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

(Stock Code: 144)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
LEASE AGREEMENTS

OCEAN CENTRE LEASE AGREEMENTS

Reference is made to the announcement of the Company dated 28 September 2012 in relation to the acquisition by SZW (an indirect wholly-owned subsidiary of the Company) of the entire property interest in the Immigration Building and the related car parking spaces of Ocean Centre from CMV. SZW received the real estate certificate evidencing its ownership of the Sale Property Interest issued by the relevant land and resources bureau of the PRC on 7 February 2013 and completion of the acquisition of the Sale Property Interest took place on the same day.

In connection with the acquisition of the Sale Property Interest, SZW also assumed the rights and obligations of the Ocean Centre Lease Agreements previously entered into between CMV and Shenzhen Nanyou pursuant to which, CMV leased the Properties to Shenzhen Nanyou for a term of one year commencing on 1 September 2012 and ending on 31 August 2013. The monthly rental receivable under the Ocean Centre Lease Agreements is RMB71.86 (equivalent to approximately HK\$89.83) per square meter. The aggregate amount of the total rental receivable under the Ocean Centre Lease Agreements during the entire lease period is RMB2,012,568 (equivalent to approximately HK\$2,515,710), which is also the annual cap of the rental receivable under the Ocean Centre Lease Agreements for the year ending 31 December 2013.

LISTING RULES IMPLICATIONS

Shenzhen Nanyou is an indirect subsidiary of CMG, the ultimate holding company of the Company. Accordingly, Shenzhen Nanyou is a connected person of the Company and the transactions contemplated under the Ocean Centre Lease Agreements become continuing connected transactions of the Company following completion of the acquisition of the Sale Property Interest by SZW. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Ocean Centre Lease Agreements are less than 0.1%, the transactions contemplated under the Ocean Centre Lease Agreements constitute de minimis continuing connected transactions pursuant to Rule 14A.33(3) of the Listing Rules and are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Apart from the transactions contemplated under the Ocean Centre Lease Agreements, the Group has also been leasing certain properties to members of the CMG Group pursuant to the Universal Sheen Lease Agreements. Under the Listing Rules, the Ocean Centre Lease Agreements will be aggregated with these transactions 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 the transactions contemplated under the Ocean Centre Lease Agreements and the Universal Sheen Lease Agreements as aggregated are below 5%, these transactions are therefore exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

1 BACKGROUND

Reference is made to the announcement of the Company dated 28 September 2012 in relation to the acquisition by SZW (an indirect wholly-owned subsidiary of the Company) of the entire property interest in the Immigration Building and the related car parking spaces of Ocean Centre from CMV. SZW received the real estate certificate evidencing its ownership of the Sale Property Interest issued by the relevant land and resources bureau of the PRC on 7 February 2013 and completion of the acquisition of the Sale Property Interest took place on the same day.

2 OCEAN CENTRE LEASE AGREEMENTS

In connection with the acquisition of the Sale Property Interest, SZW also assumed the rights and obligations of the Ocean Centre Lease Agreements previously entered into between CMV and Shenzhen Nanyou pursuant to which, CMV leased the Properties to Shenzhen Nanyou for a term of one year commencing on 1 September 2012 and ending on 31 August 2013. The monthly rental receivable under the Ocean Centre Lease Agreements is RMB71.86 (equivalent to approximately HK\$89.83) per square meter. The aggregate amount of the total rental receivable under the Ocean Centre Lease Agreements during the entire lease period is RMB2,012,568 (equivalent to approximately HK\$2,515,710), which is also the annual cap of the rental receivable under the Ocean Centre Lease Agreements for the year ending 31 December 2013.

The monthly rental is payable in advance on the fifth calendar day before the end of each month in cash. Deposits totalling RMB335,428 (equivalent to approximately HK\$419,285), equivalent to two months' rental of the Properties, were paid by Shenzhen Nanyou to CMV upon the signing of the Ocean Centre Lease Agreements.

The rental was negotiated and agreed by the parties on an arm's length basis with reference to the market conditions and the recent rental transactions in nearby areas.

3 INFORMATION ON THE PARTIES

CMV is a company incorporated in the PRC and a wholly-owned subsidiary of CMSIZ. Its principal activities are property development, sales and leasing, property management and renovations and the leasing of furniture and home appliances.

Shenzhen Nanyou is a company incorporated in the PRC and an indirect subsidiary of CMG. Its principal activities are the development and operation in Shekou Industrial Zone and property development and investment in Shekou, Shenzhen, the PRC.

SZW is a company incorporated in the PRC and an indirect wholly-owned subsidiary of CMG. Its principal activities are the provision of information relating to cargo logistics, and related technical services and warehousing services, and the provision of support services to the business activities of the Company in Shenzhen.

4 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, providing cargo management services and expanding in container related logistics services.

In connection with the acquisition of the Sale Property Interest, SZW assumed the rights and obligations of the Ocean Centre Lease Agreements previously entered into between CMV and Shenzhen Nanyou. The Directors are of the view that the transactions contemplated under the Ocean Centre Lease Agreements will generate steady, recurrent and satisfactory rental income for the Company.

The Directors, including the independent non-executive Directors, are of the view that the Ocean Centre Lease Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Taking into account the market rental of similar land parcels or properties in nearby area in respect of the Ocean Centre Lease Agreements, the Directors, including the independent non-executive Directors, are of the view that the terms of the Ocean Centre Lease Agreements are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors have a material interest in the Ocean Centre Lease Agreements, nor are they required to abstain from voting in the relevant board resolutions.

5 LISTING RULES IMPLICATIONS

Shenzhen Nanyou is an indirect subsidiary of CMG, the ultimate holding company of the Company. Accordingly, Shenzhen Nanyou is a connected person of the Company and the transactions contemplated under the Ocean Centre Lease Agreements become continuing connected transactions of the Company following completion of the Sale Property Interest by SZW. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Ocean Centre Lease Agreements are less than 0.1%, the transactions contemplated under the Ocean Centre Lease Agreements constitute de minimis continuing connected transactions pursuant to Rule 14A.33(3) of the Listing Rules and are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Ocean Centre Lease Agreements and the Universal Sheen Lease Agreements as aggregated are below 5%, these transactions are therefore exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save as disclosed above, the Group does not have any other prior transactions or relationship with Shenzhen Nanyou and its ultimate beneficial owners and associates which required aggregation with the transactions contemplated under the Ocean Centre Lease Agreements pursuant to Rule 14A.25 of the Listing Rules.

6 DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors 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
“CMSIZ”	China Merchants Shekou Industrial Zone Company Limited (招商局蛇口工業區有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of CMG
“CMV”	Shenzhen China Merchants Venture Co., Ltd (深圳市招商創業有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of CMSIZ

“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 of Hong Kong Limited
“connected person”	has the meaning ascribed to this term under the Listing Rules
“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
“Ocean Centre”	China Merchants Ocean Centre (招商海運中心), located on Linhai Avenue of the Nanshan District in the PRC, and is comprised of the Immigration Building (口岸樓) and the Main Building (主塔樓)
“Ocean Centre Lease Agreements”	the lease agreement and the supplemental lease agreement entered into between Shenzhen Nanyou as lessee and CMV as lessor dated 31 July 2012 in relation to the leasing of the Properties
“PRC”	the People’s Republic of China
“Properties”	the properties located in Rooms 701A, 701B and 702 of Immigration Building, Ocean Centre, Linhai Avenue, Nanshan District, Shenzhen, the PRC, with a total area of 2,333.89 square meters
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Property Interest”	46.7% property interest in Ocean Centre, which corresponds to the entire property interest in the Immigration Building and related parking spaces of Ocean Centre

“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 an indirect subsidiary of CMG
“SZW”	Shenzhen Malai Storage Company Limited (碼來倉儲(深圳)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Universal Sheen”	Universal Sheen Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Universal Sheen Lease Agreement 1”	the lease agreement entered into between China Merchants Holdings (Hong Kong) Company Limited as lessee and Universal Sheen as lessor dated 24 February 2011 in relation to the leasing of the whole of 39th Floor and 40th Floor of China Merchants Tower, Shun Tak Centre, Nos.168-200 Connaught Road, Central, Hong Kong, details of which were disclosed in the announcement of the Company dated 24 February 2011
“Universal Sheen Lease Agreement 2”	the lease agreement entered into between Hong Kong Ming Wah Shipping Company Limited as lessee and Universal Sheen as lessor dated 24 February 2011 in relation to the leasing of the whole of 37th Floor of China Merchants Tower, Shun Tak Centre, Nos.168-200 Connaught Road, Central, Hong Kong, details of which were disclosed in the announcement of the Company dated 24 February 2011
“Universal Sheen Lease Agreement 3”	the lease agreement entered into between China Merchants Holdings (Hong Kong) Company Limited as lessee and Universal Sheen as lessor dated 24 February 2011 in relation to the leasing of the west portion on 38th Floor of China Merchants Tower, Shun Tak Centre, Nos.168-200 Connaught Road, Central, Hong Kong, details of which were disclosed in the announcement of the Company dated 24 February 2011

**“Universal Sheen
Lease Agreements”**

collectively, Universal Sheen Lease Agreement 1, Universal Sheen Lease Agreement 2 and Universal Sheen Lease Agreement 3, details of which were disclosed in the announcement of the Company dated 24 February 2011

“%”

per cent.

For reference only, an exchange rate of HK\$1.00 to RMB0.80 has been used for the conversion of Renminbi into Hong Kong dollars in this announcement.

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

Hong Kong, 7 February 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.