

# CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 198101278D

## ANNOUNCEMENT

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### Response to SGX-ST Query on Annual Report for FY2015

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China Merchants Holdings (Pacific) Limited (the “Company” or “CMHP”) refers to the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) query on the Company’s Annual Report for the financial year ended 31 December 2015 (“FY2015”). The Company’s response is as follows:-

#### Question:

Paragraph 11.3 of the Code of Corporate Governance 2012 (the “Code”) states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company’s Annual Report.

As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board’s comments on the effectiveness of the Company’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendation.

#### Response:

Reference is made to Page 25 “Corporate Governance” in the Annual Report, second paragraph of the “Principle 11: Risk Management and Internal Controls” section.

The original paragraph read as follows:-

“Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews by the Chief Manager (Risk Management), AC and the Board, the Board with the concurrence of the AC, are satisfied that the system of internal controls in place are adequate in meeting the current scope of the Group’s business operations and addressing the Group’s financial, operational, compliance and information technology risks, and risk management systems. The Company is in compliance with Rule 1207(10) of the SGX-ST Listing Manual.”

In response to the SGX-ST Query, the above paragraph should be read as follows:-

“Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews by the Chief Manager (Risk Management), AC and the Board, the Board with the concurrence of the AC, are satisfied that the system of internal controls in place are adequate **and effective** in meeting the current scope of the Group’s business operations and addressing the Group’s financial, operational, compliance and information technology risks, and risk management systems. The Company is in compliance with Rule 1207(10) of the SGX-ST Listing Manual.”