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*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
**(Stock Code: 00144)**

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS  
LEASE AGREEMENTS, MANAGEMENT SERVICE AGREEMENTS,  
TENANCY AGREEMENTS  
AND 2016 SHIP BERTHING SERVICES AGREEMENT  
AND  
DETERMINATION OF ANNUAL CAPS**

**LEASE AGREEMENTS, MANAGEMENT SERVICE AGREEMENTS AND  
DETERMINATION OF ANNUAL CAPS**

In view of the expiry of the Existing CMBL-Nanyou Lease Agreement, the 2013-2016 Zhangzhou Lease Agreement, the Existing Euroasia Cooperation Agreement, the Existing CMBL-CMSIZ Lease Agreement and the Existing CMSIZ Lease Agreements on 31 December 2015 and the need for the Company to lease additional land for its business operations in the Shekou Industrial Park, after negotiations between the relevant subsidiaries of the Company and the relevant members of the CMG Group, the relevant parties have entered into the New CMBL-Nanyou Lease Agreement, the 2016-2017 Zhangzhou Lease Agreement, the New CMBL-CMSIZ Lease Agreement and the New CMSIZ Lease Agreements. In addition, on 18 December 2015, CMCS, an indirect subsidiary of the Company, entered into a new cooperation agreement, namely the New Euroasia Cooperation Agreement.

Each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a subsidiary of CMG, the ultimate holding company of the Company. Accordingly, each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a connected person of the Company and the transactions contemplated under the New Lease Agreements constitute continuing connected transactions of the Company.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the New Lease Agreements (other than the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5 and the New CMSIZ Lease Agreement 10) are less than 0.1%. Therefore, these transactions constitute de minimis continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. No annual cap is therefore set for these agreements.

However, as each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a subsidiary of CMG and the New Lease Agreements are of a similar nature or otherwise connected, the New Lease Agreements will be aggregated and treated as if they were one transaction. Furthermore, the Group has also been leasing certain other properties and receiving management service from members of the CMG Group pursuant to the Other Lease and Management Service Agreements. Therefore, the Other Lease and Management Service Agreements will also need to be aggregated with the New Lease Agreements as if they were one transaction. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Lease Agreements and the Other Lease and Management Service Agreements (as aggregated) 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.

Among the New Lease Agreements and the Other Lease and Management Service Agreements, the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5, the New CMSIZ Lease Agreement 10 and the SCT1 Lease Agreement exceed 0.1% but are below 5%. Therefore, these transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules. For the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set the annual caps in respect of the rental to be paid by (i) CMCS to Euroasia under the New Euroasia Cooperation Agreement; (ii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 5; (iii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 10;

and (iv) SCT1 to CMSIZ under the SCT1 Lease Agreement at HK\$15,000,000, RMB22,304,000 (equivalent to approximately HK\$28,233,000), RMB20,000,000 (equivalent to approximately HK\$25,317,000), and HK\$8,320,000, respectively, for the year ending 31 December 2016. The above annual caps were determined with reference to the rental payable under each of the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5, the New CMSIZ Lease Agreement 10 and the SCT1 Lease Agreement for the year ending 31 December 2016.

Furthermore, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of rental and management service fees payable by the Group and its associates to the CMG Group and its associates for the year ending 31 December 2016 at RMB120,870,000 (equivalent to approximately HK\$153,000,000). Such aggregate annual cap was determined with reference to (i) the rental and management service fees payable under the New Lease Agreements and the Other Lease and Management Service Agreements for the year ending 31 December 2016, (ii) the anticipated renewal of those Other Lease and Management Service Agreements which are due to expire prior to 31 December 2016; (iii) the potential new lease agreements and management service agreements to be entered into in order to satisfy the future business needs of the Group from time to time, and (iv) the potential increase in market rental price.

#### **DETERMINATION OF ANNUAL CAPS FOR TENANCY AGREEMENTS**

Reference is made to the announcement issued by the Company dated 23 December 2013 in relation to, inter alia, the Existing Ocean Centre Tenancy Agreement entered into between SZW as lessor and Shenzhen Nanyou as lessee. The Existing Ocean Centre Tenancy Agreement was extended from 1 September 2014 to 31 December 2015. In view of the expiry of the Existing Ocean Centre Tenancy Agreement on 31 December 2015, after negotiations between SZW and Shenzhen Nanyou, the relevant parties entered into the New Ocean Centre Tenancy Agreement on 18 December 2015 to renew the leasing of the same properties. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the New Ocean Centre Tenancy Agreement are less than 0.1%, such transaction constitutes a de minimis continuing connected transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

However, apart from the New Ocean Centre Tenancy Agreement, CMI Cold Chain, a subsidiary of CMG, has also been leasing certain other properties from other members of the Group (which, on a standalone basis, is also fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules) and the Company also anticipate that there will be a further increase of tenancy arrangements between members of the Group and members of the CMG Group. Therefore, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of rental income receivable by the Group and its associates from the CMG Group and its associates at HK\$20,000,000 for the year ending 31 December 2016. Such aggregate annual cap was determined with reference to (i) the rental receivable under the New Ocean Centre Tenancy Agreement and the tenancy agreement between CMI Cold Chain and member of the Group for the year ending 31 December 2016, (ii) the potential new tenancy agreements to be entered into in order to satisfy the future business needs of the Group from time to time, and (iii) the potential increase in market rental price. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the aggregate rental income receivable by the Group and its associates from the CMG Group, and its associates for the year ending 31 December 2016 exceed 0.1% but are below 5%, these transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **2016 SHIP BERTHING SERVICES AGREEMENT**

On 18 December 2015, in view of the expiry of the 2015 Ship Berthing Services Agreement on 31 December 2015, CMCS and Yiu Lian entered into the 2016 Ship Berthing Services Agreement.

Whilst it is anticipated that there will be an increase in the ship berthing service volume (being the number of times each barge has brought ships into or from the Tsing Yi Terminal) for the year ending 31 December 2016, given the overall reduction of the fees payable under the 2016 Ship Berthing Services Agreement, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set the annual cap in respect of the aggregate ship berthing fees payable under the 2016 Ship Berthing Services Agreement for the year ending 31 December 2016 at HK\$12,000,000, which is the same as the annual cap for the 2015 Ship Berthing Services Agreement. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the ship berthing fees payable under the 2016 Ship Berthing Services Agreement for the year ending 31 December 2016 exceed 0.1% but are below 5%, it is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **1 BACKGROUND**

The core business of the Group is port and port-related business and the Group has been leasing properties, offices and warehouses and receiving management services in respect of some of the leased properties from members of the CMG Group pursuant to various lease agreements and management service agreements. In addition, the Group has been leasing its owned properties to members of the CMG Group pursuant to various tenancy agreements, and has been receiving ship berthing services from members of the CMG Group pursuant to a ship berthing services agreement. These lease agreements, management service agreements, tenancy agreements and ship berthing services agreement are important for the Group as they enable the Group to offer various port and port-related services in a more cost-effective way.

## **2 LEASE AGREEMENTS, MANAGEMENT SERVICE AGREEMENTS AND DETERMINATION OF ANNUAL CAPS**

In view of the expiry of the Existing CMBL-Nanyou Lease Agreement, the 2013-2016 Zhangzhou Lease Agreement, the Existing Euroasia Cooperation Agreement, the Existing CMBL-CMSIZ Lease Agreement and the Existing CMSIZ Lease Agreements on 31 December 2015 and the need for the Company to lease additional land for its business operations in the Shekou Industrial Park, after negotiations between the relevant subsidiaries of the Company and the relevant members of the CMG Group, the relevant parties have entered into the New CMBL-Nanyou Lease Agreement, the 2016-2017 Zhangzhou Lease Agreement the New CMBL-CMSIZ Lease Agreement and the New CMSIZ Lease Agreements. In addition, on 18 December 2015, CMCS, an indirect subsidiary of the Company, entered into a new cooperation agreement, namely the New Euroasia Cooperation Agreement, with Euroasia. Further details of these agreements are set out below.

### **New CMBL-Nanyou Lease Agreement**

CMBL, an indirect subsidiary of the Company, entered into the Existing CMBL-Nanyou Lease Agreement with Shenzhen Nanyou on 26 December 2014 to lease a piece of land in Shenzhen Qianhaiwan Logistics Park, with a total area of 18,332.30 square meters from Shenzhen Nanyou to be used by CMBL for its logistics operations for a term of 1 year from 1 January 2015 to 31 December 2015. Pursuant to the Existing CMBL-Nanyou Lease Agreement, rental is charged at RMB6.5 (equivalent to approximately HK\$8.2) per square meter per month, representing a total annual rental payable of RMB1,429,918.80 (equivalent to approximately HK\$1,810,000) for the year ending 31 December 2015. Further details of the Existing CMBL-Nanyou Lease Agreement were disclosed in the announcement of the Company dated 16 December 2014.

On 18 December 2015, in view of the expiry of the Existing CMBL-Nanyou Lease Agreement on 31 December 2015, CMBL and Shenzhen Nanyou entered into the New CMBL-Nanyou Lease Agreement to renew the lease of the piece of land in Qianhaiwan, Nanshan District, Shenzhen. The New CMBL-Nanyou Lease Agreement has a term of one year commencing on 1 January 2016 and ending on 31 December 2016.

The rental payable by CMBL to Shenzhen Nanyou under the New CMBL-Nanyou Lease Agreement is RMB119,159.90 (equivalent to approximately HK\$151,000) per month, representing a rental of RMB6.5 (equivalent to approximately HK\$8.2) per square meter per month. The total rental payable for the year ending 31 December 2016 is RMB1,429,918.80 (equivalent to approximately HK\$1,810,000). Rental under the New CMBL-Nanyou Lease Agreement shall be payable by CMBL on a monthly basis in cash and in equal instalments and the first instalment shall be payable within 10 days from the date of commencement of the term of the New CMBL-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.

#### **2016-2017 Zhangzhou Lease Agreement**

ZCMP as lessee and CMLHF as lessor entered into the 2013-2016 Zhangzhou Lease Agreement on 6 March 2013 in relation to the leasing of two warehouses with a total area of 25,000 square meters and a depot with a total area of 45,000 square meters in the Zhangzhou Economic Development Zone, Fujian Province, the PRC, details of which were disclosed in the announcement of the Company dated 6 March 2013.

On 16 December 2014, the Directors resolved to set the annual cap in respect of the rental to be paid by ZCMP to CMLHF under the 2013-2016 Zhangzhou Lease Agreement at RMB7,933,500 (equivalent to approximately HK\$10,042,000) for the year ending 31 December 2015. The annual cap was determined with reference to the rental payable under the 2013-2016 Zhangzhou Lease Agreement for the year ending 31 December 2015. As at the date of this announcement, the rent payable by ZCMP to CMLHF pursuant to the 2013-2016 Zhangzhou Lease Agreement amounts to RMB15.91 (equivalent to approximately HK\$20.1) per month per square meter. In view of the expiry of the 2013-2016 Zhangzhou Lease Agreement on 29 February 2016, after negotiations between ZCMP and CMLHF, the relevant parties have entered into the 2016-2017 Zhangzhou Lease Agreement on 18 December 2015 to renew the lease of the two warehouses with

a total area of 25,000 square meters for a term of one year commencing on 1 March 2016 and ending on 28 February 2017, after which the lease will be renewed for another one year unless one party serves a notice to the other to terminate the agreement.

The rental payable by ZCMP to CMLHF under the 2016-2017 Zhangzhou Lease Agreement will be RMB15.5 (equivalent to approximately HK\$19.6) per month per square meters (representing a total of approximately RMB387,500 (equivalent to approximately HK\$491,000) per month). The handling fee payable by ZCMP to CMLHF under the 2016-2017 Zhangzhou Lease Agreement will be RMB0.5-0.8 per tonne. The total rental and the handling fee payable for the year ending 31 December 2016 are expected to be RMB4,670,000 (equivalent to approximately HK\$5,911,000) and no more than RMB165,000 (equivalent to approximately HK\$209,000), respectively. The rental and the handling fee under the 2016-2017 Zhangzhou Lease Agreement shall be payable by ZCMP on a monthly basis in cash. The rental and the handling fee are 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 similar transactions in nearby areas. No third party valuation has been performed on the properties.

### **New Euroasia Cooperation Agreement**

CMCS, an indirect wholly-owned subsidiary of the Company, entered into the Existing Euroasia Cooperation Agreement with Euroasia on 23 December 2013 to lease a piece of land in Tsing Yi from Euroasia with a total area of 679,704 square meters to be used for its container business for a term of two years commencing on 1 January 2014 and ending on 31 December 2015. The annual rental payable by CMCS to Euroasia under the Existing Euroasia Cooperation Agreement is HK\$13,050,312. Further details of the Existing Euroasia Cooperation Agreement were disclosed in the announcement of the Company dated 23 December 2013.

On 18 December 2015, in view of the expiry of the Existing Euroasia Cooperation Agreement on 31 December 2015, CMCS and Euroasia entered into the New Euroasia Cooperation Agreement to renew the lease of the piece of land in Tsing Yi. The New Euroasia Cooperation Agreement has a term of two years commencing on 1 January 2016 and ending on 31 December 2017.

The annual rental payable by CMCS to Euroasia under the New Euroasia Cooperation Agreement is HK\$14,922,732 for each of the years ending 31 December 2016 and 2017. In addition to rental, CMCS is also responsible for any additional government rates and land premium payable to the Government of

Hong Kong in respect of the leased land. CMCS shall pay Euroasia a deposit amounting to HK\$1,690,424 within 14 days of the date of the agreement and the remaining annual rental payable is to be paid in full in cash by CMCS within five days of the date on which the payment advice issued by Euroasia has been received. The rental was 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 CMCS and recent rental transactions in nearby areas. No third party valuation has been performed on the land.

### **New CMBL-CMSIZ Lease Agreement**

CMBL entered into the Existing CMBL-CMSIZ Lease Agreement with CMSIZ on 23 December 2013 to lease a piece of land in the centralized inspection area located in Shenzhen Qianhaiwan Logistics Park, Nanshan District, Shenzhen, with a total area of 121,330.70 square meters from CMSIZ to be used by CMBL for its logistics operations for a term of two years commencing on 1 January 2014 and ending on 31 December 2015. Pursuant to the Existing CMBL-CMSIZ Lease Agreement, rental is charged at RMB48 (equivalent to approximately HK\$61) per square meter per annum, representing an annual rental payable of RMB5,823,873.60 (equivalent to approximately HK\$7,372,000). Further details of the Existing CMBL-CMSIZ Lease Agreement were disclosed in the announcement of the Company dated 23 December 2013.

On 18 December 2015, in view of the expiry of the Existing CMBL-CMSIZ Lease Agreement on 31 December 2015, CMBL and CMSIZ entered into the New CMBL-CMSIZ Lease Agreement to renew the lease of the piece of land in the centralized inspection area located in Shenzhen Qianhaiwan Logistics Park. The New CMBL-CMSIZ Lease Agreement has a term of three years commencing on 1 January 2016 and ending on 31 December 2018.

The annual rental payable by CMBL to CMSIZ under the New CMBL-CMSIZ Lease Agreement will be RMB5,998,589.81 (equivalent to approximately HK\$7,593,000) for each of the years ending 31 December 2016 and 2017, representing a rental of RMB49.4 (equivalent to approximately HK\$62.5) per square meter per annum, and RMB6,115,067.28 (equivalent to approximately HK\$7,741,000) for the year ending 31 December 2018, representing a rental of RMB50.4 (equivalent to approximately HK\$63.8) per square meter per annum. Rental under the New CMBL-CMSIZ Lease Agreement shall be payable by CMBL on a monthly basis in cash and in equal instalments. 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 leased land.



## New CMSIZ Lease Agreements

SCMPS, an indirect wholly-owned subsidiary of the Company, entered into 11 lease agreements, being the Existing CMSIZ Lease Agreements 1 to 11, with CMSIZ on 23 December 2013, to lease 26 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ. The Existing CMSIZ Lease Agreements will expire on 31 December 2015 and the key terms of the Existing CMSIZ Lease Agreements are set out in the table below:

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant Existing CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant Existing CMSIZ Lease Agreement</b>
Existing CMSIZ Lease Agreement 1	A piece of land located at Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,156.58 square meters	RMB75.00 (equivalent to approximately HK\$94.9) per annum	RMB761,743.50 (equivalent to approximately HK\$964,000) per annum
Existing CMSIZ Lease Agreement 2	A piece of land located at Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,435.07 square meters	RMB75.00 (equivalent to approximately HK\$94.9) per annum	RMB782,630.25 (equivalent to approximately HK\$991,000) per annum
Existing CMSIZ Lease Agreement 3	A piece of land located at No. 3 South Port Road in Shekou Industrial Park for use as port storage yards with a total area of 3,997.93 square meters	RMB75.00 (equivalent to approximately HK\$94.9) per annum	RMB299,844.75 (equivalent to approximately HK\$380,000) per annum
Existing CMSIZ Lease Agreement 4	A piece of land located at No. 2 South Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,298.94 square meters	RMB75.00 (equivalent to approximately HK\$94.9) per annum	RMB772,420.50 (equivalent to approximately HK\$978,000) per annum

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant Existing CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant Existing CMSIZ Lease Agreement</b>
Existing CMSIZ Lease Agreement 5	17 parcels of land located at Shekou Port area in Shekou Industrial Park for use as port storage yards with a total area of 545,833.12 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB26,363,739.68 (equivalent to approximately HK\$33,372,000) per annum
Existing CMSIZ Lease Agreement 6	A piece of land located at North Port Road in Shekou Industrial Park for use as storage yards with a total area of 83,662.32 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB4,040,890.06 (equivalent to approximately HK\$5,115,000) per annum
Existing CMSIZ Lease Agreement 7	A piece of land located at North Port Road in Shekou Industrial Park for staff quarters and residential purpose with a total area of 19,145.93 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB924,748.42 (equivalent to approximately HK\$1,171,000) per annum
Existing CMSIZ Lease Agreement 8	A piece of land located at North Port Road in Shekou Industrial Park for industrial purpose with a total area of 7,555.59 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB364,935.00 (equivalent to approximately HK\$462,000) per annum
Existing CMSIZ Lease Agreement 9	A piece of land located at North Port Road in Shekou Industrial Park for industrial purpose with a total area of 5,050.60 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB243,943.98 (equivalent to approximately HK\$309,000) per annum

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant Existing CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant Existing CMSIZ Lease Agreement</b>
Existing CMSIZ Lease Agreement 10	Certain property assets, including warehouses, office buildings, staff quarters, canteen and staff entertainment building, located in Shekou Industrial Park leased to and used by SCMPS for its provision of terminal services and operation of ports transportation	Not applicable	RMB7,968,283 (equivalent to approximately HK\$10,086,000) for the year ended 31 December 2014 and not exceeding RMB20.0 million (equivalent to approximately HK\$25.3 million) for the year ending 31 December 2015
Existing CMSIZ Lease Agreement 11	A piece of land located at the southeast side of Port Road in Shekou Industrial Park for use as office premises with a total area of 954.93 square meters	RMB134.40 (equivalent to approximately HK\$170.1) per annum	RMB128,342.59 (equivalent to approximately HK\$163,000) per annum

The actual total rental to be paid by SCMPS to CMSIZ under the Existing CMSIZ Lease Agreements was RMB54.7 million (equivalent to approximately HK\$69.2 million) for the year ending 31 December 2015. Further details of the Existing CMSIZ Lease Agreements were disclosed in the announcements of the Company dated 23 December 2013.

On 18 December 2015, in view of the expiry of the Existing CMSIZ Lease Agreements on 31 December 2015, SCMPS entered into the New CMSIZ Lease Agreements with CMSIZ to continue to lease in aggregate 26 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ. The New CMSIZ Lease Agreements have a term of two years commencing on 1 January 2016 and ending on 31 December 2017, save for the New CMSIZ Lease Agreement 5, which shall end on 30 June 2017.

The table below sets out details of the leased land and property assets, rental per square meter and total rental payable per annum under the respective New CMSIZ Lease Agreements 1 to 11:

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant New CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant New CMSIZ Lease Agreement</b>
New CMSIZ Lease Agreement 1	A piece of land located at Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,156.58 square meters	RMB78.75 (equivalent to approximately HK\$99.7) per annum	RMB799,830.68 (equivalent to approximately HK\$1,012,000) per annum
New CMSIZ Lease Agreement 2	A piece of land located at Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,435.07 square meters	RMB78.75 (equivalent to approximately HK\$99.7) per annum	RMB821,761.76 (equivalent to approximately HK\$1,040,000) per annum
New CMSIZ Lease Agreement 3	A piece of land located at No. 3 South Port Road in Shekou Industrial Park for use as port storage yards with a total area of 3,997.93 square meters	RMB78.75 (equivalent to approximately HK\$99.7) per annum	RMB314,836.99 (equivalent to approximately HK\$399,000) per annum
New CMSIZ Lease Agreement 4	A piece of land located at No. 2 South Port Road in Shekou Industrial Park for use as port storage yards with a total area of 10,298.94 square meters	RMB78.75 (equivalent to approximately HK\$99.7) per annum	RMB811,041.53 (equivalent to approximately HK\$1,027,000) per annum
New CMSIZ Lease Agreement 5	16 parcels of land located at Shekou Port area in Shekou Industrial Park for use as port storage yards with a total area of 484,864.77 square meters	RMB46 (equivalent to approximately HK\$58.2) per annum	RMB22,303,779.42 (equivalent to approximately HK\$28,233,000) per annum

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant New CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant New CMSIZ Lease Agreement</b>
New CMSIZ Lease Agreement 6	A piece of land located at North Port Road in Shekou Industrial Park for use as storage yards with a total area of 83,662.32 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB4,040,890.06 (equivalent to approximately HK\$5,115,000) per annum
New CMSIZ Lease Agreement 7	A piece of land located at North Port Road in Shekou Industrial Park for staff quarters and residential purpose with a total area of 19,145.93 square meters	RMB46 (equivalent to approximately HK\$58.2) per annum	RMB880,712.78 (equivalent to approximately HK\$1,115,000) per annum
New CMSIZ Lease Agreement 8	A piece of land located at North Port Road in Shekou Industrial Park for industrial purpose with a total area of 7,555.59 square meters	RMB46.00 (equivalent to approximately HK\$58.2) per annum	RMB347,557.14 (equivalent to approximately HK\$440,000) per annum
New CMSIZ Lease Agreement 9	A piece of land located at North Port Road in Shekou Industrial Park for industrial purpose with a total area of 5,050.60 square meters	RMB46.00 (equivalent to approximately HK\$58.2) per annum	RMB232,327.60 (equivalent to approximately HK\$294,000) per annum

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant New CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant New CMSIZ Lease Agreement</b>
New CMSIZ Lease Agreement 10	Certain property assets, including warehouses, office buildings, staff quarters, canteen and staff entertainment building, located in Shekou Industrial Park leased to and used by SCMPS for its provision of terminal services and operation of ports transportation	Not applicable	No more than RMB20,000,000 (equivalent to approximately HK\$25,317,000) per annum
New CMSIZ Lease Agreement 11	A piece of land located at the southeast side of Port Road in Shekou Industrial Park for use as office premises with a total area of 954.93 square meters	RMB134.40 (equivalent to approximately HK\$170.1) per annum	RMB128,342.59 (equivalent to approximately HK\$162,000) per annum

Apart from the agreements above, SCMPS and CMSIZ entered into the New CMSIZ Lease Agreement 12 on 18 December 2015, with a term of two years commencing on 1 January 2016 and ending on 31 December 2017. Details of the New CMSIZ Lease Agreement 12 are set out below:

	<b>Leased land/ property assets</b>	<b>Rental per square meter under the relevant New CMSIZ Lease Agreement</b>	<b>Total rental payable under the relevant New CMSIZ Lease Agreement</b>
New CMSIZ Lease Agreement 12	A piece of land located at the south side of Port Road in Shekou Industrial Park for industrial use with a total area of 4,040.04 square meters	RMB48.30 (equivalent to approximately HK\$61.1) per annum	RMB195,133.93 (equivalent to approximately HK\$247,000) per annum

The maximum annual total rental payable by SCMPS to CMSIZ under the New CMSIZ Lease Agreements (as aggregated) is approximately RMB50.9 million (equivalent to approximately HK\$64.4 million) for each of the years ending 31 December 2016 and 2017. Rental under each of the New CMSIZ Lease Agreement 1 to 9, 11 and 12 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 2016. Rental under the New CMSIZ Lease Agreement 10 shall be payable by SCMPS on a monthly basis in cash. 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 property assets and the market rental of similar land parcels and properties in nearby areas. No third party valuation has been performed on the leased land and property assets.

### **Listing Rules Implications and Determination of Annual Caps**

Each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a subsidiary of CMG, the ultimate holding company of the Company. Accordingly, each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a connected person of the Company and the transactions contemplated under the New Lease Agreements constitute continuing connected transactions of the Company.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the New Lease Agreements (other than the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5 and the New CMSIZ Lease Agreement 10) are less than 0.1%. Therefore, these transactions constitute de minimis continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. No annual cap is therefore set for these agreements.

However, as each of Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ is a subsidiary of CMG and the New Lease Agreements are of a similar nature or otherwise connected, the New Lease Agreements will be aggregated and treated as if they were one transaction. Furthermore, the Group has also been leasing certain other properties and receiving management service from members of the CMG Group pursuant to the Other Lease and Management Service Agreements. Therefore, the Other Lease and Management Service Agreements will also need to be aggregated with the New Lease Agreements as if they were one transaction. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Lease Agreements and

the Other Lease and Management Service Agreements (as aggregated) 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.

Among the New Lease Agreements and the Other Lease and Management Service Agreements, the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5, the New CMSIZ Lease Agreement 10, and the SCT1 Lease Agreement exceed 0.1% but are below 5%. Therefore, these transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules. For the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set the annual caps in respect of the rental to be paid by (i) CMCS to Euroasia under the New Euroasia Cooperation Agreement; (ii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 5; (iii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 10; and (iv) SCT1 to CMSIZ under the SCT1 Lease Agreement at HK\$15,000,000, RMB22,304,000 (equivalent to approximately HK\$28,233,000), RMB20,000,000 (equivalent to approximately HK\$25,317,000), HK\$8,320,000, respectively, for the year ending 31 December 2016. The above annual caps were determined with reference to the rental payable under each of the New Euroasia Cooperation Agreement, the New CMSIZ Lease Agreement 5, the New CMSIZ Lease Agreement 10 and the SCT1 Lease Agreement for the year ending 31 December 2016.

Furthermore, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of rental and management service fees payable by the Group and its associates to the CMG Group and its associates for the year ending 31 December 2016 at RMB120,870,000 (equivalent to approximately HK\$153,000,000). Such aggregate annual cap was determined with reference to (i) the rental and management service fees payable under the New Lease Agreements and the Other Lease and Management Service Agreements for the year ending 31 December 2016, (ii) the anticipated renewal of those Other Lease and Management Service Agreements which are due to expire prior to 31 December 2016; (iii) the potential new lease agreements and management service agreements to be entered into in order to satisfy the future business needs of the Group from time to time, and (iv) the potential increase in market rental price.



The historical annual caps in respect of (a) the rental payable by (i) CMCS to Euroasia under the Existing Euroasia Cooperation Agreement; (ii) SCMPS to CMSIZ under the Existing CMSIZ Lease Agreement 5; and (iii) SCMPS to CMSIZ under the Existing CMSIZ Lease Agreement 10; and (b) the aggregate annual cap in respect of the annual aggregate maximum amount of rental and management service fees payable by the Group and its associates to the CMG Group and its associates have been set out in the announcement of the Company dated 16 December 2014. As at the date of this announcement, the actual rental paid under each of the Existing Euroasia Cooperation Agreement, the Existing CMSIZ Lease Agreement 5, the Existing CMSIZ Lease Agreement 10 and the SCT1 Lease Agreement has not exceeded the respective existing annual cap for the year ending 31 December 2015, and the actual rental and management service fees paid under the Existing Lease Agreements and the Other Lease and Management Service Agreements has not exceeded the existing aggregate annual cap for the year ending 31 December 2015.

Save as disclosed above, the Group does not have any other prior transactions or relationship with Shenzhen Nanyou, CMLHF, Euroasia and CMSIZ and their ultimate beneficial owners and associates which required aggregation with the transactions contemplated under the New Lease Agreements pursuant to Rule 14A.81 of the Listing Rules.

### **3 DETERMINATION OF ANNUAL CAPS FOR TENANCY AGREEMENTS**

Reference is made to the announcement issued by the Company dated 23 December 2013 in relation to, inter alia, the Existing Ocean Centre Tenancy Agreement entered into between SZW as lessor and Shenzhen Nanyou as lessee, in relation to the leasing of 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. The Existing Ocean Centre Tenancy Agreement was extended from 1 September 2014 to 31 December 2015. In view of the expiry of the Existing Ocean Centre Tenancy Agreement on 31 December 2015, after negotiations between SZW and Shenzhen Nanyou, the relevant parties entered into the New Ocean Centre Tenancy Agreement on 18 December 2015 to renew the leasing of the same properties for a term of six months commencing on 1 January 2016 to 30 June 2016. The total rental income receivable by SZW under the New Ocean Centre Tenancy Agreement is RMB1,209,888.57 (equivalent to approximately HK\$1,532,000). Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the New Ocean Centre Tenancy Agreement are less than 0.1%, such transaction constitutes a de minimis

continuing connected transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. No annual cap is therefore set for this agreement.

However, apart from the New Ocean Centre Tenancy Agreement, CMI Cold Chain, a subsidiary of CMG, has also been leasing certain other properties from other members of the Group (which, on a standalone basis, is also fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules) and the Company also anticipate that there will be a further increase of tenancy arrangements between members of the Group and members of the CMG Group. Therefore, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of rental income receivable by the Group and its associates from the CMG Group and its associates at HK\$20,000,000 for the year ending 31 December 2016. Such aggregate annual cap was determined with reference to (i) the rental receivable under the New Ocean Centre Tenancy Agreement and the tenancy agreement between CMI Cold Chain and member of the Group for the year ending 31 December 2016, (ii) the potential new tenancy agreements to be entered into in order to satisfy the future business needs of the Group from time to time, and (iii) the potential increase in market rental price. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the aggregate rental income receivable by the Group and its associates from the CMG Group and its associates for the year ending 31 December 2016 exceed 0.1% but are below 5%, these transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The historical annual cap in respect of in respect of the annual aggregate maximum amount of rental income receivable by the Group and its associates from the CMG Group and its associates have been set out in the announcement of the Company dated 23 December 2013. As at the date of this announcement, the actual rental income received by the Group and its associate from the CMG Group and its associates (as aggregated) has not exceeded the existing aggregate annual cap for the year ending 31 December 2015.

#### **4 2016 SHIP BERTHING SERVICES AGREEMENT**

Since 2002, the Group has continuously received ship berthing services from Yiu Lian through a number of successive ship berthing services agreements entered into between CMCS and Yiu Lian to govern the provision of berthing services by Yiu Lian to CMCS, including most recently the 2015 Ship Berthing Services Agreement. Pursuant to the 2015 Ship Berthing Services Agreement, Yiu Lian agreed to provide barges for bringing ships into and from the Tsing Yi Terminal. The fees to be paid by CMCS for the ship berthing services shall be calculated based on actual service volume (being the number of times each barge has brought ships into or from the Tsing Yi Terminal) at a rate of HK\$3,150 per barge, and CMCS shall be responsible for the payment of fuel oil surcharge of HK\$300 per barge for each time the barge has brought ships into and from the Tsing Yi Terminal. An annual cap of HK\$12,000,000 for the ship berthing fees payable by CMCS under the 2015 Ship Berthing Services Agreement for the year ending 31 December 2015 was determined by the Directors. As at the date of this announcement, such annual cap has not been exceeded.

On 18 December 2015, in view of the expiry of the 2015 Ship Berthing Services Agreement on 31 December 2015, CMCS and Yiu Lian entered into the 2016 Ship Berthing Services Agreement for a term of one year commencing on 1 January 2016 and ending on 31 December 2016. Pursuant to the 2016 Ship Berthing Services Agreement, Yiu Lian agreed to provide barges for bringing ships into and from the Tsing Yi Terminal at a rate of HK\$3,050 per barge, and CMCS shall be responsible for the payment of fuel oil surcharge of HK\$300 per barge for each time the barge has brought ships into and from the Tsing Yi Terminal. The ship berthing fees and fuel oil surcharge under the 2016 Ship Berthing Services Agreement are negotiated on an arm's length basis with reference to the market ship berthing fees and market price of fuel oil, respectively. The ship berthing fees and the fuel oil surcharge are payable by CMCS in cash within 30 days of receipt of invoice.

#### **Listing Rules Implications and Determination of Annual Caps**

Whilst it is anticipated that there will be an increase in the ship berthing service volume (being the number of times each barge has brought ships into or from the Tsing Yi Terminal) for the year ending 31 December 2016, given the overall reduction of the fees payable under the 2016 Ship Berthing Services Agreement, for the purpose of Rule 14A.53 of the Listing Rules, on 18 December 2015, the Directors resolved to set the annual cap in respect of the aggregate ship berthing fees payable under the 2016 Ship Berthing Services Agreement for the year ending 31 December 2016 at HK\$12,000,000, which is the same as the annual

cap for the 2015 Ship Berthing Services Agreement. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the ship berthing fees payable under the 2016 Ship Berthing Services Agreement for the year ending 31 December 2016 exceed 0.1% but are below 5%, it is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **5 INFORMATION ON THE PARTIES**

CMBL, 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 and 40% by Chiwan Wharf. 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.

CMCS, an indirect wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong. Its principal activity is the provision of container services at the Tsing Yi Terminal.

CMI Cold Chain is a company incorporated in the PRC. Its principal activity is the operation of cold storage. It is an indirect subsidiary of CMG and therefore a connected person of the Company.

CMLHF is a company incorporated in the PRC and its principal activity is logistic operation. It is an indirect subsidiary of CMG and therefore a connected person of the Company.

CMSIZ is a company incorporated in the PRC and its principal activities are the 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.

Euroasia is a company incorporated in Hong Kong and its principal business is the ownership and operation of dockyards. Euroasia is an indirect wholly-owned subsidiary of CMG, the ultimate holding company of the Company. Accordingly, Euroasia 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.

SCT1, an indirect 80%-owned subsidiary of the Company, is a wholly foreign owned enterprise established under the laws of the PRC. Its principal activity is the provision of container services at the Shekou Container Terminal in Shenzhen, the PRC.

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

SZW, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the PRC. 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.

Yiu Lian is a company incorporated in Hong Kong and its principal business is the ownership and operation of dockyards. It is an indirect wholly-owned subsidiary of CMG and therefore a connected person of the Company.

ZCMP is a company incorporated in the PRC and its principal business is port and port-related businesses. It is an indirect subsidiary of the Company.

## **6 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.

The Directors are of the view that the continuous leasing of the land and properties in Qianhaiwan, Nanshan District, Shenzhen and the properties in Shenzhen Shipping Centre Main Tower through the renewal of the New CMBL-Nanyou Lease Agreement will facilitate a smooth business operation of the Group's port and port-related business. In addition, the Directors are of the view that the leasing of the properties under the 2016-2017 Zhangzhou Lease Agreement, the New Euroasia Cooperation Agreement, the New CMBL-CMSIZ Lease Agreement and the New CMSIZ Lease Agreements will facilitate a smooth business operation of the Group's port and port-related business. In response to

the growing demand for logistics services, the Directors of the Company believe that the leasing of the land and properties as stipulated in the New Lease Agreements are beneficial to the Group and assists in maintaining the Group's sustainable growth.

Further, the Directors are of the view that the Group will also continue to benefit from the ship berthing services provided by Yiu Lian as such services are essential to facilitate a smooth business operation of CMCS's operations in Tsing Yi Terminal.

The Directors, including the independent non-executive Directors, are of the view that each of the New Lease Agreements and the New Ocean Centre Tenancy Agreement was 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 areas, the aggregate transaction amount of the Existing Lease Agreements and the Other Lease and Management Service Agreements for the year ended 31 December 2014 and for the year ending 31 December 2015, the potential expansion of the Group's business and the potential increase in market rental price, the Directors, including the independent non-executive Directors, are of the view that the terms of each of the New Lease Agreements, and (a) the proposed annual caps for the year ending 31 December 2016 in respect of the rental to be paid by (i) CMCS to Euroasia under the New Euroasia Cooperation Agreement; (ii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 5; (iii) SCMPS to CMSIZ under the New CMSIZ Lease Agreement 10; (iv) SCT1 to CMSIZ under the SCT1 Lease Agreement; and (b) the aggregate annual cap in respect of the annual aggregate maximum amount of rental and management service fees payable by the Group and its associates to the CMG Group and its associates for the year ending 31 December 2016 are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. Taking into account the market rental of similar land parcels or properties in nearby areas, the aggregate rental income received or receivable by the Group and its associates from the CMG Group and its associates for the year ended 31 December 2014 and for the year ending 31 December 2015, the potential expansion of the Group's business and the potential increase in market rental price, the Directors, including the independent non-executive Directors, are of the view that the proposed aggregate annual cap in respect of the annual aggregate maximum amount of rental income receivable by the Group and its associates from the CMG Group and its associates are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The Directors, including the independent non-executive Directors, are of the view that the 2016 Ship Berthing Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Taking into account the historical amounts for the ship berthing fees payable under previous ship berthing services agreements and the increase in demand for ship berthing services, the Directors, including the independent non-executive Directors, are of the view that the terms of the 2016 Ship Berthing Services Agreement and the proposed annual cap for the ship berthing fees payable for the year ending 31 December 2016 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 New Lease Agreements, the Other Lease and Management Service Agreements, the New Ocean Centre Tenancy Agreement and the 2016 Ship Berthing Services Agreements, nor are they required to abstain from voting in the relevant board resolutions.

## **7 DEFINITIONS**

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

“2013-2016 Zhangzhou Lease Agreement”	the lease agreement entered into between ZCMP as lessee and CMLHF as lessor on 6 March 2013 in relation to the leasing of two warehouses with a total area of 25,000 square meters and a depot with a total area of 45,000 square meters in the Zhangzhou Economic Development Zone, Fujian Province, the PRC, details of which were disclosed in the announcement of the Company dated 6 March 2013
“2014-2015 SCMPM-CMHIT Management Service Agreement”	the management service agreement entered into between CMHIT and SCMPM on 23 December 2013 in relation to the provision of management services by SCMPM to the unit leased from SCMPI to CMHIT under the 2014-2016 SCMPI-CMHIT Office Agreement, details of which were disclosed in the announcement of the Company dated 23 December 2013

<p>“2014-2016 SCMPI-CMHIT Office Agreement”</p>	<p>the lease agreement entered into between CMHIT as lessee and SCMPI as lessor on 23 December 2013 in relation to the leasing of a unit located at Room A401, Technology Building II, 1057 Nanhai Road, Shekou, Nanshan District, Shenzhen, the PRC with a total area of 2,951.17 square meters to be used as offices, details of which were disclosed in the announcement of the Company dated 23 December 2013. In June 2014, SCMPI transferred the unit to its wholly-owned subsidiary, 深圳市科大二期置業管理有限公司, which has since continued to perform the 2014-2016 SCMPI-CMHIT Office Agreement on the same terms</p>
<p>“2015 Ship Berthing Services Agreement”</p>	<p>the ship berthing services agreement entered into between CMCS and Yiu Lian on 16 December 2014, pursuant to which Yiu Lian agreed to provide barges for bringing ships into and from the Tsing Yi Terminal for the year ending 31 December 2015</p>
<p>“2015-2016 SCMPI Office Agreement”</p>	<p>the lease agreement entered into between SCT1, CCT, SCMPS, Chiwan Wharf and Haixing as lessee and SCMPI as lessor on 16 December 2014 in relation to the leasing of the 4th, 5th and 6th floors of Shekou Industrial Zone Building on Gangwan Ave, Nanshan District, Shenzhen, the PRC with a total area of 3,339 square meters to be provided to Shekou Maritime Safety Administration for its customs office</p>
<p>“2016 Ship Berthing Services Agreement”</p>	<p>the ship berthing services agreement entered into between CMCS and Yiu Lian on 18 December 2015, pursuant to which Yiu Lian agreed to provide barges for bringing ships into and from the Tsing Yi Terminal for the year ending 31 December 2016</p>
<p>“2016-2017 Zhangzhou Lease Agreement”</p>	<p>the lease agreement entered into between ZCMP as lessee and CMLHF as lessor on 18 December 2015 in relation to the leasing of two warehouses with a total area of 25,000 square meters in the Zhangzhou Economic Development Zone, Fujian Province, the PRC</p>
<p>“associates”</p>	<p>has the meaning ascribed to this term under the Listing Rules</p>



“Board”	the board of Directors of the Company
“CCT”	Chiwan Container Terminal Co., Ltd (赤灣集裝箱碼頭有限公司), a Sino-foreign joint venture established under the laws of the PRC and an indirect subsidiary of the Company
“CMBL”	China Merchants Bonded Logistics Ltd. (招商局保稅物流有限公司), formerly known as China Merchants Maritime & Logistics (Shenzhen) Ltd.) (深圳招商局海運物流有限公司), a limited liability company incorporated under the laws of the PRC and an indirect subsidiary of the Company
“CMCIL”	CMH International (China) Investment Co., Ltd. (招商局國際(中國)投資有限公司), a foreign investment enterprise established under the laws of the PRC and a direct wholly-owned subsidiary of the Company
“CMCS”	China Merchants Container Services Limited (招商局貨櫃服務有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“CMG”	China Merchants Group Limited (招商局集團有限公司), a company incorporated in the PRC and the ultimate holding company of the Company
“CMG Group”	CMG and its subsidiaries, excluding the Group
“CMHIT”	China Merchants Holdings (International) Information Technology Company Limited (招商局國際信息技術有限公司), a limited liability company incorporated under the laws of the PRC and a 76.84%-owned subsidiary of the Company
“CMHK”	China Merchants Holdings (Hong Kong) Company Limited (招商局集團(香港)有限公司), a company incorporated in Hong Kong, a wholly-owned subsidiary of CMG and the intermediate holding company of the Company

“CMCIL-SCMPI Lease Agreement”	the lease agreement entered into between CMCIL as lessee and SCMPI as lessor dated 16 December 2014 in relation to the leasing of a unit in Shenzhen Shipping Centre Main Tower with a total area of 226.07 square meters
“CMHK Lease Agreement”	the lease agreement entered into between the Company as lessee and CMHK as lessor on 16 December 2014 in relation to the leasing of 15 residential units in the Western District in Hong Kong
“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 subsidiary of CMG
“CMLHF”	China Merchants Logistics Holding Fujian Co. Ltd. (招商局物流集團福建有限公司), a company incorporated in the PRC and an indirect subsidiary of CMG
“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
“Company”	China Merchants Holdings (International) Company Limited (招商局國際有限公司), 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
“Euroasia”	Euroasia Dockyard Enterprise and Development Limited (歐亞船廠企業有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of CMG

<p>“Existing CMBL-CMSIZ Lease Agreement”</p>	<p>the existing lease agreement entered into between CMBL as lessee and CMSIZ as lessor on 23 December 2013 in relation to the leasing of a piece of land in the centralized inspection area located in Shenzhen Qianhaiwan Logistics Park by CMBL from CMSIZ, details of which were disclosed in the announcement of the Company dated 23 December 2013</p>
<p>“Existing CMBL-Nanyou Lease Agreement”</p>	<p>the lease agreement entered into between CMBL as lessee and Shenzhen Nanyou as lessor on 23 December 2013 in relation to the leasing of a piece of land located in Qianhaiwan, Nanshan District, Shenzhen by CMBL from Shenzhen Nanyou, details of which were disclosed in the announcement of the Company dated 26 December 2014</p>
<p>“Existing CMSIZ Lease Agreements”</p>	<p>collectively, eleven (11) new separate lease agreements entered into between SCMPS as lessee and CMSIZ as lessor on 23 December 2013 in relation to the leasing of 26 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ, and an “Existing CMSIZ Lease Agreement” shall mean each or any one of them, details of which were disclosed in the announcement of the Company dated 23 December 2013</p>
<p>“Existing CMSIZ Lease Agreement 5”</p>	<p>the lease agreement entered into between SCMPS as lessee and CMSIZ as lessor on 23 December 2013 in relation to the leasing of 17 parcels of land located at Shekou Port area in Shekou Industrial Park for use as port storage yards with a total area of 545,833.12 square meters, details of which were disclosed in the announcement of the Company dated 23 December 2013</p>
<p>“Existing CMSIZ Lease Agreement 10”</p>	<p>the lease agreement entered into between SCMPS as lessee and CMSIZ as lessor on 23 December 2013 in relation to the leasing of certain property assets, including warehouses, office buildings, staff quarters, canteen and staff entertainment building, located in Shekou Industrial Park, details of which were disclosed in the announcement of the Company dated 23 December 2013</p>

“Existing Euroasia Cooperation Agreement”	the cooperation agreement entered into between CMCS as lessee and Euroasia as lessor on 23 December 2013 in relation to the leasing of a piece of land in Tsing Yi by CMCS from Euroasia, details of which were disclosed in the announcement of the Company dated 23 December 2013
“Existing Lease Agreements”	collectively, the Existing CMBL-Nanyou Lease Agreement, the 2013-2016 Zhangzhou Lease Agreement, the Existing Euroasia Cooperation Agreement, the Existing CMBL-CMSIZ Lease Agreement and the Existing CMSIZ Lease Agreements
“Existing Ocean Centre Tenancy Agreement”	the lease agreement and the supplemental lease agreement entered into between Shenzhen Nanyou as lessee and SZW as lessor dated 23 December 2013 and extended on 26 August 2014
“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 CMBL-CMSIZ Lease Agreement”	the new lease agreement entered into between CMBL as lessee and CMSIZ as lessor on 18 December 2015 in relation to the leasing of a piece of land in the centralized inspection area located in Shenzhen Qianhaiwan Logistics Park by CMBL from CMSIZ
“New CMBL-Nanyou Lease Agreement”	the lease agreement entered into between CMBL as lessee and Shenzhen Nanyou as lessor on 18 December 2015 in relation to the leasing of a piece of land located in Qianhaiwan, Nanshan District, Shenzhen by CMBL from Shenzhen Nanyou

“New CMSIZ Lease Agreements”	collectively, twelve (12) new separate lease agreements entered into between SCMPS as lessee and CMSIZ as lessor on 18 December 2015 in relation to the leasing of 27 parcels of land in Shekou Industrial Park and certain property assets from CMSIZ, and a “New CMSIZ Lease Agreement” shall mean each or any one of them
“New Euroasia Cooperation Agreement”	the cooperation agreement entered into between CMCS as lessee and Euroasia as lessor on 18 December 2015 in relation to the leasing of a piece of land in Tsing Yi by CMCS from Euroasia
“New Lease Agreements”	collectively, the New CMBL-Nanyou Lease Agreement, the 2016-2017 Zhangzhou Lease Agreement, the New Euroasia Cooperation Agreement, the New CMBL-CMSIZ Lease Agreement, and the New CMSIZ Lease Agreements
“New Ocean Centre Tenancy Agreement”	the lease agreement entered into between Shenzhen Nanyou as lessee and SZW as lessor dated 18 December 2015
“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)
“Other Lease and Management Service Agreements”	collectively, the 2013-2016 Zhangzhou Lease Agreement, the 2014-2015 SCMPM-CMHIT Management Service Agreement, the 2014-2016 SCMPI-CMHIT Office Agreement, the 2015-2016 SCMPI Office Agreement, the CMCIL-SCMPI Lease Agreement, the CMHK Lease Agreement, the SCT1 Lease Agreement and the Supplemental Agreement to the South China Lease Agreement
“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

“SCMPI”	China Merchants Property Investment Company (深圳招商商置投資有限公司), a wholly-owned subsidiary of SCMPD
“SCMPS”	China Merchants Port Services (Shenzhen) Company Limited (招商港務(深圳)有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“SCMT”	Shenzhen China Merchants Technology Holdings Co., Ltd (深圳市招商局科技集團有限公司), an indirect subsidiary of CMG
“SCT1”	Shekou Container Terminals Limited (蛇口集裝箱碼頭有限公司), a wholly foreign owned enterprise established under the laws of the PRC and a 80%-owned subsidiary of the Company
“SCT1 Lease Agreement”	the lease agreement entered into between SCT1 as lessee and CMSIZ as lessor on 20 May 1989, details of which were disclosed in the announcement of the Company dated 7 May 2007
“Shekou Xinshidai”	Shenzhen Shekou Xinshidai Property Management Limited (深圳市蛇口新時代置業管理有限公司), a company incorporated in the PRC and an indirect subsidiary of CMG
“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
“SHESM”	Shenzhen Haiqin Engineering Supervision & Management Co., Ltd. (深圳海勤工程管理有限公司), an indirect wholly-owned subsidiary of the Company
“Ship Berthing Services Agreements”	collectively, the 2014 Ship Berthing Services Agreement and the 2015 Ship Berthing Services Agreement
“South China Lease Agreement”	the lease agreement dated 23 February 1990 in relation to the leasing of a piece of land located in Shekou Industrial Zone by CMI Cold Chain from CMSIZ, details of which were disclosed in the announcement of the Company dated 30 April 2008

“Supplemental Agreement to the South China Lease Agreement”	the existing supplemental agreement to the South China Lease Agreement dated 23 December 2013 entered into between CMI Cold Chain and CMSIZ in relation to rental adjustment under the South China Lease Agreement, details of which were disclosed in the announcement of the Company dated 23 December 2013
“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
“Yiu Lian”	Yiu Lian Dockyards Limited (友聯船廠有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of CMG
“ZCMP”	Zhangzhou China Merchants Port Co., Ltd. (漳州招商局碼頭有限公司), a limited liability company incorporated in the PRC and an indirect subsidiary of the Company
“%”	per cent.

*For reference only, an exchange rate of HK\$1.00 to RMB0.79 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**  
**Li Jianhong**  
*Chairman*

Hong Kong, 18 December 2015

*As at the date of this announcement, the Board comprises Mr. Li Jianhong, Mr. Li Xiaopeng, Mr. Su Xingang, Mr. Fu Gangfeng, Mr. Yu Liming, Mr. Hu Jianhua, Mr. Wang Hong, Mr. Deng Renjie, Mr. Bai Jingtao 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.*