



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

**Stock Code: 144**

## **ANNOUNCEMENT**

### **Completion of disposal of interests in toll road projects**

#### **Summary**

Further to the announcement issued by the Company on 24 September 2004, the Board is pleased to announce that completion of the Sale and Purchase Agreement entered into between the Company and CMHP has taken place on 30 December 2004. Following completion of the Transaction, SRC has become a 100% subsidiary of CMHP, which in turn has become a subsidiary of the Group.

#### **Completion of Sale and Purchase Agreement**

The Board refers to the Company's announcement dated 24 September 2004 and the circular to shareholders issued by the Company dated 18 October 2004 in relation to the disposal of interests in toll road projects by the Company to CMHP. The Board is pleased to announce that the Transaction has been approved by independent shareholders of CMHP in general meeting on 30 December 2004 and that completion of the Sale and Purchase Agreement has taken place on the same day.

On completion, the Company has transferred to CMHP the Company's 100% shareholding in SRC and has assigned to CMHP the Shareholder's Loan owing by SRC to the Company. SRC is the vehicle through which the Group holds the Toll Road Interests. In consideration for such transfer, CMHP has on completion issued the Consideration Shares and the RCPS to a wholly-owned subsidiary of the Company and has transferred to a wholly-owned subsidiary of the Company CMHP's 100% shareholding in CMHH in accordance with the terms of the Sale and Purchase Agreement.

Following completion of the Transaction, SRC has become a 100% subsidiary of CMHP, which in turn has become a 72.3% subsidiary of the Group.

#### **DEFINITIONS**

“Board”	the board of Directors
“CMHH”	China Merchants Haixing Holdings Pte Ltd., a company incorporated in the Republic of Singapore
“CMHP”	China Merchants Holdings (Pacific) Limited, a company incorporated in the Republic of Singapore with limited liability and whose ordinary shares are listed on the Main Board of Singapore Exchange Securities Trading Limited

“Company”	China Merchants Holdings (International) Company Limited, a company incorporated in Hong Kong with limited liability and whose ordinary shares are listed on The Stock Exchange of Hong Kong Limited
“Consideration Shares”	the 282,195,000 ordinary shares of S\$0.50 each in the capital of CMHP allotted and issued by CMHP to a wholly-owned subsidiary of the Company as part of the purchase consideration under the Sale and Purchase Agreement
“Group”	the Company together with its subsidiaries
“RCPS”	the redeemable convertible preference shares each with a par value of S\$0.50 in the capital of CMHP allotted and issued by CMHP to a wholly-owned subsidiary of the Company as part of the purchase consideration under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into on 24 September 2004 between the Company and CMHP under which the Company agrees to sell to CMHP, and CMHP agrees to acquire, the Sale Share and the Shareholder’s Loan
“Sale Share”	the Company’s 100% shareholding in SRC, comprising 1 ordinary share of US\$1.00
“Shareholder’s Loan”	all shareholder’s loans owing by SRC to the Company together with all interest accrued thereon (if any) as at 30 June 2004
“SRC”	Successful Road Corporation, a private company limited by shares incorporated in the British Virgin Islands
“Toll Road Interests”	SRC’s equity interests in five toll roads in the PRC, namely the Guihuang Highway, the Guilui Expressway, the Luomei Highway, the Ningzhenluo Highway and the Yuyao Highway
“Transaction”	the transactions contemplated under the Sale and Purchase Agreement, namely the sale by the Company to CMHP, and the acquisition by CMHP, of (i) the Sale Share and (ii) the Shareholder’s Loan

By Order of the Board  
**Li Yi**  
*Managing Director*

Hong Kong, 30 December 2004

*The Board as at the date of this announcement comprises Dr. Fu Yuning, Mr. Zhao Huxiang, Mr. Li Yinquan, Mr. Hu Zheng, Mr. Meng Xi, Mr. Li Yi, Mr. To Wing Sing and Mr. Yu Liming who are the executive Directors, Mr. Tsang Kam Lan, Mr. Kut Ying Hay, Mr. Koo Kou Hwa, Mr. Lee Yip Wah Peter and Mr. Li Kwok Heem John who are the independent non-executive Directors.*

Please also refer to the published version of this announcement in The Standard.