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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)

**CONNECTED TRANSACTIONS
CAPITAL INJECTION INTO AND ISSUANCE OF
EQUITY INTEREST BY CMHIT**

THE EQUITY SUBSCRIPTION AND CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 18 December 2020, (a) the Company, (b) CMPG, (c) Dalian Port Container, (d) Dalian Port Jifa Logistics, (e) Yingkou Port Group and (f) CMHIT, a subsidiary of the Company, entered into the Equity Subscription and Capital Injection Agreement, pursuant to which (i) Dalian Port Container, Dalian Port Jifa Logistics and Yingkou Port Group agreed to make capital contributions to CMHIT in the total amount equivalent to RMB80,494,900 (equivalent to approximately HKD95.5 million) (of which RMB37,848,200 (equivalent to approximately HKD44.9 million) will be credited as the registered capital of CMHIT and the remaining amount will be credited as the capital reserve of CMHIT) by way of the DPN Equity Transfers and Gangxin Technology Equity Transfer; and (ii) the Company and CMPG agreed to waive any pre-emptive rights they might have in subscribing for any equity interests in CMHIT.

Upon Completion, (i) the equity interests in CMHIT held by the Company will decrease from approximately 76.84% to approximately 43.74%, and (ii) Gangxin Technology and DPN will become the subsidiaries of CMHIT, which will hold 100% equity interests in Gangxin Technology and approximately 79.03% equity interests in DPN. CMHIT will cease to be a subsidiary of the Company and its results will no longer be consolidated into the consolidated financial statements of the Group upon the Completion.

LISTING RULES IMPLICATIONS

Following the completion of the Capital Injection, the equity interests in CMHIT held by the Company will decrease from approximately 76.84% to approximately 43.74%. CMHIT will cease to be a subsidiary of the Company and its results will no longer be consolidated into the consolidated financial statements of the Group upon the Completion. Accordingly, the Capital Injection constitutes a deemed disposal for the Company under Rule 14.29 of the Listing Rules. Further, as a result of the Capital Injection, CMHIT will acquire (1) approximately 79.03% equity interests in DPN by way of DPN Equity Transfers and (2) 100% equity interests in Gangxin Technology by way of the Gangxin Technology Equity Transfer. Therefore, the Capital Injection also constitutes an Acquisition by the Group.

As at the date of this announcement, CMHIT is held by the Company and CMPG as to approximately 76.84% and approximately 23.16%, respectively. As CMPG holds approximately 40.91% equity interests in the Company, CMPG is a substantial shareholder of the Company and thus a connected person of the Company at the issuer level. Accordingly, CMHIT is a connected subsidiary of the Company under the Listing Rules.

As at the date of this announcement, CMG, being the ultimate holding company and a connected person of the Company, indirectly holds approximately 41.18% equity interests in both Dalian Port Container and Dalian Port Jifa Logistics. Each of Dalian Port Container and Dalian Port Jifa Logistics is therefore a connected person of the Company.

As at the date of this announcement, CMG, being the ultimate holding company and a connected person of the Company, indirectly holds approximately 45.92% equity interests in Yingkou Port Group. Yingkou Port Group is therefore a connected person of the Company.

Therefore, the Capital Injection, including both the Deemed Disposal and the Acquisition, constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the Capital Injection in respect of each of the Deemed Disposal and the Acquisition exceeds 0.1% but is less than 5%, the Capital Injection is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The Board is pleased to announce that on 18 December 2020, (a) the Company, (b) CMPG, (c) Dalian Port Container, (d) Dalian Port Jifa Logistics, (e) Yingkou Port Group and (f) CMHIT, a subsidiary of the Company, entered into the Equity Subscription and Capital Injection Agreement, pursuant to which (i) Dalian Port Container, Dalian Port Jifa Logistics and Yingkou Port Group agreed to make capital contributions to CMHIT in the total amount equivalent to RMB80,494,900 (equivalent to approximately HKD95.5 million) (of which RMB37,848,200 (equivalent to approximately HKD44.9 million) will be credited as the registered capital of CMHIT and the remaining amount will be credited as the capital reserve of CMHIT) by way of DPN Equity Transfers and Gangxin Technology Equity Transfer; and (ii) the Company and CMPG agreed to waive any pre-emptive rights they might have in subscribing for any equity interests in CMHIT.

2. THE EQUITY SUBSCRIPTION AND CAPITAL INJECTION AGREEMENT

The key terms of the Equity Subscription and Capital Injection Agreement are set out below:

Date

18 December 2020

Parties

- (1) the Company (as an Original Shareholder of CMHIT)
- (2) CMPG (as an Original Shareholder of CMHIT)
- (3) Dalian Port Container (as a Subscriber)
- (4) Dalian Port Jifa Logistics (as a Subscriber)
- (5) Yingkou Port Group (as a Subscriber)
- (6) CMHIT

Subject Matter

Subject to the terms and conditions of the Equity Subscription and Capital Injection Agreement, the registered capital of CMHIT will be increased by RMB37,848,200 (equivalent to approximately HKD44.9 million). The amounts of the capital injection by each Subscriber are as follows:

- (1) Dalian Port Container will make capital injection to CMHIT in the amount of RMB41,809,500 (equivalent to approximately HKD49.6 million), of which RMB19,658,600 (equivalent to approximately HKD23.3 million) will be credited as the registered capital of CMHIT and the remaining amount will be credited as the capital reserve of CMHIT;
- (2) Dalian Port Jifa Logistics will make capital injection to CMHIT in the amount of approximately RMB24,767,300 (equivalent to approximately HKD29.4 million), of which RMB11,645,400 (equivalent to approximately HKD13.8 million) will be credited as the registered capital of CMHIT and the remaining amount will be credited as the capital reserve of CMHIT; and
- (3) Yingkou Port Group will make capital injection to CMHIT in the amount of approximately RMB13,918,100 (equivalent to approximately HKD16.5 million), of which RMB6,544,200 (equivalent to approximately HKD7.7 million) will be credited as the registered capital of CMHIT and the remaining amount will be credited as the capital reserve of CMHIT.

The shareholding structure of CMHIT before and upon the Completion is set out below:

	Before Completion	Upon the Completion
	Percentage of equity interests in CMHIT	Percentage of equity interests in CMHIT
	(%)	(%)
the Company	76.84%	43.74
CMPG	23.16%	13.18
Dalian Port Container	—	22.38
Dalian Port Jifa Logistics	—	13.26
Yingkou Port Group	—	7.44
Total	<u>100.00</u>	<u>100.00</u>

Consideration and manner of the Capital Injection

Dalian Port Container, Dalian Port Jifa Logistics and Yingkou Port Group shall satisfy the consideration of the Capital Injection by way of a transfer of (i) approximately 49.63% equity interests in DPN, (ii) approximately 29.40% equity interests in DPN and (iii) 100% equity interests in Gangxin Technology, respectively, to CMHIT.

The consideration under the Equity Subscription and Capital Injection Agreement was determined by the Parties with reference to, inter alia, (i) the appraised value of the 49.63% equity interests in DPN, the 29.40% equity interests in DPN and the 100% equity interests in Gangxin Technology as at 31 December 2019, (ii) the historical and expected future financial performance of DPN and Gangxin Technology, and (iii) after arm's length negotiation among the Parties.

Conditions Precedent

Completion of the Capital Injection is conditional upon the following conditions precedent being fulfilled or waived by the relevant parties under the Equity Subscription and Capital Injection Agreement:

- (1) CMPG has completed its due diligence on the Target Companies to its own satisfaction, including legal, financial and tax due diligence ;
- (2) the relevant approvals and filings from the competent authorities have been obtained;
- (3) a qualified valuation institution has been engaged, which has completed the valuation of the Target Companies, and the valuation results have been filed with the competent authorities in accordance with the applicable law and the relevant filing documents have been obtained;
- (4) a written approval that the competent authorities have agreed to exempt the Capital Injection from complying with the state-owned assets market entry procedures;
- (5) each Party has obtained or completed its internal authorizations for signing the Transaction Documents (including producing its legally valid written resolutions issued in accordance with its articles of association) and the approval or filing (if applicable) with the relevant government authorities;
- (6) each Party has signed each Transaction Document to which it is a party;

- (7) the Original Shareholders have irrevocably and unconditional waived any pre-emptive rights they might have in subscribing for the equity interests in CMHIT;
- (8) Each of the Target Companies has applied for the relevant change registrations or filings with the relevant authorities of market regulation pursuant to the Equity Subscription and Capital Injection Agreement, and the new business licenses (“**New Business Licenses**”) of the Target Companies have been issued by the relevant authorities of market regulation; furthermore, the directors and supervisors to be appointed by the relevant parties pursuant to the Transaction Documents have been registered or filed with the relevant authorities of market regulation;
- (9) CMHIT has completed the change registration for foreign invested enterprises required by the Ministry of Commerce of the PRC reflecting the Completion and the relevant completion certificate has been provided;
- (10) Dalian Construction Investment Co., Ltd. has agreed to the amendment to the articles of association of DPN and cooperated with relevant business change registration procedures of DPN;
- (11) DPN has completed its acquisition of 51% equity interests in Ganglong Technology and both the business registration certificate and the register of members of Ganglong Technology reflecting the completion of such transaction have been provided;
- (12) There are no occurrence of any circumstances, developments or situations, individually or collectively, that will have material adverse effects on (a) the financial or other positions, prospects, operation performance, general matters, assets or liabilities of the Target Companies, or (b) the ability of CMHIT to perform any of its obligations under the Equity Subscription and Capital Injection Agreement;
- (13) All the warranties remain true, accurate and not misleading in all material aspects and no party to any Transaction Documents has breached any representation, warranty or undertaking under any Transaction Documents; and
- (14) there is no change in the applicable laws or any decisions or rulings by the relevant government authorities that will cause any restrictions, prohibitions or any other changes which will hinder the Completion.

Completion

Completion shall take place on the issuance date of the New Business Licenses of the Target Companies or any other date as agreed by all the Parties.

Board Composition of CMHIT

From the date of the Completion, the board of directors of CMHIT will comprise of 7 members, among which the Company will be entitled to nominate 3 directors and each of CMPG, Dalian Port Container, Dalian Port Jifa Logistics and Yingkou Port Group will be entitled to nominate 1 director, all of which will be elected by the shareholders of CMHIT in its general meeting.

3. REASONS FOR AND BENEFITS OF THE EQUITY SUBSCRIPTION AND CAPITAL INJECTION AGREEMENT

The Capital Injection contemplated under the Equity Subscription and Capital Injection Agreement is part of the CMG Group's plan to optimize and unify the existing information technology resources of CMPG Group and LPG Group. Upon Completion, CMHIT will become a core business entity within the CMG Group in the area of intelligent information and play a key role as an integrated technology innovation platform within the CMG Group. This transaction will exert the scale effect to achieve the cost reduction and efficiency improvement within the CMG Group and increase its competitive strength in the intelligent information industry.

As information technology is not the Group's main business currently, CMHIT may not be able to achieve a rapid growth in the future due to the limited resources of the Group in the area of information technology, such as lacking a designated information technology team. The future business positioning of CMHIT is also inconsistent with the Group's intention to continue to focus on its main business overseas. Therefore, the Group believes that the separation of the business of CMHIT will be conducive to the future development of the Group's main business and save the unnecessary costs and investments to develop the information technology business.

The Directors (including the independent non-executive Directors) considered that the terms of the Equity Subscription and Capital Injection Agreement, which has been entered into in the usual and ordinary course of business of the Group, are negotiated on an arm's length basis and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

4. INFORMATION ON THE PARTIES

Information on the Group and the Company

The core business of the Group includes investment in and/or operation of port and port-related business. The Company is the world's leading port developer, investor and operator, with a comprehensive ports network portfolio spanning six continents and 18 countries and regions. The Group has, in recent years, been actively exploring and, as and when deemed appropriate, captured available acquisition opportunities overseas as a pertinent means to effectively add new growth drivers to its existing and sustainably growing ports business. The principal activities of the Company are ports operation, bonded logistics operation etc.

Information on CMPG

CMPG, a company incorporated in the PRC whose A shares and B shares are listed on the Shenzhen Stock Exchange (Stock Code: 001872/201872) and a substantial shareholder of the Company. Its principal activity is logistics service, container terminal and port management.

Information on Dalian Port Container

Dalian Port Container is a company incorporated under the laws of the PRC with limited liability and is principally engaged in providing terminal facilities for ships, providing container loading and unloading, stacking, unpacking and consolidation in the port area, leasing and maintenance of port facilities, equipment and machinery, house leasing, corporate management services, consulting services and warehousing.

Information on Dalian Port Jifa Logistics

Dalian Port Jifa Logistics is a company incorporated under the laws of the PRC with limited liability and is principally engaged in road freight station operation, house leasing, corporate management services, consulting services, maritime, air, and international cargo transportation agency services, road cargo transportation and machinery and equipment leasing.

Information on Yingkou Port Group

Yingkou Port Group is a company incorporated under the laws of the PRC with limited liability and is principally engaged in handling, warehousing and services at the dock, supply of ship's materials, import and export trade, agent transport, international passenger service, ticket sales agent, advertising investment agents and advertising design.

Information on CMHIT

CMHIT is a limited liability company incorporated under the laws of the PRC and is principally engaged in providing technology solutions. As at the date of this announcement, it is 76.84%-owned by the Company and 23.16%-owned by CMPG and is a connected subsidiary of the Company.

Set out below are certain audited financial information of CMHIT for the years ended 31 December 2018 and 2019 prepared in accordance with the Chinese Accounting Standards for Business Enterprises and audited by PRC certified public accountant:

	For the year ended 31 December 2019 (audited) (RMB)	For the year ended 31 December 2018 (audited) (RMB)
Net profit before tax	11,435,450 (equivalent to approximately HKD13.6 million)	10,705,077 (equivalent to approximately HKD12.7 million)
Net profit after tax	10,229,028 (equivalent to approximately HKD12.1 million)	11,038,734 (equivalent to approximately HKD13.1 million)
	As of 31 December 2019 (audited) (RMB)	As of 31 December 2018 (audited) (RMB)
Net asset value	91,504,444 (equivalent to approximately HKD108.5 million)	81,275,416 (equivalent to approximately HKD96.4 million)

Information on DPN

DPN is a limited liability company incorporated under the laws of the PRC and is principally engaged in providing storage and conversion services of electronic message documentation of the transportation documents and related documents for container and freight transportations, information services for container and port business customers. As at the date of this announcement, it is 49.63%-owned by Dalian Port Container and 29.40%-owned by Dalian Port Jifa Logistics. The registered capital of DPN is RMB32 million, of which the proportionate share of Dalian Port Container based on its shareholding of 49.63% in DPN is approximately RMB15.9 million and the proportionate share of Dalian Port Jifa Logistics based on its shareholding of 29.40% in DPN is approximately RMB9.4 million, respectively.

Set out below are certain audited financial information of DPN for the years ended 31 December 2018 and 2019 prepared in accordance with the Chinese Accounting Standards for Business Enterprises and audited by PRC certified public accountant:

	For the year ended 31 December 2019 (audited) (RMB)	For the year ended 31 December 2018 (audited) (RMB)
Net profit before tax	14,792,075 (equivalent to approximately HKD17.5 million)	14,316,511 (equivalent to approximately HKD17.0 million)
Net profit after tax	12,781,622 (equivalent to approximately HKD15.2 million)	12,798,783 (equivalent to approximately HKD15.2 million)
	As of 31 December 2019 (audited) (RMB)	As of 31 December 2018 (audited) (RMB)
Net asset value	87,574,002 (equivalent to approximately HKD103.9 million)	74,792,380 (equivalent to approximately HKD88.7 million)

Information on Gangxin Technology

Gangxin Technology is a limited liability company incorporated under the laws of the PRC and is principally engaged in network engineering, web design services, network technical services, integrated wiring and software design and development. As at the date of this announcement, Gangxin Technology is a wholly owned subsidiary of Yingkou Port Group. The registered capital of Gangxin Technology is RMB8 million, which is equal to the proportionate share of Yingkou Port Group based on its shareholding of 100% in Gangxin Technology.

Set out below are certain audited financial information of Gangxin Technology for the years ended 31 December 2018 and 2019 prepared in accordance with the Chinese Accounting Standards for Business Enterprises and audited by PRC certified public accountant:

	For the year ended 31 December 2019 (audited) (RMB)	For the year ended 31 December 2018 (audited) (RMB)
Net profit before tax	653,039 (equivalent to approximately HKD0.8 million)	1,370,457 (equivalent to approximately HKD1.6 million)
Net profit after tax	542,894 (equivalent to approximately HKD0.6 million)	1,027,843 (equivalent to approximately HKD1.2 million)
	As of 31 December 2019 (audited) (RMB)	As of 31 December 2018 (audited) (RMB)
Net asset value	13,907,756 (equivalent to approximately HKD16.5 million)	13,281,337 (equivalent to approximately HKD15.8 million)

5. FINANCIAL EFFECTS OF THE CAPITAL INJECTION

Upon Completion, the registered capital of CMHIT will be increased from RMB50,000,000 (equivalent to approximately HKD59.3 million) to RMB87,848,200 (equivalent to approximately HKD104.2 million) and the Company will hold 43.74% equity interests in CMHIT. CMHIT will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Based on the existing information available to the Company, the deemed gain from the Capital Injection for the Group is expected to be approximately RMB10,820,000 (equivalent to approximately HKD12.8 million), which is calculated by reference to the difference between the consideration receivable by CMHIT of approximately RMB81,710,000 (equivalent to approximately HKD96.9 million) and 76.84% of the consolidated net asset value of CMHIT of approximately RMB70,320,000 (equivalent to approximately HKD83.4 million) based on the unaudited financial information of the CMHIT as at 31 December 2019 and also taking into account the 5% withholding tax.

6. LISTING RULES IMPLICATIONS

Following the completion of the Capital Injection, the equity interests in CMHIT held by the Company will decrease from approximately 76.84% to approximately 43.74%. CMHIT will cease to be a subsidiary of the Company and its results will no longer be consolidated into the consolidated financial statements of the Group upon the Completion. Accordingly, the Capital Injection constitutes a deemed disposal for the Company under Rule 14.29 of the Listing Rules. Further, as a result of the Capital Injection, CMHIT will acquire (1) approximately 79.03% equity interests in DPN by way of DPN Equity Transfers and (2) 100% equity interests in Gangxin Technology by way of the Gangxin Technology Equity Transfer. Therefore, the Capital Injection also constitutes an Acquisition by the Group.

As at the date of this announcement, CMHIT is held by the Company and CMPG as to approximately 76.84% and approximately 23.16%, respectively. As CMPG holds approximately 40.91% equity interests in the Company, CMPG is a substantial shareholder of the Company and thus a connected person of the Company at the issuer level. Accordingly, CMHIT is a connected subsidiary of the Company under the Listing Rules.

As at the date of this announcement, CMG, being the ultimate holding company and a connected person of the Company, indirectly holds approximately 41.18% equity interests in both Dalian Port Container and Dalian Port Jifa Logistics. Each of Dalian Port Container and Dalian Port Jifa Logistics is therefore a connected person of the Company.

As at the date of this announcement, CMG, being the ultimate holding company and a connected person of the Company, indirectly holds approximately 45.92% equity interests in Yingkou Port Group. Yingkou Port Group is therefore a connected person of the Company.

Therefore, the Capital Injection, including both the Deemed Disposal and the Acquisition, constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the Capital Injection in respect of each of the Deemed Disposal and the Acquisition exceeds 0.1% but is less than 5%, the Capital Injection is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best knowledge of the Company and having made all reasonable enquiries, no Director was in any way materially interested in the the Equity Subscription and Capital Injection Agreement and was required to abstain from voting on the relevant resolution(s) of the Board.

7. DEFINITIONS

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

“Acquisition”	the acquisition by CMHIT of (1) 79.03% equity interests in DPN by way of DPN Equity Transfers and (2) 100% equity interests in Gangxin Technology by way of the Gangxin Technology Equity Transfer as contemplated under the Equity Subscription and Capital Injection Agreement
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors of the Company

“Capital Injection”	the capital injection of RMB80,494,900 (equivalent to approximately HKD95.5 million) to CMHIT by way of DPN Equity Transfers and Gangxin Technology Equity Transfer
“CMG”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise incorporated in the PRC and the ultimate holding company of the Company and LPG
“CMG Group”	CMG and its subsidiaries
“CMHIT”	China Merchants Holdings (International) Information Technology Company Limited* (招商局國際信息技術有限公司), a limited liability company incorporated under the laws of the PRC and a 76.84%-owned connected subsidiary of the Company as at the date of this announcement
“CMPG”	China Merchants Port Group Co., Ltd. (招商局港口集團股份有限公司), a company incorporated in the PRC whose A shares and B shares are listed on the Shenzhen Stock Exchange (Stock Code: 001872/201872), a substantial shareholder of the Company
“CMPG Group”	CMPG 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 of Hong Kong Limited
“Completion”	the completion of the Capital Injection in accordance with the terms and conditions of the Equity Subscription and Capital Injection Agreement

“Conditions Precedent”	Conditions precedent to the Capital Injection in accordance with the terms and conditions of the Equity Subscription and Capital Injection Agreement, which are set out in the section of this announcement headed “The Equity Subscription and Capital Injection Agreement”
“connected person”	has the meaning ascribed to this term under the Listing Rules
“connected subsidiary”	has the meaning ascribed to this term under the Listing Rules
“Dalian Port Container”	Dalian Port Container Development Co., Ltd. (大連港集裝箱發展有限公司), a company incorporated under the laws of the PRC with limited liability
“Dalian Port Jifa Logistics”	Dalian Port Jifa Logistics Co., Ltd. (大連港集發物流有限責任公司), a company incorporated under the laws of the PRC with limited liability
“Deemed Disposal”	the reduction of the Company’s equity interests in CMHIT by approximately 33.10% upon Completion
“Directors”	the directors of the Company
“DPN”	Dalian Port Net Co., Ltd. (大連口岸物流網股份有限公司), a company incorporated under the laws of the PRC with limited liability
“DPN Equity Transfer (Dalian Port Container)”	the transfer of 49.63% equity interests in DPN by Dalian Port Container to CMHIT
DPN Equity Transfer (Dalian Port Jifa Logistics)	the transfer of 29.40% equity interests in DPN by Dalian Port Jifa Logistics to CMHIT
“DPN Equity Transfers”	the DPN Equity Transfer (Dalian Port Container) and the DPN Equity Transfer (Dalian Port Jifa Logistics)

“Equity Subscription and Capital Injection Agreement”	The equity subscription and capital injection Agreement dated 18 December 2020 between the Company, CMPG, Dalian Port Container, Dalian Port Jifa Logistics, Yingkou Port Group and CMHIT in relation to the Capital Injection of CMHIT
“Ganglong Technology”	Dalian Ganglong Technology Co., Ltd. (大連港隆科技有限公司), a company incorporated under the laws of the PRC with limited liability
“Gangxin Technology”	Yingkou Gangxin Technology Co., Ltd. (營口港信科技有限公司), a company incorporated under the laws of the PRC with limited liability
“Gangxin Technology Equity Transfer”	the transfer of 100% equity interests in Gangxin Technology by Yingkou Port Group to CMHIT
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LPG”	Liaoning Port Group Co., Ltd. (遼寧港口集團有限公司), a company incorporated under the laws of the PRC with limited liability and a controlling shareholder (directly or indirectly, as the case may be) of DPN and Gangxin Technology
“LPG Group”	LPG and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Business Licenses”	has the meaning ascribed to it under section of this announcement headed “The Equity Subscription and Capital Injection Agreement — Conditions Precedent”

“Original Shareholders”	the original shareholders of CMHIT as at the date of this announcement, being the Company and CMPG
“Party”	each party to the Equity Subscription and Capital Injection Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Subscribers”	Dalian Port Container, Dalian Port Jifa Logistics and Yingkou Port Group
“subsidiary (ies)”	has the meaning ascribed to it under the Listing Rules
“Target Companies”	CMHIT, DPN and Gangxin Technology
“Transaction Documents”	(i) the Equity Subscription and Capital Injection Agreement, (ii) an amendment agreement amending the articles of association of CMHIT, (iii) the termination agreement of the joint operation agreement of CMHIT and its supplemental agreement and (iv) any other document that may be designated in writing as a Transaction Document by all the Parties
“Yingkou Port Group”	Yingkou Port Group Co., Ltd. (營口港務集團有限公司), a company incorporated under the laws of the PRC with limited liability
“%”	per cent.

For reference only, an exchange rate of RMB0.84322 to HK\$1.00 has been used for the conversion of Renminbi into Hong Kong dollars in this announcement.

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

Hong Kong, 18 December 2020

As at the date of this announcement, the Board comprises Mr. Deng Renjie, Mr. Su Jian, Mr. Xiong Xianliang, Mr. Bai Jingtao, Mr. Ge Lefu, Mr. Wang Zhixian and Mr. Zheng Shaoping as executive directors; and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Ka Fai David and Mr. Bong Shu Ying Francis as independent non-executive directors.