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

(Stock Code: 144)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

New Lease Agreements

In view of the expiry of the SCMPD Lease Agreement on 31 October 2010 and three of the CMSIZ Lease Agreements, the CMML-Nanyou Lease Agreement, the SCMPS-CMSIZ Lease Agreement and the SCMPS Lease Agreement on 31 December 2010, the relevant subsidiaries of the Company have on 14 December 2010, entered into the New Lease Agreements with relevant members of the CMG Group. The New Lease Agreements include the SCMPD Renewal Agreement which shall take effect from 1 November 2010 for a term of 26 months, the three New CMSIZ Lease Agreements, the New SCMPS-CMSIZ Lease Agreement and the New SCMPS Lease Agreement, each of which shall take effect from 1 January 2011 for a term of two years, and the New CMML-Nanyou Lease Agreement which shall take effect from 1 January 2011 for a term of three years. The aggregate rental payable under the New Lease Agreements is approximately RMB6,714,000 (equivalent to approximately HK\$7,839,000) for each of the two years ending 31 December 2011 and 2012 and RMB1,430,000 (equivalent to approximately HK\$1,670,000) for the year ending 31 December 2013. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the SCMPD Renewal Agreement, the New CMSIZ Lease Agreements (as aggregated), the New CMML-Nanyou Lease Agreement, the New SCMPS-CMSIZ Lease Agreement and the New SCMPS Lease Agreement are less than 0.1%, the transactions contemplated under each of the New Lease Agreements constitute de minimis continuing connected transactions pursuant to Rule 14A.33(3) of the Listing Rules and are exempt from reporting, announcement and independent shareholders' approval requirements. No annual caps are set for each of the New Lease Agreements for the three years ending 31 December 2011, 2012 and 2013.

Rental adjustment under the South China Lease Agreement

CMI Cold Chain, an indirect 70%-owned subsidiary of the Company, entered into the South China Lease Agreement with CMSIZ on 23 February 1990 for a term of 25 years to lease a piece of land in Shekou Industrial Zone, Shenzhen, Guangdong Province, the PRC, with a total area of 20,040.88 square meters. Rental was charged at RMB91 (equivalent to approximately HK\$106) per square meter per annum for the period from 1 January 2008 to 31 December 2010, subject to adjustment every three years. On 14 December 2010, CMI Cold Chain and CMSIZ entered into the supplemental agreement to the South China Lease Agreement, pursuant to which the parties agreed to increase the rental payable under the South China Lease Agreement to RMB95 (equivalent to approximately HK\$111) per square meter per annum for each of the three years ending 31 December 2011, 2012 and 2013. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the total new annual rental payable under the South China Lease Agreement are less than 0.1%, the transaction contemplated under the South China Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is set for the South China Lease Agreement for the three years ending 31 December 2011, 2012 and 2013.

Listing Rules Implication

Each of SCMPD, CMSIZ, and Shenzhen Nanyou is a subsidiary of CMG. Accordingly, each of SCMPD, CMSIZ, and Shenzhen Nanyou is a connected person of the Company and the New Lease Agreements and the South China Lease Agreement constitute continuing connected transactions of the Company. Apart from the transactions contemplated under the New Lease Agreements and the South China Lease Agreement, the Group has also been leasing certain properties from members of the CMG Group pursuant to the SCT1 Lease Agreement, the 2010-2011 Euroasia Cooperation Agreement, the CMML-CMSIZ Lease Agreement and the 2010-2011 CMSIZ Lease Agreements. Under the Listing Rules, these transactions will be aggregated and treated as if they were one transaction as they are of similar nature with parties connected or otherwise associated with one another. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of these transactions as aggregated are below 5%, these transactions are therefore exempt from the independent shareholders' approval requirement.

BACKGROUND

The core business of the Group is port and port-related business and the Group has been leasing properties and warehouse from various members of the CMG Group pursuant to various leases. These leases are important for the Group as they enable the Group to offer various port and port-related services in a more cost-effective way.

DETAILS OF THE NEW LEASE AGREEMENTS

SCMPD Renewal Agreement

On 3 November 2008, CMCIL, a wholly-owned subsidiary of the Company, entered into the SCMPD Lease Agreement with SCMPD for the leasing of two floors of the Shekou Industrial Park Building with a term of two years commencing on 1 November 2008 and expiring on 31 October 2010. The total rental payable by the Company to SCMPD under the SCMPD Lease Agreement were RMB2,062,944 (equivalent to approximately HK\$2,408,664) for the year ended 31 December 2009 and RMB1,719,120 (equivalent to approximately HK\$2,007,220) for the 10-month period ended 31 October 2010. The SCMPD Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules, and details of the SCMPD Lease Agreement was disclosed in the announcement of the Company dated 19 March 2009.

On 14 December 2010, CMCIL and SCMPD entered into the SCMPD Renewal Agreement to extend the leasing of two floors of the Shekou Industrial Park Building with a total area of 2,226 square meters for a term of 26 months commencing on 1 November 2010 to 31 December 2012. As various members of the Group have continued to occupy the premises leased under the SCMPD Lease Agreement since its expiration on 31 October 2010, despite the fact that no agreement was entered into at that time to renew the SCMPD Lease Agreement, the Group agreed to pay rent for the premises for the period from 1 November 2010 until the entering into of the SCMPD Renewal Agreement at the same rental stipulated in the SCMPD Renewal Agreement. The total rental payable by the Group under the SCMPD Renewal Agreement during the entire lease term is RMB4,253,886 (equivalent to approximately HK\$4,966,778). Rental under the SCMPD Renewal Agreement shall be payable by the Group on a monthly basis in cash and in equal instalments. The rental is negotiated and agreed by the parties on an arm's length basis with reference to the market value of the properties as assessed by the management of the Group and recent rental transactions in nearby areas. No third party valuation has been performed on the properties.

Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the SCMPD Renewal Agreement are less than 0.1%, the transaction contemplated under the SCMPD Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules, and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the SCMPD Renewal Agreement.

CMSIZ Lease Agreements

SCMPS, an indirect wholly-owned subsidiary of the Company, entered into nine CMSIZ Lease Agreements with CMSIZ on 24 July 2008 to lease 23 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ.

On 12 November 2009, SCMPS renewed six of the CMSIZ Lease Agreements which had a term expiring on 31 December 2009. Accordingly, SCMPS had entered into six new 2010-2011 CMSIZ Lease Agreements with CMSIZ in relation to the leasing of 20 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ on 12 November 2009. The six 2010-2011 CMSIZ Lease Agreements have a term of two years commencing on 1 January 2010 and ending on 31 December 2011. Details of the six 2010-2011 CMSIZ Lease Agreements were disclosed in the announcement of the Company dated 12 November 2009.

The remaining three of the CMSIZ Lease Agreements, namely CMSIZ Lease Agreement 6, CMSIZ Lease Agreement 7 and CMSIZ Lease Agreement 8 (as defined in the announcement of the Company dated 24 July 2008), have a term of two years commencing on 1 January 2009 and ending on 31 December 2010. Pursuant to these three CMSIZ Lease Agreements, CMSIZ agreed to lease three parcels of land in Shekou Industrial Park with a total area of 24,953.52 square meters to SCMPS at an aggregated rental of RMB2,241,634 (equivalent to approximately HK\$2,617,300) per annum.

On 14 December 2010, in view of the expiration of the remaining three CMSIZ Lease Agreements on 31 December 2010, SCMPS entered into three New CMSIZ Lease Agreements with CMSIZ to renew the lease of three parcels of land in Shekou Industrial Park. The New CMSIZ Lease Agreements have a term of two years commencing on 1 January 2011 and ending on 31 December 2012. The total rental payable under the New CMSIZ Lease Agreements (as aggregated) is approximately RMB1,871,514 (equivalent to approximately HK\$2,185,153) for each of the two years ending 31 December 2011 and 2012.

Rental under the New CMSIZ Lease agreements shall be payable by SCMPS on a semi-annual basis in cash and in equal instalments and the first instalment shall be payable by SCMPS on 31 January 2011. The rental under each of the New CMSIZ Lease Agreements is negotiated and agreed by the parties on an arm's length basis with reference to the location, the purpose of use of the land and the market rental of similar land parcels in nearby areas. No third party valuation has been performed on the leased land.

The total historical annual cap for the year ended 31 December 2009 in respect of the rental payable by SCMPS to CMSIZ under the nine CMSIZ Lease Agreements was RMB68,571,949 (equivalent to approximately HK\$80,063,644). The total historical annual caps for the year ending 31 December 2010 in respect of the rental payable by SCMPS under the six 2010-2011 CMSIZ Lease Agreements and the remaining three CMSIZ Lease Agreements were RMB44.6 million (equivalent to approximately HK\$52.1 million) and RMB2,241,634 (equivalent to approximately HK\$2,617,300), respectively. Such historical caps have not been exceeded. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New CMSIZ Lease Agreements (as aggregated) are less than 0.1%, the transactions contemplated under the New CMSIZ Lease Agreements constitute de minimis continuing connected transactions pursuant to Rule 14A.33(3) of the Listing Rules and are exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the New CMSIZ Lease Agreements.

CMML-Nanyou Lease Agreement

CMML, an indirect subsidiary of the Company, entered into the CMML-Nanyou Lease Agreement with Shenzhen Nanyou on 30 April 2008 to lease a piece of land in Shenzhen Qianhaiwan Logistics Park, Nanshan District, Shenzhen, with a total area of 18,332.30 square meters to be used by CMML for its logistics operations. Pursuant to the CMML-Nanyou Lease Agreement, rental is charged at RMB88.80 (equivalent to approximately HK\$104) per square meter per annum, representing a total annual rental payable of RMB1,627,908 (equivalent to approximately HK\$1,900,723) for each of the two years ended 31 December 2008 and 2009 and the year ending 31 December 2010. The CMML-Nanyou Lease Agreement will expire on 31 December 2010. Further details of the CMML-Nanyou Lease Agreement were disclosed in the announcement of the Company dated 30 April 2008.

On 14 December 2010, CMML and Shenzhen Nanyou entered into the New CMML-Nanyou Lease Agreement to renew the lease of the piece of land in Shenzhen Qianhaiwan Logistics Park. The New CMML-Nanyou Lease Agreement has a term of three years commencing on 1 January 2011 and ending on 31 December 2013. The rental payable by CMML to Shenzhen Nanyou under the New CMML-Nanyou Lease Agreement is RMB119,159.90 (equivalent to approximately HK\$139,129) per month, representing a rental of RMB78 (equivalent to approximately HK\$91) per square meter per annum. Rental under the New CMML-Nanyou Lease Agreement shall be payable by CMML on a semi-annual basis in cash and in equal instalments and the first instalment shall be payable within 15 days from the date of the New CMML-Nanyou Lease Agreement. The rental was negotiated and agreed by the parties on an arm's length basis with reference to the market rental of similar land parcels in nearby areas. No third party valuation has been performed on the land.

The historical annual caps in respect of the rental paid by CMML to Shenzhen Nanyou under the CMML-Nanyou Lease Agreement was RMB1,627,908 (equivalent to approximately HK\$1,900,723) for each of the two years ended 31 December 2008 and 2009 and the year ending 31 December 2010. Such historical annual caps have not been exceeded. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New CMML-Nanyou Lease Agreement are less than 0.1%, the transaction contemplated under the New CMML-Nanyou Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the New CMML-Nanyou Lease Agreement.

SCMPS-CMSIZ Lease Agreement

SCMPS, an indirect wholly-owned subsidiary of the Company, entered into the SCMPS-CMSIZ Lease Agreement with CMSIZ on 18 August 2008 to lease a piece of land located at Port Road in Shekou Industrial Park, Shenzhen, Guangdong Province, the PRC, with a total area of 10,298.94 square meters to be used by SCMPS for industrial purposes. Pursuant to the SCMPS-CMSIZ Lease Agreement, rental is charged at RMB75 (equivalent to approximately HK\$88) per square meter per annum, representing a total rental payable of RMB1,802,316 (equivalent to approximately HK\$2,104,359) during the entire lease term. The SCMPS-CMSIZ Lease Agreement will expire on 31 December 2010. Further details of the SCMPS-CMSIZ Lease Agreement were disclosed in the announcement of the Company dated 18 August 2008.

On 14 December 2010, SCMPS and CMSIZ entered into the New SCMPS-CMSIZ Lease Agreement to renew the lease of the piece of land in Shekou Industrial Park. The New SCMPS-CMSIZ Lease Agreement has a term of two years commencing on 1 January 2011 and ending on 31 December 2012. The rental payable by SCMPS to CMSIZ under the New SCMPS-CMSIZ Lease Agreement is RMB772,420.50 (equivalent to approximately HK\$901,867) per annum, representing a rental of RMB75 (equivalent to approximately HK\$88) per square meter per annum. Rental under the New SCMPS-CMSIZ Lease Agreement shall be payable by SCMPS on a semi-annual basis in cash and in equal instalments and the first instalment shall be payable by SCMPS on 31 January 2011. The rental under the New SCMPS-CMSIZ Lease Agreement is negotiated and agreed by the parties on an arm's length basis with reference to the market rental of similar land parcels in nearby areas. No third party valuation has been performed on the land.

The historical annual caps in respect of the rental paid by SCMPS to CMSIZ under the SCMPS-CMSIZ Lease Agreement was RMB257,474 (equivalent to approximately HK\$300,623) for the four months ended 31 December 2008 and RMB772,421 (equivalent to approximately HK\$901,868) for the year ended 31 December 2009 and the year ending 31 December 2010. Such historical annual caps have not been exceeded. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New SCMPS-CMSIZ Lease Agreement are less than 0.1%, the transaction contemplated under the New SCMPS-CMSIZ Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the New SCMPS-CMSIZ Lease Agreement.

SCMPS Lease Agreement

SCMPS, an indirect wholly-owned subsidiary of the Company, entered into the SCMPS Lease Agreement with CMSIZ on 12 November 2009 to lease a piece of land located in Shekou Industrial Park from CMSIZ with a total area of 15,392.11 square meters to be used by SCMPS for industrial purposes. Pursuant to the SCMPS Lease Agreement, rental is charged at RMB46.95 (equivalent to approximately HK\$55) per square meter per annum, representing a total annual rental payable of RMB722,659.56 (equivalent to approximately HK\$843,767). The SCMPS Lease Agreement will expire on 31 December 2010. Further details of the SCMPS Lease Agreement were disclosed in the announcement of the Company dated 12 November 2009.

On 14 December 2010, SCMPS and CMSIZ entered into the New SCMPS Lease Agreement to renew the lease of the piece of land in Shekou Industrial Park. The New SCMPS Lease Agreement has a term of two years commencing on 1 January 2011 and ending on 31 December 2012. The annual rental payable by SCMPS to CMSIZ under the New SCMPS Lease Agreement is RMB676,483.23 (equivalent to approximately HK\$789,852), representing a rental of RMB43.95 (equivalent to approximately HK\$51) per square meter per annum, for each of the years ending 31 December 2011 and 2012. Rental under the New SCMPS Lease Agreement shall be payable by SCMPS on a semi-annual basis in cash and in equal instalments and the first instalment shall be payable by SCMPS on 31 January 2011. The rental under the New SCMPS Lease Agreement is negotiated and agreed by the parties on an arm's length basis with reference to the market rental of similar land parcels in nearby areas. No third party valuation has been performed on the land.

The historical annual cap in respect of the rental paid by SCMPS to CMSIZ under the SCMPS Lease Agreement was RMB800,000 (equivalent to approximately HK\$935,000) for the year ending 31 December 2010. Such historical annual cap has not been exceeded. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New SCMPS Lease Agreement are less than 0.1%, the transaction contemplated under the New SCMPS Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the New SCMPS Lease Agreement.

RENTAL ADJUSTMENT UNDER THE SOUTH CHINA LEASE AGREEMENT

CMI Cold Chain, an indirect 70%-owned subsidiary of the Company, entered into the South China Lease Agreement with CMSIZ on 23 February 1990 for a term of 25 years to lease a piece of land in Shekou Industrial Zone, Shenzhen, Guangdong Province, the PRC, with a total area of 20,040.88 square meters. Rental was charged at RMB91 (equivalent to approximately HK\$106) per square meter per annum for the period from 1 January 2008 to 31 December 2010, subject to adjustment every three years. Details of the South China Lease Agreement were disclosed in the announcement of the Company dated 30 April 2008.

On 14 December 2010, CMI Cold Chain and CMSIZ entered into the supplemental agreement to the South China Lease Agreement, pursuant to which the parties agreed to increase the rental payable under the South China Lease Agreement to RMB95 (equivalent to approximately HK\$111) per square meter per annum for each of the three years ending 31 December 2011, 2012 and 2013. Rental shall be payable by

CMI Cold Chain on a semi-annual basis in cash and in equal instalments and the first instalment shall be payable by CMI Cold Chain on 31 January 2011. Such supplemental agreement documenting the rental adjustment is negotiated and agreed by the parties on an arm's length basis with reference to the market rental of similar land parcels in nearby areas. No third party valuation has been performed on the land. The next rental adjustment under the South China Lease Agreement shall be made in 2013.

The historical annual caps in respect of the rental charges paid by CMI Cold Chain to CMSIZ under the South China Lease Agreement was RMB1,823,720 (equivalent to approximately HK\$2,129,350) for each of the years ended 31 December 2008 and 2009 and RMB2,100,000 (equivalent to approximately HK\$2,451,930) for the year ending 31 December 2010. Such historical annual caps have not been exceeded. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the total new annual rental payable under the South China Lease Agreement are less than 0.1%, the transaction contemplated under the South China Lease Agreement constitutes a de minimis continuing connected transaction pursuant to Rule 14A.33(3) of the Listing Rules and is exempt from reporting, announcement and independent shareholders' approval requirements. No annual cap is therefore set for the South China Lease Agreement for the three years ending 31 December 2011, 2012 and 2013.

DETAILS OF THE LEASE AGREEMENTS

The table below sets out details of the parties, the leased land or properties and its usage, the term and the rental payable under each of the New Lease Agreements and the South China Lease Agreement:

Agreement	Lessee	Lessor	Leased land or properties and its usage	Term	Rental payable per annum pursuant to the agreement
SCMPD Renewal Agreement	CMCIL	SCMPD	Two floors of the Shekou Industrial Park Building with a total area of 2,226 square meters for office and administrative use	26 months commencing from 1 November 2010 to 31 December 2012	RMB1,963,332 (equivalent to approximately HK\$2,292,359) per annum

Agreement	Lessee	Lessor	Leased land or properties and its usage	Term	Rental payable per annum pursuant to the agreement
New CMSIZ Lease Agreement 6	SCMPS	CMSIZ	A parcel of land located at Port Road in Shekou Industrial Park with a total area of 10,520.52 square meters for industrial purpose	Two years commencing from 1 January 2011 to 31 December 2012	RMB789,039 (equivalent to approximately HK\$921,271) per annum
New CMSIZ Lease Agreement 7	SCMPS	CMSIZ	A parcel of land located at Port Road in Shekou Industrial Park with a total area of 10,435.07 square meters for industrial purpose	Two years commencing from 1 January 2011 to 31 December 2012	RMB782,630.25 (equivalent to approximately HK\$913,788) per annum
New CMSIZ Lease Agreement 8	SCMPS	CMSIZ	A parcel of land located at No. 3 South Port Road in Shekou Industrial Park with a total area of 3,997.93 square meters for industrial purpose	Two years commencing from 1 January 2011 to 31 December 2012	RMB299,844.75 (equivalent to approximately HK\$350,095) per annum
New CMML-Nanyou Lease Agreement	CMML	Shenzhen Nanyou	A parcel of land in Shenzhen Qianhaiwan Logistics Park, Nanshan District, Shenzhen with a total area of 18,332.30 square meters to be used by CMML for its logistics operations	Three years commencing from 1 January 2011 to 31 December 2013	RMB1,429,918.80 (equivalent to approximately HK\$1,669,553) per annum
New SCMPS-CMSIZ Lease Agreement	SCMPS	CMSIZ	A parcel of land located at Port Road in Shekou Industrial Park with a total area of 10,298.94 square meters to be used by SCMPS for industrial purposes	Two years commencing from 1 January 2011 to 31 December 2012	RMB772,420.50 (equivalent to approximately HK\$901,867) per annum

Agreement	Lessee	Lessor	Leased land or properties and its usage	Term	Rental payable per annum pursuant to the agreement
New SCMPS Lease Agreement	SCMPS	CMSIZ	A parcel of land in Shekou Industrial Park with a total area of 15,392.11 square meters to be used by SCMPS for industrial purposes	Two years commencing from 1 January 2011 to 31 December 2012	RMB676,483.23 (equivalent to approximately HK\$789,852) per annum
South China Lease Agreement	CMI Cold Chain	CMSIZ	A parcel of land in Shekou Industrial Zone, Shenzhen, Guangdong Province, the PRC, with a total area of 20,040.88 square meters to be used by CMI Cold Chain for the operation of a cold storage	25 years commencing from 23 February 1990	RMB1,903,883.60 (equivalent to approximately HK\$2,222,948) for each of the years ending 31 December 2011, 2012 and 2013, subject to adjustment every three years with the next rental adjustment in 2013

INFORMATION ON THE PARTIES

CMCIL, a direct wholly-owned subsidiary of the Company, is a foreign investment enterprise established under the laws of the PRC. Its principal activity is investment holding.

SCMPD, is a limited liability company incorporated under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange. It is principally engaged in the development, sale, leasing and management of properties in the PRC. SCMPD is a subsidiary of CMG, the ultimate holding company of the Company holding indirectly approximately 55% of the existing issued share capital of the Company. Accordingly, SCMPD is a connected person of the Company.

SCMPS, an indirect wholly-owned subsidiary of the Company, is a limited liability company established under the laws of the PRC. Its principal activity is the provision of terminal services and ports transportation.

CMSIZ is a company incorporated in the PRC and its principal activities are development and operation in Shekou Industrial Zone and property development and investment in Shekou, Shenzhen, the PRC. It is an indirect wholly-owned subsidiary of CMG and therefore a connected person of the Company.

CMML, an indirect subsidiary of the Company, is a limited liability company incorporated under the laws of the PRC, which is owned as to 60% by CMCIL, as to 20% by Shenzhen Chiwan Wharf Holdings Limited, a subsidiary of the Company and a joint stock limited company established under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange, and as to 20% indirectly by CMSIZ. Its principal activities include the provision of container related logistics services such as warehouse management, transportation of containers by sea and rail and other container logistics distribution services.

Shenzhen Nanyou is a company incorporated in the PRC. It is an indirect 76%-owned subsidiary of CMG and therefore a connected person of the Company. Its principal activities are development and operation in Shekou Industrial Zone and property development and investment in Shekou, Shenzhen, the PRC.

CMI Cold Chain is an indirect 70%-owned subsidiary of the Company. It is a company incorporated in the PRC and its principal activity is the operation of cold storage.

REASONS FOR THE TRANSACTIONS

The core business of the Group includes port and port-related business. It has been the strategy of the Group to strengthen and develop its port business and port-related business through investment in new projects, acquisition of high quality port-related business and properties, leasing properties and warehouse, and providing cargo management services.

The Directors are of the view that the continuous leasing of the land and properties in Shekou Industrial Park and Shenzhen Qianhaiwan Logistics Park through the renewal of the SCMPD Lease Agreement, three of the CMSIZ Lease Agreements, the CMML-Nanyou Lease Agreement, the SCMPS-CMSIZ Lease Agreement and the SCMPS Lease Agreement and through the South China Lease Agreement will facilitate a smooth business operation of the Group's port and port-related business as most of the operations of each of SCMPS, CMML and other subsidiaries of the Group are operated on these leased land and properties. The Shekou Industrial Park and Shenzhen Qianhaiwan Logistics Park are important strategic areas for the provision of logistics services and operations of the Group. In response to the growing demand for logistics services, the Directors of the Company believe that the continuous leasing of the land and properties as stipulated in the New Lease Agreements and the South China Lease Agreement are beneficial to the Group and assists in maintaining the Group's sustainable growth.

The Directors, including the independent non-executive Directors, are of the view that each of the New Lease Agreements and the supplemental agreement to the South

China Lease Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Taking into account market rental of similar land parcels or properties in nearby areas, the Directors, including the independent non-executive Directors, are of the view that the terms of each of the New Lease Agreements and the supplemental agreement to the South China Lease Agreement (including the rental adjustment under the South China Lease Agreement) are fair and reasonable and in the interests of the Shareholders as a whole. None of the Directors have a material interest in the New Lease Agreements and the South China Lease Agreement, nor are they required to abstain from voting in the relevant board resolutions.

LISTING RULES IMPLICATIONS

Each of SCMPD, CMSIZ and Shenzhen Nanyou is a subsidiary of CMG. Accordingly, each of SCMPD, CMSIZ and Shenzhen Nanyou is a connected person of the Company and the New Lease Agreements and the South China Lease Agreement constitute continuing connected transactions of the Company. Apart from the transactions contemplated under the New Lease Agreements and the South China Lease Agreement, the Group has also been leasing certain properties from members of the CMG Group through the SCT1 Lease Agreement, the 2010-2011 Euroasia Cooperation Agreement, the CMML-CMSIZ Lease Agreement and six 2010-2011 CMSIZ Lease Agreements (as disclosed above). Under the Listing Rules, these transactions will be aggregated and treated as if they were one transaction as they are of similar nature with parties connected or otherwise associated with one another. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of these transactions as aggregated are below 5%, these transactions are therefore exempt from the independent shareholders' approval requirement.

Details of the SCT1 Lease Agreement were disclosed in the announcements of the Company dated 7 May 2007 and 12 November 2009. The SCT1 Lease Agreement is for a term of 30 years with rental charges incurring from 1 April 1991, subject to an increase of 30% for every three years. The annual cap in respect of the rental charges payable by Shekou Container Terminals Limited, an indirect 80%-owned subsidiary of the Company, to China Merchants Shekou Industrial Zone Property Company Limited, a company incorporated in the PRC and an indirect wholly-owned subsidiary of CMG, is HK\$5.0 million for each of the two years ending 31 December 2010 and 2011 and HK\$6.1 million for the year ending 31 December 2012.

Details of the 2010-2011 Euroasia Cooperation Agreement were disclosed in the announcement of the Company dated 12 November 2009. The 2010-2011 Euroasia Cooperation Agreement is for a term of two years commencing on 1 January 2010 and ending on 31 December 2011. The annual cap in respect of the rental payable by

China Merchants Container Services Limited, an indirect wholly-owned subsidiary of the Company, to Euroasia Dockyard Enterprise and Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of CMG, under the 2010-2011 Euroasia Cooperation Agreement is HK\$13.1 million for each of the two years ending 31 December 2010 and 2011.

Details of the CMML-CMSIZ Lease Agreement were disclosed in the announcement of the Company dated 12 November 2009. The CMML-CMSIZ Lease Agreement is for a term of two years commencing on 1 January 2010 and ending on 31 December 2011. The annual cap in respect of the rental payable by CMML to CMSIZ under the CMML-CMSIZ Lease Agreement is RMB5.9 million (equivalent to approximately HK\$6.9 million) for each of the two years ending 31 December 2010 and 2011.

Save as disclosed above, the Group had no other prior transactions with SCMPD, CMSIZ, Shenzhen Nanyou and their ultimate beneficial owners and associates which required aggregation with the transactions contemplated under the New Lease Agreements and the South China Lease Agreement under Rule 14A.25 of the Listing Rules.

DEFINITIONS

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

“2010-2011 CMSIZ Lease Agreements”	collectively, six (6) separate lease agreements entered into between SCMPS (as lessee) and CMSIZ (as lessor) on 12 November 2009 in relation to the leasing of 20 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ, and a “2010-2011 CMSIZ Lease Agreement” shall mean each or any one of them, details of which were disclosed in the announcement of the Company dated 12 November 2009
“2010-2011 Euroasia Cooperation Agreement”	a cooperation agreement entered into between China Merchants Container Services Limited (as lessee) and Euroasia Dockyard Enterprise and Development Limited (as lessor) dated 12 November 2009 in relation to the leasing of a piece of land in Tsing Yi , details of which were disclosed in the announcement of the Company dated 12 November 2009
“Board”	the board of Directors of the Company

“CMCIL”	招商局國際(中國)投資有限公司 (CMH International (China) Investment Co., Ltd.), a foreign investment enterprises under the laws of the PRC, which is a direct wholly-owned subsidiary of the Company
“CMG”	China Merchants Group Limited, a company incorporated in the PRC and the ultimate holding company of the Company
“CMG Group”	CMG and its subsidiaries, excluding the Group
“CMI Cold Chain”	China Merchants International Cold Chain (Shenzhen) Company Limited (招商局國際冷鏈(深圳)有限公司) (formerly known as South China Cold Storage & Ice Company Limited (華南冷藏制冰(深圳)有限公司)), a limited liability company established under the laws of the PRC and an indirect 70%-owned subsidiary of the Company
“CMML”	深圳招商局海運物流有限公司 (China Merchants Maritime & Logistics (Shenzhen) Ltd.), a limited liability company incorporated under the laws of the PRC, which is an indirect subsidiary of the Company
“CMML-CMSIZ Lease Agreement”	a lease agreement entered into between CMML (as lessee) and CMSIZ (as lessor) on 30 April 2008 in relation to the leasing of a parcel of land in the centralised inspection area located at Shenzhen Qianhaiwan Logistics Park by CMML from CMSIZ, details of which were disclosed in the announcement of the Company dated 30 April 2008
“CMML-Nanyou Lease Agreement”	a lease agreement dated 30 April 2008 in relation to the leasing of a parcel of land located at Shenzhen Qianhaiwan Logistics Park by CMML from Shenzhen Nanyou, details of which were disclosed in the announcement of the Company dated 30 April 2008
“CMSIZ”	招商局蛇口工業區有限公司 (China Merchants Shekou Industrial Zone Company Limited), a company incorporated in the PRC and an indirect wholly-owned subsidiary of CMG

“CMSIZ Lease Agreements”	collectively, nine (9) separate lease agreements entered into between SCMPS (as lessee) and CMSIZ (as lessor) on 24 July 2008 in relation to the leasing of 23 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ, and a “CMSIZ Lease Agreement” shall mean each or any one of them, details of which were disclosed in the announcement of the Company dated 24 July 2008
“Company”	China Merchants Holdings (International) Company Limited, a company incorporated in Hong Kong and whose shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New CMML-Nanyou Lease Agreement”	a new lease agreement entered into between CMML as lessee and Shenzhen Nanyou as lessor on 14 December 2010 in relation to the leasing of a parcel of land located at Shenzhen Qianhaiwan Logistics Park
“New CMSIZ Lease Agreements”	collectively, three (3) new separate lease agreements entered into between SCMPS as lessee and CMSIZ as lessor on 14 December 2010 in relation to the leasing of three parcels of land in Shekou Industrial Park, and a “New CMSIZ Lease Agreement” shall mean each or any one of them
“New Lease Agreements”	collectively, the SCMPD Renewal Agreement, the New CMSIZ Lease Agreements, the New CMML-Nanyou Lease Agreement, the New SCMPS-CMSIZ Lease Agreement and the New SCMPS Lease Agreement, and a “New Lease Agreement” shall mean each or any one of them

“New SCMPS Lease Agreement”	a new lease agreement entered into between SCMPS as lessee and CMSIZ as lessor on 14 December 2010 in relation to the leasing of a parcel of land in Shekou Industrial Park with a total area of 15,392.11 square meters by CMSIZ to SCMPS
“New SCMPS-CMSIZ Lease Agreement”	a new lease agreement entered into between SCMPS as lessee and CMSIZ as lessor on 14 December 2010 in relation to the leasing of a parcel of land in Shekou Industrial Park with a total area of 10,298.94 square meters by CMSIZ to SCMPS
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SCMPD”	China Merchants Property Development Company Limited (深圳招商房地產有限公司), a subsidiary of CMG
“SCMPD Renewal Lease Agreement”	a renewal agreement entered into between CMCIL (as lessee) and SCMPD (as lessor) on 14 December 2010
“SCMPD Lease Agreement”	the lease agreement entered into between CMCIL (as lessee) and SCMPD (as lessor) on 3 November 2008, details of which were disclosed in the announcement of the Company dated 19 March 2009
“SCMPS”	招商港務(深圳)有限公司 (China Merchants Port Services (Shenzhen) Company Limited), a limited liability company incorporated under the laws of the PRC, which is an indirect wholly-owned subsidiary of the Company
“SCMPS-CMSIZ Lease Agreement”	the lease agreement entered into between SCMPS as lessee and CMSIZ as lessor dated 18 August 2008, details of which were disclosed in the announcement of the Company dated 18 August 2008
“SCMPS Lease Agreement”	the lease agreement entered into between SCMPS as lessee and CMSIZ as lessor dated 12 November 2009, details of which were disclosed in the announcement of the Company dated 12 November 2009

“SCT1 Lease Agreement”	has the same meaning as defined in the announcement of the Company dated 7 May 2007, which was a lease agreement entered into between Shekou Container Terminals Limited (蛇口集裝箱碼頭有限公司) as lessee and CMSIZ as lessor on 20 May 1989
“Shareholders”	the shareholders of the Company
“Shenzhen Nanyou”	Shenzhen Nanyou (Group) Company Limited (深圳市南油(集團)有限公司), a company incorporated in the PRC and a 76%-owned subsidiary of CMG
“South China Lease Agreement”	has the same meaning as defined in the announcement of the Company dated 30 April 2008, which is a lease agreement dated 23 February 1990 in relation to the leasing of a parcel of land located at Shekou Industrial Zone by CMI Cold Chain from CMSIZ
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For reference only, an exchange rate of HK\$1.00 to RMB0.856468 has been used for the conversion of Renminbi into Hong Kong dollars for the purpose of this announcement.

By order of the board of directors of
China Merchants Holdings (International)
Company Limited
FU YUNING
Chairman

Hong Kong, 14 December 2010

As at the date of this announcement, the Board comprises Dr. Fu Yuning, Mr. Li Jianhong, Mr. Li Yinquan, Mr. Hu Zheng, Mr. Meng Xi, Mr. Su Xingang, Mr. Yu Liming, Mr. Hu Jianhua, Mr. Wang Hong and Mr. Liu Yunshu 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.