

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.

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 licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.



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. Deng Renjie (*Chairman*)
Mr. Wang Xiufeng (*Vice Chairman and Chief Executive Officer*)
Mr. Liu Weiwu
Mr. Deng Weidong
Mr. Yim Kong (*Managing Director*)
Mr. Wang Zhixian

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 Ka Fai David
Mr. Bong Shu Ying Francis

28 April 2022

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 2 June 2022, which include the following proposals: (i) the re-election of retiring Directors, and (ii) 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 28 April 2022. 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 “**HKSE**”). 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To ensure the safety of the attendees of the AGM and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (a) body temperature screening/checks will be conducted for each attendee at each entrance of the AGM venue. Any attendee with a body temperature of more than 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue;
- (b) each attendee must scan the “LeaveHomeSafe” venue QR code and comply with the requirements of the Vaccine Pass Direction[#] prior to entry into the AGM venue;
- (c) each attendee must wear a surgical face mask inside the AGM venue and throughout the AGM at all times;
- (d) distance between seats will be arranged in the AGM venue to ensure proper social distancing;
- (e) all attendees at the AGM must be seated in accordance with the seating arrangement as fixed by the Company;
- (f) no distribution of corporate souvenirs/gifts or refreshments;
- (g) each attendee must comply with the requirements of the venue where the AGM will be held; and
- (h) other measures may be required by governmental bodies.

[#] “Vaccine Pass Direction” is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong).

The Company reserves the right in refusing the entry of any person to the venue of the AGM to the extent permitted by the applicable laws and regulations. **Subject to the applicable law and regulations in Hong Kong in relation to social distancing, the Company may not be allowed to hold a physical general meeting in Hong Kong. The Company will make further announcement(s) if the Company will hold the AGM by electronic means, while Shareholders will still be allowed to participate the AGM electronically.**

In light of the outbreak of COVID-19, the Company strongly encourages the Shareholders to exercise their right to vote at the AGM by appointing the chairman of the meeting as their meeting proxy to vote on the relevant resolution(s) at the AGM as an alternative to attending the AGM in person and contacting Office of Board of Directors of the Company for questions to management.

If any Shareholder has any question relating to the AGM arrangements, please contact Computershare Hong Kong Investor Services Limited, the Company’s share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen’s Road East, Wan Chai, Hong Kong
Tel: 2862 8555
Fax: 2865 0990
Website: www.computershare.com/hk/contact

As the COVID-19 outbreak continues to develop, the Company will closely monitor the situation and reserves the right to take further measures or make any changes to the arrangement of the AGM as appropriate at short notice in order to minimise any risk to the Shareholders and others attending the AGM and to comply with any requirements or recommendations of any government authorities from time to time.

1 RE-ELECTION OF RETIRING DIRECTORS

As at 20 April 2022 (the “**Latest Practicable Date**”), the board of Directors (the “**Board**”) comprises Mr. Deng Renjie, Mr. Wang Xiufeng, Mr. Liu Weiwu, Mr. Deng Weidong, Mr. Yim Kong, and Mr. Wang Zhixian who are the executive directors, and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, 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. Deng Renjie, Mr. Lee Yip Wah Peter, Mr. Kut Ying Hay and Mr. Bong Shu Ying Francis 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. Wang Xiufeng, Mr. Deng Weidong and Mr. Yim Kong 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 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. Therefore, 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 5B 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 5A 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 5C 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, 3,785,619,729 Shares were in issue. On the basis of such figure, the Directors would be authorised to issue up to 757,123,945 Shares during the period up to the next annual general meeting in 2023 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, and (ii) 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

Deng Renjie

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. Deng Renjie, aged 52, is the Executive Vice President of China Merchants Group Limited. He graduated from Beijing Electronic Science and Technology Institute with a Bachelor's Degree of Computer Science Management in October 1991. He later obtained a Master's Degree of International Economic Law from Dalian Maritime University. Prior to his appointment as Executive Director of the Company, he successively served as Consultant of the General Office in Ministry of Transportation of China, Deputy Director of the General Office in Hunan Province, Deputy Secretary-General of Hunan Province, Deputy Secretary-General of the Party Committee of the Xinjiang Uyghur Autonomous Region and Assistant to General Manager, Director of Administration Department of China Merchants Group Limited and the Chairman of China Merchants Expressway Network & Technology Holdings Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange. He is currently as Deputy Director of the 9th council of the China Highway & Transportation Society, Deputy Director of the 7th council of the China Communications and Transportation Association and the Chairman of China Merchants Port Group Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange.

He was appointed to the Board as Executive Director of the Company on 1 June 2015 and retired as Executive Director of the Company on 29 November 2016. He was also appointed as Executive Director and Chairman of the Board of the Company on 13 February 2020.

Mr. Deng's directorship with the Company is subject to retirement and re-election pursuant to the Articles of Association. Mr. Deng is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Deng 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. Deng has not received and is not entitled to any Director's fee. There is an existing appointment letter between Mr. Deng and the Company for a term of three years commencing on 13 February 2020.

Mr. Wang Xiufeng, aged 51, is the Vice Chairman of the Board of Directors and Chief Executive Officer of China Merchants Port Group Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange. He is a senior accountant and senior engineer, graduated from Northeast University with a Bachelor's Degree in Industrial Accounting, and obtained Master's Degree in Business Administration from Tsinghua University. He has served as the Chairman of the Board of Directors and General Manager of China Merchants Expressway Network & Technology Holdings Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange, the Chief Financial Officer of China Merchants Huajian Expressway Investment Co., Ltd., a Director of Xingyun Digital Clustering (Beijing) Technology Co., Ltd., the Vice Chairman of the Board of Directors of Shandong Expressway Holdings Co., Ltd, shares of which are listed on the Shanghai Stock Exchange, a Director of Henan Zhongyuan Expressway Holdings Co., Ltd, shares of which are listed on the Shanghai Stock Exchange, a Director of Anhui Expressway Company Limited, shares of which are listed on the Shanghai Stock Exchange and the HKSE, the Vice President and a member of Standing Committee of the Party Committee of Metallurgical Corporation of China Ltd., shares of which are listed on the Shanghai Stock Exchange and the HKSE, the Chairman of Board of Director and Secretary of the Party Committee of MCC Jingtang Construction Co., Ltd., and the General Manager of MCC 22nd Metallurgical Construction Company.

He was appointed to the Board as Executive Director and Managing Director of the Company on 26 August 2021 and was then re-designated as Vice Chairman of the Board and the Chief Executive Officer of the Company on 3 November 2021. He is also a member of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Wang's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Wang is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Wang does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Wang has not received and is not entitled to any Director's fee. Mr. Wang received total emolument of HK\$0.8 million for the year ended 31 December 2021 (including salary, discretionary bonus and employer's contribution to pension scheme). There is an existing appointment letter between Mr. Wang and the Company for a term of three years commencing on 26 August 2021.

Mr. Deng Weidong, aged 54, is currently the General Manager of Strategy and Development Department/Technological Innovation Department of China Merchants Group Limited. He graduated from Nanjing University with a Doctorate Degree in Physical Geography, and then he obtained a Master's Degree in Marine Management from Dalhousie University in Canada. He worked in Administration Bureau of Hainan Yangpu Economic Development Zone, and successively served as the General Manager of Research and Development Department of China Nanshan Development (Group) Inc., the Deputy General Manager of Chiwan Container Terminal Co., Ltd., the General Manager of Shenzhen Mawan Terminals Co., Ltd., the Deputy General Manager of the Company, the General Manager of Capital Operation Department of China Merchants Group Limited, the General Manager of China Merchants Investment Development Company Limited and the Director of China Merchants Property Operation & Service Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange. He is also currently a Director of each of S.F. Holding Co., Ltd, China Merchants Shekou Industrial Zone Holdings Co., Ltd and China Merchants Energy Shipping Co., Ltd., shares of the above three companies are listed on the Shenzhen Stock Exchange and a Director of China International Marine Containers (Group) Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange and the HKSE and a Director of Sinotrans Limited, shares of which are listed on the HKSE and the Shanghai Stock Exchange.

He was appointed to the Board as Executive Director on 28 October 2021.

Mr. Deng's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Deng is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Deng does not hold any interest in the Shares within the meaning of Part XV of the SFO. Mr. Deng has not received and is not entitled to any Director's fee. There is an existing appointment letter between Mr. Deng and the Company for a term of three years commencing on 28 October 2021.

Mr. Yim Kong, aged 49, currently serves as the Chief Operational Officer and General Manager of China Merchants Port Group Co., Ltd., shares of which are listed on the Shenzhen Stock Exchange. Having graduated from International Trade at Xiamen University with a Bachelor's Degree in Economics, he went on to complete an MBA program cocreated by the Maastricht School of Management (Maastricht, the Netherlands) and Shanghai Maritime University. Mr. Yim has rich managerial experience in the port and logistics industries. He served as the Chief Representative of the representative office of China Merchants Group Limited in Central Asia and the Baltic Sea and the General Manager of China-Belarus Industrial Park. He also served as the Deputy General Manager of China Merchants Port Group Co., Ltd, share of which are listed on the Shenzhen Stock Exchange and the Chief Commercial Officer and Deputy General Manager of the Company as well as the Commercial Director, Deputy General Manager, Standing Deputy General Manager and General Manager of Shekou Container Terminals Limited, a subsidiary of the Company, and worked for senior

logistics management positions in Neptune Orient Lines (NOL) of Singapore and Swire Group of Hong Kong. He currently serves as Functional Constituency - Commercial (Third) member of the Legislative Council of the Hong Kong Special Administrative Region, a member of the Hong Kong Special Administrative Region of Election Committee and a member of the Logistics Services Advisory Committee of the Hong Kong Trade Development Council. He was a member of the Pilotage Advisory Committee (PAC) of the Hong Kong Marine Department of the Hong Kong Special Administrative Region.

He was appointed to the Board as Executive Director and Managing Director of the Company on 3 November 2021.

Mr. Yim's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Yim is an Executive Director of the Company. As at the Latest Practicable Date, Mr. Yim has an interest in the Company and its associated corporations within the meaning of Part XV of the SFO and has (i) personal interest in 7,227 Shares, and (ii) 170,000 share options which are granted under China Merchants Port Group Co., Ltd. (an associate of the Company) and are exercisable in batches from 3 February 2022 to 3 February 2027. Mr. Yim has not received and is not entitled to any Director's fee. Mr. Yim received total emolument of HK\$0.25 million for the year ended 31 December 2021 (including salary, discretionary bonus and employer's contribution to pension scheme). There is an existing appointment letter between Mr. Yim and the Company for a term of three years commencing on 3 November 2021.

Mr. Kut Ying Hay, aged 67, is a retired solicitor and a retired notary public in Hong Kong and had been in practice in the name of Kut & Co. for more than 25 years. He obtained qualification as a solicitor of the Supreme Court of England and Wales, the Supreme Court of Victoria, Australia, and the Supreme Court of Singapore, and as 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 was also appointed by the Ministry of Justice of the PRC as a China Appointed Attesting Officer (now retired). 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 as Independent Non-executive Director on 6 June 1992. He is also the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

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 2021, Mr. Kut received a Director's fee of HK\$280,000. There is an existing appointment letter between Mr. Kut and the Company for a term of three years commencing on 22 March 2020.

Mr. Lee Yip Wah Peter, aged 80, is a retired solicitor. Following the delisting of shares of SHK Hong Kong Industries Limited and Sinotrans Shipping Limited on 23 April 2021 and 16 January 2019, he ceased to act as Independent Non-executive Directors of SHK Hong Kong Industries Limited and Sinotrans Shipping Limited respectively on 27 April 2021 and 16 January 2019. He was appointed to the Board as Independent Non-executive Director on 20 June 2001. He is also the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company.

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 259,439 Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2021, Mr. Lee received a Director's fee of HK\$280,000. There is an existing appointment letter between Mr. Lee and the Company for a term of three years commencing on 22 March 2020.

Mr. Bong Shu Ying Francis, aged 80, OBE, JP, is currently an Independent Non-executive Director of Cosmopolitan International Holdings Limited, shares of which are listed on the HKSE. Mr. Bong holds a Bachelor's Degree of Sciences in Engineering from the University of Hong Kong and was the Chairman of the Hong Kong University Engineering Advisory Committee. He is a former President of the Hong Kong Institution of Engineers, a former President of Hong Kong Academy of Engineering Sciences and a Fellow of the Institution of Structural Engineers (UK). Mr. Bong is an Honorary Fellow of the University of Hong Kong and he was appointed a Justice of Peace in 1992 by the Government of Hong Kong and he received an OBE award in 1997 for his outstanding contribution to the development of the engineering profession in Hong Kong. Mr. Bong was a former Director of AECOM Technology Corporation, a company listed on the New York Stock Exchange. He was appointed to the Board as Independent Non-executive Director on 14 July 2010. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Mr. Bong's directorship with the Company is subject to retirement by rotation pursuant to the Articles of Association. Mr. Bong is an Independent Non-executive Director of the Company. As at the Latest Practicable Date, Mr. Bong does not hold any interest in the Shares within the meaning of Part XV of the SFO. For the year ended 31 December 2021, Mr. Bong received a director's fee of HK\$280,000. There is an existing appointment letter between Mr. Bong and the Company for a term of three years commencing from 14 July 2019.

Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis have served as Independent non-executive Directors of the Company more than 9 years and their re-elections will be subject to separate resolutions to be approved by the Shareholders. As independent non-executive Directors with in-depth understanding of the Company's operations and business and with professional qualifications, Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis have expressed objective views and given independent guidance to the Company over the years, and they continue to demonstrate a firm commitment to their roles. The Board considers that the long service of Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis would not affect their exercise of independent judgment and are satisfied that Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors. The Board considers the re-elections of Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis as Independent non-executive Directors are in the best interest of the Company and the Shareholders as a whole.

The Nomination Committee of the Company had considered the re-elections pursuant to criteria set out in the nomination policy adopted by the Company and assessed and reviewed the written annual confirmation of independence given by Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis to the Company based on the independence criteria as set out in rule 3.13 of the Listing Rules. Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis are and were not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. The Board is also not aware of any circumstance that might influence Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis in exercising independent judgment, and is satisfied that each of them has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and will be able to maintain an independent

view of the Group's affairs. The Board considers them to be independent. The Board is of the view that Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter and Mr. Bong Shu Ying Francis are beneficial to the Board with diversity of their professional experience that contributes to invaluable expertise, continuity and stability to the Board and the Company has benefited greatly from their contribution and valuable insights derived from their in-depth knowledge of the Company. The Board believes that they will continue to contribute effectively to the Board.

Accordingly, with the recommendation of the Nomination Committee of the Company, the Board has proposed that each of the above retiring Directors, namely Mr. Deng Renjie, Mr. Wang Xiufeng, Mr. Deng Weidong, Mr. Yim Kong, Mr. Lee Yip Wah Peter, Mr. Kut Ying Hay and Mr. Bong Shu Ying, Francis, stands for re-election as Director by way of separate resolution at the AGM.

Save as disclosed above, each of Mr. Deng Renjie, Mr. Wang Xiufeng, Mr. Deng Weidong, Mr. Yim Kong, Mr. Lee Yip Wah Peter, Mr. Kut Ying Hay and Mr. Bong Shu Ying, Francis 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. Deng Renjie, Mr. Wang Xiufeng, Mr. Deng Weidong, Mr. Yim Kong, Mr. Lee Yip Wah Peter, Mr. Kut Ying Hay and Mr. Bong Shu Ying, Francis 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. Deng Renjie, Mr. Wang Xiufeng, Mr. Deng Weidong, Mr. Yim Kong, Mr. Lee Yip Wah Peter, Mr. Kut Ying Hay and Mr. Bong Shu Ying, Francis has confirmed that there are no other matters relating to their re-election that need to be brought to the attention of the Shareholders and there is no other information in relation to their 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.

SHAREHOLDERS' APPROVAL

All buy-backs of securities by a company with its primary listing on the HKSE 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 HKSE 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 5B 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, 3,785,619,729 Shares were in issue. On the basis of such figure, the Directors would be authorised to buy back up to 378,561,972 Shares during the period up to the next annual general meeting in 2023 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 2021) 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 HKSE 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 six months prior to the Latest Practicable Date (whether on the HKSE 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.

As at the Latest Practicable Date, China Merchants Group Limited ("**CMG**"), the ultimate holding company of the Company, has a 65.69% shareholding interest in the Company and China Merchants Port Group Co, Ltd., ("**CMPG**") a substantial shareholder of the Company, has a 43.18% 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 and CMPG will hold up to 72.99% and up to 47.78% shareholding interest in the Company, respectively, depending on the extent to which the Buy-back Mandate is exercised. Unless a waiver is granted by the Securities & Futures Commission of Hong Kong, such increase may give rise to an obligation on CMPG to make a

mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Buy-back Mandate to such an extent as would result in takeover obligations. Save as disclosed above, 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.

MARKET PRICES

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

	Share Prices (per share)	
	Highest (HK\$)	Lowest (HK\$)
2021		
April	13.22	11.96
May	13.32	12.20
June	12.86	11.10
July	12.06	10.78
August	13.10	10.38
September	13.96	12.48
October	14.10	12.80
November	13.00	11.58
December	14.92	11.52
2022		
January	15.28	14.02
February	16.12	14.40
March	14.94	12.12
April (up to and including the Latest Practicable Date)	14.70	13.84