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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)**

**CONTINUING CONNECTED TRANSACTIONS  
2019 PROPERTY MANAGEMENT SERVICES AGREEMENT  
DETERMINATION OF ANNUAL CAPS**

**2019 PROPERTY MANAGEMENT SERVICES AGREEMENT**

On 9 August 2019, Shenzhen Jinyu and SCMPI entered into the 2019 Property Services Agreement for a term of three years taking effect from 1 July 2019 and ending on 30 June 2022.

For the purpose of Rule 14A.53 of the Listing Rules, on 9 August 2019, the Directors resolved to set the annual caps in respect of the fees payable to SCMPI under the 2019 Property Management Services Agreement at RMB4.4 million, RMB9.2 million and RMB9.6 million (equivalent to approximately HK\$5.0 million, HK\$10.5 million and HK\$10.9 million) for the three years ending 31 December 2019, 2020 and 2021, respectively.

Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the service fees payable by the Group exceed 0.1% but are below 5%, these transactions are therefore exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules but are subject to the reporting, annual review and announcement requirements.

**1. BACKGROUND**

Shenzhen Jinyu, an indirect wholly-owned subsidiary of the Company entered into the 2016 Property Management Services Agreement with SCMPI (an indirect subsidiary of CMG, the ultimate holding company of the Company) on 13 October 2016 for a term of three years ended on 30 June 2019 in relation to the provision of certain property management services (such as rent collection, lease management and operational management services) for the Target Property. The 2016 Property Management Services Agreement constitutes a continuing connected transaction of the Company but since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in relation to the annual transaction amounts under the 2016 Property Management Services Agreement are below 0.1%, the transactions contemplated under the 2016 Property Management Services Agreement are exempt from the reporting, annual review, announcement, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 9 August 2019, in view of the expiry of the 2016 Property Management Services Agreement, Shenzhen Jinyu and SCMPI entered into the 2019 Property Services Agreement for a term of three years taking effect from 1 July 2019 and ending on 30 June 2022.

## **2. 2019 PROPERTY MANAGEMENT SERVICES AGREEMENT**

The key terms of the 2019 Property Services Agreement are set out below:

Date: 9 August 2019

Parties: (1) Shenzhen Jinyu  
(2) SCMPI

Target Property: Phase 1 China Merchants Harbour\* (招商匯港一期) in Nanhai Yikumeng Industrial Building (南海意庫夢工場大廈) located in Third Industrial Road, Nanshan District, Shenzhen, Guangdong Province

Purpose: Shenzhen Jinyu engages SCMPI to provide lease management and operational management services in relation to the Target Property

Fees payable: Shenzhen Jinyu agrees to pay to SCMPI:

- (i) a management fee of 6% of any operational income actually received by Shenzhen Jinyu (including but not limited to rental fees received from the rental of advertisement space and venue space at the Target Property);
- (ii) a commission fee of 6% of any annual income received by Shenzhen Jinyu from the rental of car parks at the Target Property); and
- (iii) any expense (including human resources costs) incurred by SCMPI under the 2019 Property Management Services Agreement.

With respect to the fees payable by Shenzhen Jinyu under paragraphs (i) and (ii), SCMPI shall deliver to Shenzhen Jinyu a breakdown of total fees payable on an annual basis within 10 days from 31 March of the following year. Shenzhen Jinyu shall settle the amount within 15 days following the review of the breakdown by its compliance.

With respect to the fees payable by Shenzhen Jinyu under paragraph (iii), SCMPI shall deliver to Shenzhen Jinyu a breakdown of expenses incurred on an annual basis by 15 January of the following year and Shenzhen Jinyu shall settle the amount by 31 March.

If Shenzhen Jinyu defaults its payment obligations, an interest at a daily rate of 3% of such overdue payment shall be accrued from day to day.

The fees payable under the 2019 Property Management Services Agreement were determined by the parties after arm's length negotiations and with reference to the rates quoted by other third parties for the provision of similar services, which ranges from 6% to 15% of operational income received (depending on whether expenses incurred by the service provided are included).

The 2019 Property Management Services Agreement Comprehensive is valid until 30 June 2022, provided that the parties shall have the option to extend the term for subsequent terms subject to arm's length negotiation between the parties and compliance with the applicable requirements under the Listing Rules. The parties agree that SCMPI shall have a right of first refusal in relation to such extension under the same terms and conditions.

### **3. LISTING RULES IMPLICATIONS AND DETERMINATION OF ANNUAL CAPS**

As SCMPI is an indirect subsidiary of CMG, the ultimate holding company of the Company, it is therefore a connected person of the Company and the transactions contemplated under the 2019 Property Management Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

For the purpose of Rule 14A.53 of the Listing Rules, on 9 August 2019, the Directors resolved to set the annual caps in respect of the fees payable to SCMPI under the 2019 Property Management Services Agreement for the three years ending 31 December 2019, 2020 and 2021 as follow:

	<b>Annual cap for the year ending 31 December</b>		
	<b>2019</b>		
	<b>(6 months)</b>	<b>2020</b>	<b>2021</b>
<b>Service fees payable</b>	RMB4.4 million (equivalent to approximately HK\$5.0 million)	RMB9.2 million (equivalent to approximately HK\$10.5 million)	RMB9.6 million (equivalent to approximately HK\$10.9 million)

Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the service fees payable by the Group exceed 0.1% but are below 5%, these transactions are therefore exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules but are subject to the reporting, annual review and announcement requirements.

### **4. GENERAL INFORMATION**

Shenzhen Jinyu is a company incorporated in the PRC and a wholly-owned subsidiary of the Company. It is a holding company established for the purpose of developing the Nanhai Yikumeng Industrial Building.

SCMPI is a company incorporated in the PRC and is principally engaged in the operation of property management. It is an indirect subsidiary of CMG and therefore a connected person of the Company.

## 5. REASONS FOR THE TRANSACTIONS

The core business of the Group includes port and port-related business. Given the experience of SCMPI in managing similar properties as Target Property, the services to be provided by SCMPI under the 2019 Property Management Services Agreement will allow Shenzhen Jinyu to leverage the experience of SCMPI in this area and to enhance the value of the Target Property and therefore increase rental and other revenue of Shenzhen Jinyu.

Taken into account the above, the Directors, including the independent non-executive Directors, are of the view that the 2019 Property Management Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Having considered the historical amounts of service fees paid and the proposed fees to be paid under the 2019 Property Management Services Agreement, the Directors, including the independent non-executive Directors, are of the view that the terms of the 2019 Property Management Services Agreement and the proposed annual caps for the each of the three years ending 31 December 2019, 2020 and 2021 in respect of the service fees payable by the Group to SCMPI, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

None of the Directors have a material interest in the 2019 Property Management Services Agreement, nor are they required to abstain from voting in the relevant board resolutions.

## 6. DEFINITIONS

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

<b>“2016 Property Management Services Agreement”</b>	the property management services agreement dated 13 October 2016 entered into between Shenzhen Jinyu and SCMPI in relation to the provision of certain property management services by SCMPI for the Target Property
<b>“2019 Property Management Services Agreement”</b>	the property management services agreement dated 9 August 2019 entered into between Shenzhen Jinyu and SCMPI in relation to the provision of certain property management services by SCMPI for the Target Property
<b>“associates”</b>	has the meaning ascribed to this term under Rule 14A.06 of the Listing Rules
<b>“Board”</b>	the board of Directors of the Company
<b>“CMG”</b>	China Merchants Group Limited, a company incorporated in the PRC and the ultimate holding company of the Company
<b>“Company”</b>	China Merchants Port Holdings Company Limited, a company incorporated in Hong Kong and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited

<b>“connected person”</b>	has the meaning ascribed to this term under Rule 14A.06 of the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“SCMPI”</b>	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd (深圳招商商置投資有限公司), an indirect wholly-owned subsidiary of CMG
<b>“Shenzhen Jinyu”</b>	Shenzhen Jinyu Rongtai Investment Development Company Limited* (深圳金域融泰投資發展有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
<b>“subsidiary (ies)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Target Property”</b>	Phase 1 China Merchants Harbour* (招商匯港一期) in Nanhai Yikumeng Industrial Building (南海意庫夢工場大廈) located in Third Industrial Road, Nanshan District, Shenzhen, Guangdong Province
<b>“%”</b>	per cent.

\* For identification purpose only

*For reference only, an exchange rate of HK\$1.00 to RMB0.88 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**  
**Fu Gangfeng**  
*Chairman*

Hong Kong, 9 August 2019

*As at the date of this announcement, the Board comprises Mr. Fu Gangfeng, 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.*