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

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
49% EQUITY INTEREST IN TERMINAL LINK SAS**

On 25 January 2013, the Investor Subsidiary, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Company, CMA CGM, CMATH and Terminal Link whereby, among other things, the Investor Subsidiary has agreed to purchase and CMATH has agreed to sell shares representing 49% of the issued shares in Terminal Link at an aggregate consideration of EUR 400,000,000, subject to the terms and conditions of the Share Purchase Agreement.

As one or more of the applicable percentage ratios to the Acquisition under Chapter 14 of the Listing Rules are more than 5% but all the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 25 January 2013, the Investor Subsidiary, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Company, CMA CGM, CMATH and Terminal Link whereby, among other things, the Investor Subsidiary has agreed to purchase and CMATH has agreed to sell shares representing 49% of the issued shares in Terminal Link at an aggregate consideration of EUR 400,000,000, subject to the terms and conditions of the Share Purchase Agreement.

Terminal Link is currently wholly-owned by CMA CGM. Prior to Closing Date, CMA CGM and Terminal Link will undergo a series of pre-closing reorganizations in accordance with the Share Purchase Agreement. Upon completion of certain pre-closing reorganizations, Terminal Link will own various levels of equity interests

in the Terminals located in France, Morocco, Malta, the United States (subject to the US Reorganization), Ivory Coast, Belgium, the PRC and South Korea, which are currently held by Terminal Link, CMA CGM or their respective affiliates (as the case may be), subject to the US Reorganization that may be implemented in the event the CFIUS Approval has not been obtained but all other conditions to Closing have been satisfied prior to the Closing Date, in which case the container terminals in Houston and Miami of the United States shall not form part of the Terminals.

SHARE PURCHASE AGREEMENT

(i) Date

25 January 2013.

(ii) Parties

- (a) the Company;
- (b) the Investor Subsidiary;
- (c) Terminal Link;
- (d) CMA CGM; and
- (e) CMATH.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CMA CGM, CMATH, Terminal Link and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

(iii) Assets to be acquired

Shares in Terminal Link representing 49% of the share capital and voting rights in Terminal Link.

(iv) Conditions precedent to Closing

Closing is conditional upon, among other things (unless satisfaction of any such condition is expressly waived in writing), (a) the obtaining of governmental authorizations in various jurisdictions in respect of the Share Purchase Agreement and the transactions contemplated thereunder, including antitrust approvals; and (b) certain pre-closing reorganizations being completed such that Terminal Link will own respective interests in the Terminals.

None of the conditions to Closing has been satisfied as at the date of this announcement.

If a party fails to comply with its obligations under the Share Purchase Agreement on the Closing Date, any other party shall not be obliged to complete their obligations and may by written notice: (a) defer Closing by a period of not more than 28 days to such other date as it may specify in such notice; (b) waive all or any of the requirements and proceed to Closing so far as practicable; or (c) terminate the Share Purchase Agreement.

The parties expect that Closing will take place in the first half of 2013. Either party has the right to terminate the Share Purchase Agreement, if, among other things, Closing does not occur by 31 July 2013.

(v) Consideration for the acquisition of the shares in Terminal Link

Below summarises the effective purchase price to be paid by the Investor Subsidiary at Closing:

	If US Reorganization is not implemented (EUR)	If US Reorganization is implemented (EUR)
If the Tangiers Reorganization is completed by the Tangiers Reorganization Cut-Off Date	400,000,000	380,000,000
If the Tangiers Reorganization is not completed by the Tangiers Reorganization Cut-Off Date	368,000,000	348,000,000

The above consideration (as the case may be) shall be paid in cash and financed by the Company's internal resources and borrowings, if applicable. The consideration mentioned above was agreed between the Investor, CMATH and Terminal Link after arm's length negotiations. In considering the above consideration, the Company has taken into account various factors, including but not limited to the Terminals' business performance and locations, and the outlook of the port industry and the macro economy in the relevant regions.

(vi) Additional investment and Second Closing

If the Tangiers Reorganization is completed after the Tangiers Reorganization Cut-Off Date but prior to the Tangiers Reorganization Long-Stop Date, upon the

terms and subject to the conditions set forth in the Share Purchase Agreement, there will be a Second Closing at which CMATH and the Investor Subsidiary will make additional investment in Terminal Link by way of subscription of shares in Terminal Link, such that after such additional investment, the Investor Subsidiary's shareholding in Terminal Link shall be 49% and that of CMATH shall be 51%.

(vii) Conditions precedent to Second Closing

Second Closing is conditional upon, among other things (unless satisfaction of any such condition is expressly waived in writing), (a) the obtaining of certain governmental authorizations in Morocco in respect of the Share Purchase Agreement and the transactions contemplated thereunder; and (b) the Tangiers Reorganization being completed after the Tangiers Reorganization Cut-Off Date but prior to the Tangiers Reorganization Long-Stop Date.

None of the conditions to Second Closing has been satisfied as at the date of this announcement.

(viii) Aggregate consideration to be paid by Investor Subsidiary at Second Closing

The aggregate consideration to be paid by the Investor Subsidiary at Second Closing shall be EUR 32,000,000. Such consideration is in addition to the consideration of EUR 368,000,000 or EUR 348,000,000 (as the case may be) as described in the table set out in section (v) above.

(ix) Substitution and release of guarantees

CMA CGM and/or certain of its affiliates (other than Terminal Link and the TL Group Companies) have given or provided certain guarantees, comfort letters and other undertakings for Terminal Link prior to signing of the Share Purchase Agreement.

The Company will be irrevocably and unconditionally substituted as of the Closing Date for CMA CGM and/or its affiliate in respect of an amount equal to 49% of the obligations of CMA CGM and/or its affiliates under each of those guarantees, comfort letters and undertakings on a several and not a joint and several basis.

(x) Dividend indemnity

CMATH shall indemnify the Investor Subsidiary for each of the seven years ending on 31 December 2019 in the event that the dividends it receives from Terminal Link do not achieve an agreed percentage of the Investor Subsidiary's investment in Terminal Link.

ANCILLARY AGREEMENTS

At Closing, the parties to the Share Purchase Agreement shall enter into and/or shall cause their respective affiliates to enter into certain ancillary agreements. Summarised below are the key terms of such ancillary agreements to which the Company and/or the Investor Subsidiary is a party.

1. Shareholders Agreement

The parties to the Share Purchase Agreement will enter into the Shareholders Agreement at Closing. The Shareholders Agreement will terminate upon the first to occur of (a) the date which is 50 years after the Closing Date, (b) a sale of 100% of the shares or other security issued or to be issued by Terminal Link giving access to the share capital of Terminal Link, and (c) an initial public offering of Terminal Link.

(i) The Business

The shareholders of Terminal Link agreed to procure that Terminal Link shall carry on the Business.

(ii) Corporate governance

Terminal Link shall be managed by its president which shall be vested with all powers granted by applicable law, provided that prior written approval must be obtained from the board of directors of Terminal Link and the shareholders of Terminal Link, as the case may be, for certain reserved matters.

The board of directors of Terminal Link shall consist of seven directors. The Investor Subsidiary is entitled to appoint three directors and CMATH is entitled to appoint four directors, subject to any subsequent changes in shareholding of the Investor Subsidiary and CMATH in Terminal Link.

(iii) Lock-up

The shareholders of Terminal Link are subject to the Lock-up Period.

Prior to the expiration of the Lock-up Period, no shareholder of Terminal Link may transfer or grant, create or suffer to exist any encumbrance on the securities it holds, subject to certain exceptions under the Shareholders Agreement in relation to deadlock, permitted transfers or as expressly authorized by all the shareholders of Terminal Link.

After the expiration of the Lock-up Period, no shareholder of Terminal Link may transfer or grant, create or suffer to exist any encumbrance on the securities it holds, subject to certain exceptions under the Shareholders Agreement in relation to deadlock, permitted transfers, initial public offering or as expressly authorized by all the shareholders of Terminal Link.

2. Relationship Agreement between the Company and CMA CGM

Simultaneously with the signing of the Share Purchase Agreement, the Company and CMA CGM have entered into a relationship agreement whereby, with effect from Closing, among other things, CMA CGM's liner services will call at certain terminals owned by the Group, subject to the terms and conditions in the relationship agreement, including those terminals meeting relevant requirements and conditions.

The term of the relationship agreement shall be valid for 12 years from the Closing Date, and shall be subject to renewal upon parties' mutual agreement in writing.

PRO FORMA ILLUSTRATIVE FINANCIAL INFORMATION RELATING TO THE TERMINALS

Upon completion of the pre-closing reorganizations in accordance with the Share Purchase Agreement, Terminal Link will own various levels of equity interests in the Terminals.

A summary of the illustrative pro forma combined financial statements of the Terminals for the two financial years ended 31 December 2011 and nine months ended 30 September 2012, prepared on a proportional combination approach, jointly with CMA CGM, is as follows:

	For the year ended 31 December 2010	For the year ended 31 December 2011	For the nine months ended 30 September 2012
	<i>EUR'000</i>	<i>EUR'000</i>	<i>EUR'000</i>
Net profit before taxation and extraordinary items	3,888	29,202	8,000
Net profit after taxation and extraordinary items	8,295	23,664	7,684

For the avoidance of doubt, the above illustrative figures have been computed based on (i) the economic interests of all terminals to be owned by Terminal Link upon completion of pre-closing reorganizations, (ii) the financial statements of relevant entities prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the IFRIC Interpretations, or, when unavailable, on best proxies. Head office contribution and accounting adjustments for consolidation have not been factored in.

On the above-mentioned proportional combination approach, the pro forma net assets value of Terminal Link, as at 30 September 2012, was approximately EUR 207 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT

The core business of the Group includes investment in and/or operation of port and port-related business. 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 Directors are of the view that the Acquisition, which enables the Group to invest in the Terminals through Terminal Link, is consistent with the Group's strategy and marks a significant step of the Group towards expanding its international footprint. Terminal Link owns a portfolio of geographically-diversified container ports located in France, Morocco, Malta, the United States, Ivory Coast, Belgium, the PRC and South Korea, each of which with their respective strong growth potential. In addition, the Directors are of the view that Terminal Link's strategic relationship with CMA CGM will support Terminal Link's long term growth and development going forward. The Group believes that Terminal Link's exposure to terminals in emerging markets and its potential pipeline of new projects present another driver for its volume growth and financial returns in the future.

On the other hand, the Group expects that its existing network of terminal operations in China and globally (and the cargo flow business thereby captured) will potentially complement and supplement the services offered by Terminal Link, thereby creating synergised benefits mutual to not only both parties but also the respective shipping customers of the Group and of Terminal Link.

The Directors are of the view that the terms and conditions of the Share Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios to the Acquisition under Chapter 14 of the Listing Rules are more than 5% but all the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INFORMATION RELATING TO THE GROUP, THE INVESTOR SUBSIDIARY, TERMINAL LINK, CMA CGM AND CMATH

(i) The Group

The core business of the Group includes investment in and/or operation of port and port-related business. The Company is the largest public port operator in China and acquired a leading position in the global port industry. 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 and cold chain operations, property development and investment.

(ii) The Investor Subsidiary

The Investor Subsidiary is an indirect wholly-owned subsidiary of the Company established for the purpose of the Acquisition. Its principal business activity is investment holding.

(iii) Terminal Link

Terminal Link's principal business activity is the provision of marine terminal services. Upon completion of the pre-closing reorganizations, Terminal Link will own various levels of equity interests in the Terminals.

(iv) CMA CGM

CMA CGM's principal business activity is container shipping. CMA CGM also invests in shipping terminals of some of the world's major ports. CMA CGM is the world's third largest container shipping group and number one in France.

(v) CMATH

CMATH is a wholly-owned subsidiary of CMA CGM. Its principal business activity is investment holding.

GENERAL

If any of the conditions is not fulfilled or waived pursuant to the Share Purchase Agreement, the transactions contemplated under the Share Purchase Agreement may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any other securities of the Company.

DEFINITIONS

“Acquisition”	the acquisition of 49% of the share capital and voting rights of Terminal Link by the Investor Subsidiary from CMATH pursuant to the Share Purchase Agreement.
“Board”	the board of Directors.
“Business”	the business carried on by the TL Group Companies at the Terminals or such other business or businesses in such territory or territories as may from time to time be agreed in writing (in the form of minutes of the relevant meeting of the board of directors of Terminal Link) by the board of directors of Terminal Link or the shareholders of Terminal Link, as the case may be, or may otherwise be permitted under the Shareholders Agreement.
“CFIUS”	The Committee on Foreign Investment in the United States of the United States.

“CFIUS Approval”	the termination of any review or investigation of the transactions contemplated by the Share Purchase Agreement under the Exon-Florio Amendment (Section 721 of the Defense Production Act of 1950, as amended, 50 U.S.C. App. Section 2170) of the United States and CFIUS shall have provided written confirmation that there are no unresolved national security concerns with respect to such transactions or the President of the United States shall have not taken any action authorized by the Exon-Florio Amendment with respect to such transactions, including any action to suspend or prohibit any of such transactions.
“Closing”	the consummation of the sale and purchase of the shares in Terminal Link representing 49% of the share capital and voting rights in Terminal Link, pursuant to the terms and conditions of the Share Purchase Agreement.
“Closing Date”	the date on which Closing shall take place.
“CMA CGM”	CMA CGM SA, a company (<i>société anonyme</i>) organized under the laws of France.
“CMATH”	CMA Terminals Holding SAS, a company (<i>société par actions simplifiée</i>) organized under the laws of France.
“Company”	China Merchants Holdings (International) Company Limited, a company incorporated in Hong Kong with limited liability and whose ordinary Shares are listed on the Main Board of the Stock Exchange.
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules.
“Directors”	the directors of the Company.
“EUR” or “Euro”	Euro, the lawful currency of the relevant countries in the eurozone.
“Group”	the Company and its subsidiaries.

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong.
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China.
“Investor Subsidiary”	China Merchants (Luxembourg) S.à r.l., an indirect wholly-owned subsidiary of the Company organized under the laws of Luxembourg with limited liability.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Lock-up Period”	means the period commencing on the Closing Date and ending on the date which is 5 years after the Closing Date.
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan.
“Second Closing”	the consummation of the additional investment to be made by CMATH and the Investor Subsidiary in Terminal Link, respectively, subject to the terms and conditions of the Share Purchase Agreement, such that after such additional investment, the Investor Subsidiary’s shareholding in Terminal Link shall be 49% and that of CMATH shall be 51%.
“Share Purchase Agreement”	the share purchase agreement in relation to 49% of the share capital and voting rights of Terminal Link entered into by and between the Company, the Investor Subsidiary, CMA CGM, CMATH and Terminal Link after trading hours on 25 January 2013.
“Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of HK\$0.10 each.
“Shareholder(s)”	the holder(s) of the Share(s).
“Shareholders Agreement”	the shareholders agreement in respect of Terminal Link to be entered into between the parties to the Share Purchase Agreement on the Closing Date.

“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Tangiers Reorganization”	the transfer by CMA CGM to Terminal Link of CMA CGM’s direct and indirect interests in container terminal located in Tangiers (Morocco) prior to Closing Date in accordance with the terms of the Share Purchase Agreement.
“Tangiers Reorganization Cut-Off Date”	the later of 31 March 2013 and the date on which the last of the relevant required antitrust clearances are obtained.
“Tangiers Reorganization Long-Stop Date”	the latest date on which the Tangiers Reorganization may occur, which is four months after the Closing Date.
“Terminal Link”	Terminal Link SAS, a company (<i>société par actions simplifiée</i>) organized under the laws of France.
“Terminals”	the container terminals that are currently owned or will be owned (as the case may be) by Terminal Link as to various levels of shareholding on Closing Date, i.e. Terminal des Flandres at Dunkirk (France), Eurofos at Fos (France), Terminal de France and Terminal Nord at Le Havre (France), Terminal du Grand Ouest at Montoir (France), Somaport at Casablanca (Morocco), Eurogate Tanger at Tangiers (Morocco), Malta Freeport Terminal at Marsaxlokk (Malta), Houston Terminal Link Texas at Houston (the United States), South Florida Container Terminal at Miami (the United States), Terra Abidjan at Abidjan (Ivory Coast), Antwerp Gateway at Antwerp (Belgium), Container Handling Zeebrugge at Zeebrugge (Belgium), Haicang Xinhaida Container Terminal at Xiamen (the PRC) and Busan New Container Terminal at Busan (South Korea), subject to the US Reorganization that may be implemented in the event that the CFIUS Approval has not been obtained but all other conditions to Closing have been satisfied prior to the Closing Date, in which case the container terminals in Houston (the United States) and Miami (the United States) shall not form part of the Terminals.

“TL Group Companies”	Terminal Link and its subsidiaries.
“United States” or “US”	The United States of America.
“US Reorganization”	the transfer of all direct and indirect interests of Terminal Link in certain US subsidiaries by CMA CGM or caused to be transferred by CMA CGM to CMA CGM or any of CMA CGM’s affiliate(s) on or before the Closing Date in accordance with the terms of the Share Purchase Agreement.

By order of the Board of
China Merchants Holdings (International) Company Limited
Fu Yuning
Chairman

Hong Kong, 25 January 2013

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.