Group President of China Merchants Group Limited. He graduated from Xi'an Highway Scientific Academy with a Bachelor Degree of Finance in September 1987 and a Master Degree of Engineering Management in May 1990, respectively, and became a Certified Senior Accountant. Prior to joining of the Company, Mr. Fu successively served as the Deputy Director of the Zhong Hua (Shekou) Certified Public Accountants, the Director of the Chief Accountant Office and Chief Accountant of China Merchants Shekou Industrial Zone Co., Ltd. and the Chief Financial Officer of China Merchants Shekou Holdings Co., Ltd. and China Merchants Shekou Industrial Zone Co., Ltd., and has been General Manger of Finance Department, Vice Chief Financial Officer and Chief Financial Officer of China Merchants Group Limited. He is also currently the Vice Chairman of China Merchants Shekou Industrial Zone Holdings Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange, the Director of China Merchants Bank Co., Ltd., shares of which are listed on both the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Mr. Fu was appointed to the Board of Directors as Executive Director on 1 June 2015 and then has retired as Executive Director on 29 November 2016. He was also appointed as Executive Director and Chairman of the Board of the Company on 20 March 2018.

Mr. Fu's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Fu is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Li does not hold any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr. Fu has not received and is not entitled to any Director's fee. There is an existing service contract between Mr. Fu and the Company for a term of three years commencing on 20 March 2018.

Mr. Su Jian, aged 46, is the Head of the Finance Department (Property Rights Department) of China Merchants Group Limited. He graduated from Shanghai University of Finance and Economics with a Bachelor's Degree in economics. He then obtained the qualifications of non-practising member of the Chinese Institute of Certified Public Accountants and intermediate accountant. He previously served as the Financial Manager of China Merchants International Travel Services Limited, Senior Manager of Finance Department of China Merchants Shekou Industrial Zone Company Limited, Senior Manager, Assistant to the Head of Finance Department and Deputy Head of Finance Department of China Merchants Group Limited, Deputy Head of the Organization Department of Human Resources Department of China Merchants Group Limited, Party Secretary, Secretary of Commission for Discipline Inspection and Assistant General Manager of China Merchants Industry Holdings Company Limited. Mr. Su is also currently a Non-executive Director of China Merchants Energy Shipping Co., Ltd., shares of which are listed on the Shanghai Stock Exchange and a Non-executive Director of China Merchants Securities Co., Ltd., shares of which are listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. He was appointed to the Board of Directors as Executive Director on 12 October 2017.

Mr. Su's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Su is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Su does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Su has not received and is not entitled to any Director's fee. There is an existing service contract between Mr. Su and the Company for a term of three years commencing on 12 October 2017.

Mr. Bai Jingtao, aged 53, is a professor level senior engineer and Managing Director of the Company. He graduated from Tianjin University in Department of Hydraulics with a Bachelor Degree of Port and Channel Engineering in 1986, then studied at Graduate School of Wuhan University of Technology and Graduate School of Shanghai Maritime University and obtained a Master Degree of Management Sciences and Engineering and a Doctorate in Transport and Communications Planning and Management, respectively. Prior to his appointment as General Manager of the Company in April 2015, Mr. Bai successively served as an Assistant Engineer in Planning and Design Institute of the Ministry of Communications of the PRC, an Officer in Department of Engineering Management and Department of Infrastructure Management of the Ministry of Communications, Deputy Director and Director in Department of Infrastructure Management and Department of Water Transport of the Ministry of Communications, Deputy General Manager of China Merchants Zhangzhou Development Zone, Deputy Director of Xiamen Port Authority, Deputy Director of Zhangzhou China Merchants Economic and Technological Development Zone and General Manager of China Merchants Zhangzhou Development Zone. Mr. Bai has extensive experience in port management, engineering construction, planning and management of water transport. He is also Chairman of Shenzhen Chiwan Wharf Holdings Limited, shares of which are listed on the Shenzhen Stock Exchange, Vice-Chairman of Shanghai International Port (Group) Co., Ltd., shares of which are listed on the Shanghai Stock Exchange and Vice Chairman and Non-executive Director of Dalian Port (PDA) Company Limited, shares of which are listed on both The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. He was appointed as the Managing Director of the Board of Directors on 1 June 2015.

Mr. Bai's directorship with the Company is subject to retirement pursuant to the Articles of Association. Mr. Bai is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Bai does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Bai has not received and is not entitled to any Director's fee. There is an existing service contract between Mr. Bai and the Company for a term of three years commencing on 1 June 2015.

Mr. Kut Ying Hay, aged 63, is a solicitor and a notary public in Hong Kong and had been in practice in the name of Kut & Co. for more than 25 years. He was also a solicitor of the Supreme Court of England and Wales, the Supreme Court of Victoria, Australia, and the Supreme Court of Singapore, and was an associate member of the Institute of Chartered Arbitrators and the Institute of Arbitrators, Australia. He was appointed by the Hong Kong Government as a member of the Board of Review for the period from 1995 to 1998. He has also been appointed by the Ministry of Justice of the PRC as a China Appointed Attesting Officer. Mr. Kut was formerly an Independent Non-executive Director of publicly-listed China Merchants China Direct Investments Limited from June 1993 to October 2011. He was appointed to the Board of Directors as Independent Non-executive Director on 6 June 1992.

Mr. Kut's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Kut is an Independent Non-executive Director of the Company. As at the Latest Practicable Date, Mr. Kut does not hold any interest in the Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2017, Mr. Kut received a Director's fee of HK\$270,000. There is an existing service contract between Mr. Kut and the Company for a term of three years commencing on 22 March 2017.

Mr. Lee Yip Wah Peter, aged 76, is a retired solicitor. He is also an Independent Non-executive Director of SHK Hong Kong Industries Limited and an Independent Non-executive Director of Sinotrans Shipping Limited, shares of the above two companies are listed on The Stock Exchange of Hong Kong Limited. He was appointed to the Board of Directors as Independent Non-executive Director on 20 June 2001.

Mr. Lee's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Lee is an Independent Non-executive Director of the Company. As at the Latest Practicable Date, Mr. Lee has personal interest in 199,119 Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2017, Mr. Lee received a Director's fee of HK\$270,000. There is an existing service contract between Mr. Lee and the Company for a term of three years commencing on 22 March 2017.

Mr. Li Kwok Heem John, aged 62, was a partner at PricewaterhouseCoopers, Certified Public Accountants. He graduated from the Imperial College of the University of London with a Bachelor of Science degree and also obtained a Master of Business Administration degree from the Wharton School of Business of the University of Pennsylvania. He is a Fellow of The Institute of Chartered Accountants in England and Wales. Mr. Li is the immediate past Chairman of the United Christian Medical Service and the United Christian Hospital, a member of the Board of the Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital and Alice Ho Mui Ling Nethersole Hospital, and a member of the Board of Trustees of Chung Chi College, The Chinese University of Hong Kong. He was appointed to the Board of Directors as Independent Non-executive Director on 8 October 2004.

Mr. Li's directorship with the Company is subject to retirement pursuant to the Articles of Association. Mr. Li is an Independent Non-executive Director of the Company. As at the Latest Practicable Date, Mr. Li has family interest in 1,876,102 Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2017, Mr. Li received a Director's fee of HK\$270,000. There is an existing service contract between Mr. Li and the Company for a term of three years commencing on 22 March 2017.

Mr. Li Ka Fai David, aged 63, is currently the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). He is also a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, UK, The Institute of Chartered Secretaries and Administrators, UK as well as The Institute of Chartered Accountants in England and Wales. He is an Independent Non-executive Director and Chairman of audit committee, member of remuneration committee and member of nomination committee of China-Hongkong Photo Products Holdings Limited, an Independent Non-executive Director, Chairman of audit committee, member of remuneration committee and member of nomination committee of Cosmopolitan International Holdings Limited, an Independent Non-executive Director, Chairman of audit committee, member of remuneration committee and member of nomination committee of Goldlion Holdings Limited, an Independent Non-executive Director and Chairman of audit committee of Shanghai Industrial Urban Development Group Limited, an Independent Non-executive Director, member of audit committee and

member of remuneration committee of AVIC International Holding (HK) Limited, and an Independent Non-executive Director and Chairman of audit committee of Wai Yuen Tong Medicine Holdings Limited, shares of the above six companies are listed on The Stock Exchange of Hong Kong Limited. He was appointed to the Board of Directors as Independent Non-executive Director on 1 June 2007.

Mr. Li's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Li is an Independent Non-executive Director of the Company. As at the Latest Practicable Date, Mr. Li does not hold any interest in the Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2017, Mr. Li received a director's fee of HK\$270,000. There is an existing service contract between Mr. Li and the Company for a term of three years commencing from 1 June 2016.

Save as disclosed above, each of Mr. Fu Gangfeng, Mr. Su Jian, Mr. Bai Jingtao, Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John and Mr. Li Ka Fai David did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, each of Mr. Fu Gangfeng, Mr. Su Jian, Mr. Bai Jingtao, Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John and Mr. Li Ka Fai David is independent of and not connected with any Director, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, each of Mr. Fu Gangfeng, Mr. Su Jian, Mr. Bai Jingtao, Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John and Mr. Li Ka Fai David has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information in relation to his re-election which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



## APPENDIX II TO THE CIRCULAR

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

### SHAREHOLDER APPROVAL

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

### SOURCE OF FUNDS

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

### TRADING RESTRICTIONS

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

### EXERCISE OF THE BUY-BACK MANDATE

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

It is proposed that up to 10% of the Shares in issue at the date of the passing of the resolution to approve the Buy-back Mandate may be bought back. As at the Latest Practicable Date, 3,277,619,310 Shares were in issue. On the basis of such figure, the Directors would be authorised to buy back up to 327,761,931 Shares during the period up to the next annual general meeting in 2019 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Buy-back Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### REASONS FOR BUY-BACKS

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

### FUNDING OF BUY-BACKS

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



There might be a material adverse impact on the working capital, or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2017) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

## **DISCLOSURE OF INTERESTS**

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

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

## **DIRECTORS' UNDERTAKING**

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

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

The Company had not bought back any Shares during the last six months (whether on the Stock Exchange or otherwise).

## **TAKEOVERS CODE CONSEQUENCES**

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

The Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any buy-backs if the Buy-back Mandate is exercised in full. As at the Latest Practicable Date, China Merchants Group Limited ("**CMG**"), the ultimate holding company of the Company, has a 61.81% shareholding interest in the Company. If the Buy-back Mandate is exercised in full, based on the number of Shares in issue as at the Latest Practicable Date, CMG will hold up to 68.68% shareholding interest in the Company, depending on the extent to which the Buy-back Mandate is exercised. The Company may not buy back Shares which would result in the proportion of Shares held by the public being reduced to less than 25%.

## MARKET PRICES

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

|   | Share Prices (per share) |                  |
|---|--------------------------|------------------|
|   | Highest<br>(HK\$)        | Lowest<br>(HK\$) |
| <b>2017</b>   |                          |                  |
| April   | 23.25                    | 21.60            |
| May   | 23.20                    | 21.35            |
| June  | 23.20                    | 21.15            |
| July  | 25.10                    | 21.10            |
| August  | 26.00                    | 23.25            |
| September   | 26.03A                   | 22.80A           |
| October   | 25.45                    | 23.50            |
| November  | 24.50                    | 19.92            |
| December  | 21.10                    | 19.58            |
| <b>2018</b>   |                          |                  |
| January   | 21.80                    | 20.05            |
| February  | 20.85                    | 17.60            |
| March   | 18.86                    | 17.22            |
| April (up to and including the Latest Practicable Date) | 18.00                    | 17.02            |

Note: A=Adjusted pursuant to payment of special interim dividend by the Company on 16 November 2017 to shareholders whose name appear on the register of members of the Company on 3 October 2017.