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

**(Stock Code: 00144)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF VARIOUS INTEREST IN LAND IN QIANHAI**

### **LAND RESTRUCTURING AGREEMENT**

On 24 December 2018, as part of an urban planning initiative driven by the Shenzhen People's Government, Ansuji and Antongjie (both being indirect wholly-owned subsidiaries of the Company) entered into the Land Restructuring Agreement with SZPL, QHSH, CMG, QHPF, CMSK, CMSA, CMSK Subsidiaries and the A2 Company to further coordinate and manage the various interest in land in Qianhai, Shenzhen, the PRC currently held by the CMG Group for the purpose of developing the Qianhai-Shekou Free Trade Zone with affiliates of QHSH through the establishment of another joint venture company.

Pursuant to the Land Restructuring Agreement, among others, the Land Holding Companies agree the Aggregate CM Land to be resumed by QHSH and be reclassified for the purpose of future development by the A2 Company and affiliates of QHSH.

The total consideration enjoyed by the CMG Group for the transactions contemplated by the Land Restructuring Agreement will be comprised of (i) the New Land (with a value of approximately RMB43.21 billion (equivalent to approximately HK\$49.10 billion) to be granted to the A2 Company and (ii) another piece of land located in Dachan Bay Port Phase II (大鏟灣港區二期) with the same area and corresponding coastal length equivalent to the Exchange Land to be transferred to the Group.

Upon the Land Restructuring Agreement becoming effective, Antongjie and Ansuji will give up and cease to have interest in the CMP Land.

## **DEBT CONFIRMATION LETTER**

On 24 December 2018, A2 Company entered into the Debt Confirmation Letter pursuant to which A2 Company agrees that it will pay to each of the Land Holding Companies an amount that is equal to the value of the New Land multiply by the corresponding proportion of land interest each Land Holding Company holds under the Aggregate CM Land.

The amount payable to each Land Holding Company will be subject to further negotiation between the A2 Company and the Land Holding Companies based on the valuation of the corresponding proportion of land interest each Land Holding Company holds as determined by the Valuation Consultation Report.

## **LISTING RULES IMPLICATONS**

As CMSA, CMSK, CMSK Subsidiaries, QHPF, and A2 Company are subsidiaries of CMG, the ultimate holding company of the Company, they are therefore connected persons of the Company and the Land Restructuring Agreement constitutes a connected transaction of the Company under the Listing Rules.

Upon the Land Restructuring Agreement becoming effective, the CMP Land will be resumed by QHSH in exchange for the Dachan Bay Land. The New Land will be granted to the A2 Company and the A2 Company will owe Antongjie and Ansuje an amount to be finalized pursuant to the Debt Confirmation Letter. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable and connected transaction of the Company, and is subject to (1) the notification and announcement requirements under Chapter 14 of the Listing Rules and (2) the announcement, shareholders' approval, circular and annual reporting requirements under Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been engaged to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

## **EGM**

The EGM will be convened to consider, and if thought fit, to approve the Land Restructuring Agreement. In accordance with the Listing Rules, CMG which is interested in approximately 62% shares in the Company as at the date of this announcement, and its associates are required to abstain from voting on the ordinary resolutions approving the Land Restructuring Agreement at the EGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (1) further information regarding the details of the Land Restructuring Agreement; (2) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (3) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (4) a valuation report from the Independent Property Valuer and (5) a notice of the EGM and other information as required under the Listing Rules will be sent to the Shareholders. In order to allow sufficient time for the Company to prepare the circular and pending finalisation of the valuation report to be issued by the Independent Property Valuer, the circular will be despatched more than 15 business days after the publication of this announcement and is expected to be despatched to the Shareholders on or before 28 February 2019.

### **1. BACKGROUND**

Reference is made to the announcement made by the Company on 28 July 2016 in relation to the establishment of the A1 Company. On 24 December 2018, as part of an urban planning initiative driven by the Shenzhen People's Government, Ansuji and Antongjie (both being indirect wholly-owned subsidiaries of the Company) entered into the Land Restructuring Agreement with SZPL, QHSH, CMG, QHPF, CMSK, CMSA, the CMSK Subsidiaries and A2 Company (QHHPF, CMSK, CMSA, the CMSK Subsidiaries and A2 Company are all subsidiaries of CMG, the ultimate controlling shareholder of the Company) to further coordinate and manage the various interest in land in Qianhai, Shenzhen, the PRC currently held by the CMG Group for the purpose of developing the Qianhai-Shekou Free Trade Zone with affiliates of QHSH through the establishment of another joint venture company.

As at the date of this announcement, the Land Holding Companies hold various interest in land in Qianhai, Shenzhen, the PRC with an aggregate land area of 2,911,141.6 square meters, including the CMP Land held by Antongjie and Ansuji with an aggregate land area of 965,958.41 square meters.

Pursuant to the Land Restructuring Agreement, among others, the Land Holding Companies agree the Aggregate CM Land to be resumed by QHSH and the New Land, after the Reclassification, to be granted to A2 Company. The Land Restructuring Agreement further provides that any indebtedness between the Land Holding Companies and A2 Company arising from the transactions contemplated under the Land Restructuring Agreement shall be subject to further negotiation between the Land Holding Companies and A2 Company. Accordingly, on 24 December 2018, A2 Company entered into

the Debt Confirmation Letter pursuant to which A2 Company agrees that it will pay to each of the Land Holding Companies an amount that is equal to the value of the New Land multiply by the corresponding proportion of land interest each Land Holding Company holds under the Aggregate CM Land.

## **2. LAND RESTRUCTURING AGREEMENT**

### **Date**

24 December 2018

### **Parties**

- (1) SZPL
- (2) QHSH
- (3) CMG
- (4) QHPF
- (5) Land Holding Companies (including Antongjie, Ansuje, CMSK, CMSA and CMSK Subsidiaries)
- (6) A2 Company

### **Subject Matter**

Pursuant to the Land Restructuring Agreement, among others, the Land Holding Companies agree the Aggregate CM Land to be resumed by QHSH and be reclassified for commercial usage for the purpose of future development by A2 Company and affiliates of QHSH.

As a result of the Reclassification, the value of the Aggregate CM Land (excluding the Exchange Land) will be increased from approximately RMB13.00 billion (equivalent to approximately HK\$14.77 billion) to RMB92.53 billion (equivalent to approximately HK\$105.15 billion).

### **Consideration**

In consideration of the resumption of the Aggregate CM Land under the Land Restructuring Agreement, the parties have agreed that the following compensation shall be payable to the Land Holding Companies:

- (i) with respect to the Aggregate CM Land (excluding the Exchange Land), the parties agreed that the New Land (being new land after the Reclassification

with an area of approximately 425,300 square meters and a value of approximately RMB43.21 billion (equivalent to approximately HK\$49.10 billion)) will be granted by QHSH to A2 Company, a wholly-owned subsidiary of A1 Company; and

- (ii) in addition to the New Land, another piece of land located in Dachan Bay Port Phase II (大鏟灣港區二期) with the same area and corresponding coastal length equivalent to the Exchange Land will be transferred to the Group. The exact location of the Dachan Bay Land and the transfer arrangement is subject to further agreement between SZPL, CMG, Antongjie and Ansuje.

The value of the New Land of RMB43.21 billion mentioned in paragraph (i) is the summation of (i) the original value of the Aggregate CM Land (excluding the Exchange Land) of approximately RMB13.00 billion and (ii) an agreed portion of land appreciation value which the parties agreed the Land Holding Companies will enjoy and such portion is calculated based on the following formula:

$$Z = ((A - B) \times 95\% \times 40\%) - C$$

where:

“Z” is the agreed portion of land appreciation value to be enjoyed by the Land Holding Companies;

“A” is the value of the Aggregate CM Land (excluding the Exchange Land) following the Reclassification, being approximately RMB92.53 billion;

“B” is the original value of the Aggregate CM Land (excluding the Exchange Land) of approximately RMB13.00 billion; and

“C” is an amount of approximately RMB14.91 million (equivalent to approximately HK\$16.94 million), being the amount of rental compensation previously agreed between QHSH and QHPF.

The compensation is negotiated and agreed by the parties on an arm’s length basis. In particular: (i) the original value of the Aggregate CM Land (excluding the Exchange Land) was determined using the average of (x) such value appraised by the valuer appointed by SZPL and QHSH and (y) such value appraised by the valuer appointed by CMG, calculated based on the value of the Aggregate CM Land (excluding the Exchange Land) as at 1 January 2015; (ii) the value of the Aggregate CM Land (excluding the Exchange Land) following the Reclassification was determined using the value appraised by the valuer appointed by SZPL and QHSH; (iii) the formula for calculating the

agreed portion of land appreciation value which the parties agreed the Land Holding Companies will enjoy has taken into account the mandatory 5% deduction to the appreciation value for government expenses and (iv) the entitlement to 40% of the remainder appreciation value was agreed with SZPL based on arm's length negotiations.

### **Conditions Precedent**

The Land Restructuring Agreement is conditional on the satisfaction of, among others, the obtaining of the necessary authority approvals and shareholders' approvals as required by the relevant laws and listing rules within six months from the date of the Land Restructuring Agreement.

### **3. DEBT CONFIRMATION LETTER**

Pursuant to the Land Restructuring Agreement, the Aggregate CM Land held by the Land Holding Companies will be resumed by QHSH in exchange for, among others, the New Land to be granted to A2 Company. The Land Restructuring Agreement further provides that any indebtedness between the Land Holding Companies and A2 Company arising from the transactions contemplated under the Land Restructuring Agreement shall be subject to further negotiation between the Land Holding Companies and A2 Company.

Accordingly, on 24 December 2018, A2 Company entered into the Debt Confirmation Letter pursuant to which A2 Company agrees that it will pay to each of the Land Holding Companies an amount that is equal to the value of the New Land multiply by the corresponding proportion of land interest each Land Holding Company holds under the Aggregate CM Land.

The amount payable to each Land Holding Company will be subject to further negotiation between the A2 Company and the Land Holding Companies based on the valuation of the corresponding proportion of land interest each Land Holding Company holds as determined by the Valuation Consultation Report. The Company will make a further announcement on the value owed by A2 Company to Antongjie and Anshujie once such value has been determined.

### **4. INFORMATION IN RELATION TO THE CMP LAND**

The CMP Land to be disposed by the Group as a result of the Land Restructuring Land are two pieces of land in Qianhai, Shenzhen, the PRC held by Antongjie and Anshujie with an aggregate land area of 965,958.41 square metres. Prior to the Reclassification, the CMP Land is vacant and has not been used by the Group for any commercial purposes.

## **5. INFORMATION ON THE PARTIES**

### **Information on Antongjie and Ansujie**

Antongjie is a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. Its principal business is holding certain pieces of land in Shekou, the PRC.

Ansujie is a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. Its principal business is holding certain pieces of land in Shekou, the PRC.

### **Information on the CMSA, CMSK and the CMSK Subsidiaries**

CMSA is a company incorporated in the PRC and a wholly-owned subsidiary of CMG, the ultimate holding company of the Company. According to the business licence of CMSA, its business scope includes investment in industrial development, investment management, commercial information consulting, own property leasing, computer software and system technology development, integration, technical consulting services, computer hardware sales, data processing and database technology service, real estate development and management on land legally acquired.

CMSK is a company incorporated in the PRC and a subsidiary of CMG, the ultimate holding company of the Company. According to the business licence of CMSK, its business scope includes investment, development and operation of city and community, transportation and industrial manufacturing.

The CMSK Subsidiaries are subsidiaries of CMSK and in turn subsidiaries of CMG, the ultimate holding company of the Company. The CMSK Subsidiaries hold certain pieces of land in Shekou, the PRC and are principally engaged in development and management of industrial parks and automobile-related trading and leasing activities.

### **Information on A2 Company**

A2 Company is a company incorporated in the PRC and is principally engaged in investment holding. It is wholly-owned by A1 Company which is held as to 14% indirectly by the Company with the remaining interest indirectly by CMSK and CMSA.

### **Information on CMG**

CMG is a company incorporated in the PRC and the ultimate holding company of the Company. CMG is a leading state-owned enterprise with three business platforms of non-financial industries, financial services, investment and capital operation. CMG's non-financial industries cover ports, toll roads, shipping, logistics, real estate, zone development, offshore engineering and trade.

### **Information on QHPH**

QHPF is a subsidiary of CMG, the ultimate holding company of the Company and is principally engaged in development, management and supporting services of automobile industrial park, operation and management of automobile exhibitions, automobile trading, real estate development, and property leasing.

### **Information on SZPL**

SZPL is a commission established under the government of the PRC and principally engaged in the urban planning and land management of Shenzhen, the PRC.

### **Information on QHSH**

QHSH is an authority established under the government of the PRC and principally engaged in managing the development of Qianhai, Shenzhen, the PRC.

To the best of the Directors' knowledge, information and belief having made all enquiries, each of SZPL and QHSH and each of their respective beneficial owners are third parties independent of the Company and the connected persons of the Company.

## **6. REASONS FOR THE DISPOSAL**

The principal business of the Group is port and port-related business. As previously disclosed in the announcement made by the Company dated 28 July 2016, in order to seize the opportunities offered by the establishment of the Qianhai-Shekou Free Trade Zone, the Group has decided to jointly develop the Qianhai-Shekou Free Trade Zone with other state-owned enterprise which will allow the Group to indirectly participate in the general development of the Qianhai-Shekou Free Trade Zone.

As the Group has certain interest in land in the Qianhai-Shekou Free Trade Zone, the participation of the Group in the overall development in such area will benefit the long-term development of the Group. Currently, the CMP Land are not generating revenue for the Group and the Group is of the view that the transactions contemplated under the Land Restructuring Agreement will allow the Company to own interest in the Dachan Bay Land and to enjoy economic benefits from the Reclassification which together contribute value that is significantly higher than the current value of the CMP Land.



The Group understands from CMG that going forward A2 Company will cooperate with affiliates of QHSH to further develop the Aggregate CM Land and in turn will generate future investment returns for the Group as the Group has an indirect minority interest in A2 Company.

The Directors (save for the independent non-executive Directors, who will express their view after considering the advice from the Independent Financial Adviser) that the Land Restructuring Agreement and the Debt Confirmation Letter and the transactions contemplated thereunder are in the interest of the Company and its shareholders as a whole. The Directors (save for the independent non-executive Directors) are also of the view that the terms of the Land Restructuring Agreement and the Debt Confirmation Letter have been determined through arm's length negotiation between the parties and are on normal commercial terms. The terms of the Land Restructuring Agreement and the Debt Confirmation Letter are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole. The views of the independent non-executive Directors, after considering the advice from the Independent Financial Adviser, will be set out in the circular.

None of the Directors have a material interest in the Land Restructuring Agreement and the Debt Confirmation Letter nor are they required to abstain from voting on the relevant board resolutions.

## **7. FINANCIAL EFFECTS OF THE DISPOSAL**

Upon the Land Restructuring Agreement becoming effective, the Company will no longer have any interests in the CMP Land.

As mentioned in the paragraph headed "3. *Debt Confirmation Letter*", with respect to the Aggregate CM Land (excluding the Exchange Land), A2 Company agrees to pay each of Antongjie and Ansujie an amount that is equal to the value of the New Land multiply by the corresponding proportion of land interest each of Antongjie and Ansujie holds under the Aggregate CM Land. As the amount payable by A2 Company and the Group is subject to the final calculation as determined by the Value Consultation Report, the Group is unable to determine the financial effects of the Disposal as at the date of this announcement. However, for illustrative purposes, the Group is expected to realise a gain equivalent to the difference between (a) 13.2% of RMB43.21 billion (equivalent to approximately HK\$49.10 billion), being the estimated new value of the corresponding proportion of the aggregate land area Antongjie and Ansujie hold under the Aggregate CM Land (excluding the Exchange Land) and (b) the net asset value of the CMP Land (excluding the Exchange Land) of RMB814 million (equivalent to approximately HK\$925 million). Accordingly, the Group is expected to realise a gain (after tax and attributable to shareholders) from the Disposal of approximately RMB3.15 billion (equivalent to approximately HK\$3.58 billion) on a consolidated basis.

Pursuant to the Land Restructuring Agreement, with respect to the Exchange Land, the Group will receive the Dachan Bay Land which shall have a value equivalent to the Exchange Land. Accordingly, the Group will not record any gain or loss from the receipt of the Dachan Bay Land. The final amount of the Group's expected gain from the Disposal is subject to the final valuation of the Dachan Bay Land and the Valuation Consultation Report.

## **8. USE OF PROCEEDS OF THE DISPOSAL**

The entire amount of the proceeds of the Disposal (excluding the receipt of Dachan Bay Land by the Group), being the debt owed by A2 Company pursuant to the Debt Acknowledgement, is intended to be converted into equity in A1 Company, the holding company of A2 Company. The precise mechanics for such conversion between the Group, A1 Company and A2 Company is subject to further negotiation between the parties. The Company will make a further announcement to update its Shareholders and potential investors should there be any development in the arrangement. The Group is expected to develop the Dachan Bay Land for port and port-related investments.

## **9. LISTING RULES IMPLICATONS**

Antongjie and Ansuje are wholly-owned subsidiaries of the Company. As CMSA, CMSK, CMSK Subsidiaries, QHPF, and A2 Company are subsidiaries of CMG, the ultimate holding company of the Company, they are therefore connected persons of the Company and the Land Restructuring Agreement constitutes a connected transaction of the Company under the Listing Rules.

Upon the Land Restructuring Agreement becoming effective, the CMP Land will be resumed by QHSH in exchange for the Dachan Bay Land. The New Land will be granted to A2 Company and A2 Company will owe Antongjie and Ansuje an amount to be finalized pursuant to the Debt Confirmation Letter. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable and connected transaction of the Company, and is subject to (1) the notification and announcement requirements under Chapter 14 of the Listing Rules and (2) the announcement, shareholders' approval, circular and annual reporting requirements under Chapter 14A of the Listing Rules.

## **10. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been engaged to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

## 11. EGM

The EGM will be convened to consider, and if thought fit, to approve the Land Restructuring Agreement. In accordance with the Listing Rules, CMG which is interested in approximately 62% shares in the Company as at the date of this announcement, and its associates are required to abstain from voting on the ordinary resolutions approving the Land Restructuring Agreement at the EGM.

## 12. DESPATCH OF CIRCULAR

A circular containing, among other things, (1) further information regarding the details of the Land Restructuring Agreement; (2) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (3) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (4) a valuation report from the Independent Property Valuer and (5) a notice of the EGM and other information as required under the Listing Rules will be sent to the Shareholders. In order to allow sufficient time for the Company to prepare the circular and pending finalisation of the valuation report to be issued by the Independent Property Valuer, the circular will be despatched more than 15 business days after the publication of this announcement and is expected to be despatched to the Shareholders on or before 28 February 2019.

## 13. DEFINITIONS

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

“Aggregate CM Land”	Various land in Qianhai, Shenzhen with an aggregate land area of 2,911,141.6 square metres, as at the date of this announcement, held by the Land Holding Companies
“Ansujie”	Ansujie Port and Warehouse Services (Shenzhen) Company Limited (安速捷碼頭倉儲服務(深圳)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Antongjie”	Antongjie Port and Warehouse Services (Shenzhen) Company Limited* (安通捷碼頭倉儲服務(深圳)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“A1 Company”	Shenzhen China Merchants Qianhai Assets Development Co. Ltd.* (深圳市招商前海實業發展有限公司), a company incorporated in the PRC and a subsidiary of CMG
“A2 Company”	Shenzhen China Merchants Qianhai Chidi Asset Company Limited* (深圳市招商前海馳迪實業有限公司), a company incorporated in the PRC and a subsidiary of CMG
“Board”	the board of Directors
“CMG”	China Merchants Group Limited (招商局集團有限公司), a company incorporated in the PRC and the ultimate holding company of the Company
“CMP Land”	two pieces of land held by Antongjie and Ansuje with an aggregate land area of 965,958.41 square metres
“CMSA”	Shenzhen China Merchants Shekou Asset Management Company Limited* (深圳市招商局蛇口資產管理有限公司), a company incorporated in the PRC and a subsidiary of CMG
“CMSK”	China Merchants Shekou Industrial Zone Holdings Company Limited* (招商局蛇口工業區控股股份有限公司), a company incorporated in the PRC and a subsidiary of CMG
“CMSK Subsidiaries”	a number of subsidiaries of CMSK, companies incorporated in the PRC and subsidiaries of CMG
“CMG Group”	CMG and its subsidiaries
“Company”	China Merchants Port Holdings Company Limited (招商局港口控股有限公司), a company incorporated in Hong Kong and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules

“Dachan Bay Land”	a piece of land located in Dachan Bay Port Phase II* (大鏟灣港區二期) with the same area and corresponding coastal length as the Exchange Land. The exact location of the Dachan Bay Land is subject to further agreement between SZPL, CMG, Antongjie and Ansuje
“Debt Confirmation Letter”	a confirmation letter issued by A2 Company to the Land Holding Companies dated 24 December 2018 in relation to the debt owed by A2 Company to the Land Holding Companies arising from the Land Restructuring Agreement
“Directors”	the directors of the Company
“Disposal”	the resumption of the CMP Land held by Antongjie and Ansuje contemplated under the Land Restructuring Agreement
“EGM”	the extraordinary general meeting to be convened and held by the Company to approve the Land Restructuring Agreement
“Exchange Land”	a prescribed area comprising approximately 55% of the area of the CMP Land
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely 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 established to advise the Independent Shareholders in respect of the Disposal

“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Property Valuer”	Jones Lang LaSalle Corporate Appraised and Advisory Limited
“Independent Shareholders”	the Shareholders other than CMG and its associates
“Land Holding Companies”	Antongjie, Ansujie, CMSA, CMSK and CMSK Subsidiaries
“Land Restructuring Agreement”	the land restructuring agreement dated 24 December 2018 entered into between Antongjie, Ansujie, SZPL, QHSH, CMG, QHPF, CMSA, CMSK, the CMSK Subsidiaries and A2 Company in relation to managing various interest in land in Qianhai, Shenzhen, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Land”	new land after the Reclassification with an area of approximately 425,300 square meters and a value of approximately RMB43.21 billion (equivalent to approximately HK\$49.10 billion)) to be granted by QHSH to A2 Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan
“QHPF”	Shenzhen Qianhai Pingfangyuanqu Development Company Limited (深圳市前海平方園區開發有限公司)
“QHSH”	Shenzhen Qianhai Shenzhen-Hong Kong Modern Services Commission* (深圳市前海深港現代服務業合作區管理局), a commission established by the government of the PRC

“Reclassification”	the reclassification of land usage of the Aggregate CM Land for the purpose of future development by A2 Company and affiliates of QHSH
“RMB”	Renminbi, the lawful currency of the PRC
“SZPL”	Shenzhen Urban Planning, Land and Resources Commission* (深圳市規劃和國土資源委員會), a commission established by the government of the PRC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Valuation Consultation Report”	the valuation consultation report to be issued by Touchstone Valuation Consulting Company Limited* (深圳市同致誠土地房地產估價顧問有限公司) in relation to the amount owed by A2 Company to the Land Holding Companies arising from the Land Restructuring Agreement
“%”	per cent.

*\* For identification purpose only*

*For the purposes of this announcement, the exchange rate of HK\$1.00 to RMB0.88 has been used, where appropriate, for the purposes of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.*

By Order of the Board  
**China Merchants Port Holdings Company Limited**  
**Fu Gangfeng**  
*Chairman*

Hong Kong, 24 December 2018

*As at the date of this announcement, the Board comprises Mr. Fu Gangfeng, Mr. Su Jian, Mr. Xiong Xianliang, Mr. Bai Jingtao, Mr. Wang Zhixian and Mr. Zheng Shaoping as 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 as independent non-executive directors.*