

August 12, 2011

To whom it may concern:

Mizuho Securities Co., Ltd

**Memorandum of Understanding on Establishing a Joint Venture between China Merchants Securities Co., Ltd. and Mizuho Securities Co.,Ltd.to Invest in China Private Equity Funds**

Mizuho Securities Co., Ltd. (President & CEO: Hiroshi Motoyama)(“MHSC”) is pleased to announce that MHSC and China Merchants Securities Co., Ltd. (President: Yang Kun)(“CMS”) have entered into a memorandum of understanding (“MOU”) to jointly establish private equity funds to invest in unlisted companies located in the People’s Republic of China (“PRC”) and Greater China area.

CMS is a core financial sector company of China Merchants Group Limited (“CMG”), which is one of the four leading Chinese state-owned enterprises in Hong Kong. CMS is a general brokerage firm in PRC with over 80 branches and a solid customer base, especially in the South China area, and is strong in brokerage and underwriting activities.

CMG has been active in the transportation infrastructure sector and, in addition to its PRC toll roads network management business, also engages in shipbuilding, the port and harbor business, and manufacturing of construction machinery. In recent years, CMG has placed greater emphasis on its financial business, centered on banking and securities services, to pursue future growth. It is a state-owned enterprise under the direct management of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

Using the MOU as a base, the parties will cooperate on the establishment and operation of private equity funds, initially through a Hong Kong-incorporated fund management company, and leverage the strength of MHSC’s know-how in the fund business, and the global network of the Mizuho Financial Group, as well as the vast network of CMS and CMG in PRC.

As China is the core of MHSC’s Asian business, MHSC considers the alliance with CMS and CMG a huge advantage in the development of its China business.

MHSC aims to provide a wider range of services in Asia going forward.

(Outline of CMS)

Company name :China Merchants Securities Company Limited

Location :Shenzhen, Guangdong Province, PRC

Founded in 1991 as a subsidiary of the century-old China Merchants Group,CMS provides a full set of investment and financing services, and has over 80 branches in PRC.

(Outline of CMG)

Company name :China Merchants Group Limited

Location :Hong Kong

The company has a history of just under 140 years and evolved from a government-funded shipping organization founded in 1872 by the Premier, Li Hongzhang. The main businesses of CMG cover three core sectors of transportation and related infrastructure in particular (ports and harbors, toll roads, and logistics), and also real estate development and the asset management and financial business.