招商局國際有限公司
CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*
**(Stock Code: 144)**

# VOLUNTARY ANNOUNCEMENT

# ACQUISITION OF 23.5% INTERESTS IN JOINT VENTURE IN DJIBOUTI

The board (the "**Board**") of directors (the "**Directors**") of China Merchants Holdings (International) Company Limited (the "**Company**") is pleased to announce that, on 29 December 2012, China Merchants Holdings (Djibouti) FZE (an indirect wholly-owned subsidiary of the Company) ("**CM Djibouti**") entered into a share purchase agreement (the "**Share Purchase Agreement**") with, among others, Djibouti Ports & Free Zones Authority ("**DPFZA**"), to acquire 23.5% of the issued share capital in Port de Djibouti S.A ("**PDSA**") (currently existing as the legal entity of Port Autonome International De Djibouti ("**PAID**")) at a cash consideration of US$185,000,000 (United States Dollars One Hundred and Eighty Five Million) (the "**Acquisition**").

PAID is currently a public entity existing under the laws of the Republic of Djibouti ("**Djibouti**") under the management of DPFZA as at the date of the Share Purchase Agreement. As one of the conditions precedent to the Share Purchase Agreement, PAID will be transformed from a public entity into a private company limited by shares and will be renamed as PDSA. The key assets and operations of PDSA at completion of the Share Purchase Agreement (the "**Completion**") will be: (i) the multi-purpose terminal located at the Port of Djibouti; (ii) 66.66% of the issued share capital in Doraleh Container Terminal S.A. (which operates a container terminal at the Port of Djibouti); and (iii) 23.10% of the issued share capital in Djibouti Dry Port FZCO (which is engaged in the development and management of properties in Djibouti Free Zone).

CM Djibouti and DPFZA will enter into a shareholders' agreement (the "**Shareholders' Agreement**") at Completion. The parties envisages, through PDSA, to establish a strategic partnership to plan, develop, construct and operate seaports and terminals and port related business in the city of Djibouti in Djibouti. The performance and obligations of DPFZA under both Share Purchase Agreement and Shareholders' Agreement are guaranteed by the government of Djibouti.

The Company (together with its subsidiaries, the "**Group**") has, in recent years, been actively exploring and, as and when deemed appropriate, capturing available opportunities overseas as one of the means to effectively add new growth drivers to its existing and sustainably growing ports business. The Port of Djibouti, which lies strategically at the mouth of Red Sea thus making it an ideal transshipment hub for maritime cargoes passing in and out of East Africa, offers long-term growth potential as the economic momentum in the proximity intensifies over time. The Board believes that the Acquisition does not only provide the Group with an attractive opportunity to anchor its presence in East Africa but also, together with the Group's earlier investments in Lome, Togo and Lagos, Nigeria in West Africa, enhances the Group's positioning in the increasingly affluent African market. In the meantime, the Acquisition will provide synergy to the Group's container terminal in Columbo (under construction) in Sri Lanka. The Acquisition, in the view of the Board, is consistent with the Group's strategy to gradually roll out its international footprint.

DPFZA is the authority in charge of the administration and the control of all the free zones in Djibouti. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, DPFZA and the government of Djibouti are third parties independent of the Company and its connected person.

The terms of the Acquisition are on normal commercial terms and the Directors consider the terms of the Acquisition are fair and reasonable and are in the interests of the Company and its shareholders as a whole. As each of the applicable percentage ratios is less than 5% as calculated in accordance with Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Acquisition does not constitute a notifiable transaction for the Company. This announcement is made by the Company on a voluntary basis.

On behalf of the Board
**China Merchants Holdings (International) Company Limited**
**Fu Yuning**
*Chairman*

Hong Kong, 30 December 2012

*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. Zheng Shaoping as executive directors; and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John, Mr. Li Ka Fai David and Mr. Bong Shu Ying Francis as independent non-executive directors.*