

# CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198101278D)

## ANNOUNCEMENT

### SGX-ST'S APPROVAL FOR THE PROPOSED DELISTING AND WAIVER OF RULES 1307 AND 705(2) AND COMPLIANCE WITH RULE 1309 OF THE LISTING MANUAL

#### 1. Introduction

The board of directors ("**Board**") of China Merchants Holdings (Pacific) Limited (the "**Company**") refers to:

- (i) the document dated 30 May 2016 issued by DBS, for and on behalf of the Offeror, in respect of the Offer and the Convertible Bonds Offer;
- (ii) the circular dated 13 June 2016 issued by the Company to the Shareholders and Bondholders in relation to the Offer and the Convertible Bonds Offer ("**Offeree Circular**");
- (iii) the announcement released on 22 June 2016 by DBS, for and on behalf of the Offeror, in relation to the Offer being declared to be unconditional in all respects;
- (iv) the announcement released on 23 June 2016 by the Company in relation to the Company no longer meeting the free float requirement prescribed by Rule 723 of the Listing Manual;
- (v) the announcement released on 27 June 2016 by DBS, for and on behalf of the Offeror, in relation to the Offeror receiving valid acceptances pursuant to the Convertible Bonds Offer in respect of an aggregate principal amount of HK\$150,000,000 Convertible Bonds, representing 100 per cent. of the outstanding aggregate principal amount of Convertible Bonds;
- (vi) the announcement released on 4 July 2016 by DBS, for and on behalf of the Offeror in relation to the Offeror receiving valid acceptances pursuant to the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares) ("**Shares CA Announcement**"), and accordingly the Offeror is entitled to, and will in due course, exercise its right of compulsory acquisition (the "**Shares Compulsory Acquisition Right**") under Section 215(1) of the Companies Act, Chapter 50 of Singapore, to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at the Offer Price (the "**Shares Compulsory Acquisition**"); and
- (vii) the announcement released on 12 July 2016 by the Company in relation to the suspension of trading of Shares with immediate effect ("**Suspension of Trade Announcement**").

Unless otherwise defined herein, all terms and references used in this Announcement shall have the same meanings as defined or construed in the Offeree Circular.

## 2. SGX-ST's Approval for the Proposed Delisting

In light of the Offeror's intention to effect the Shares Compulsory Acquisition, its intention not to preserve the listing status of the Company, and the fact that the Offeror will be the sole shareholder of the Company after completion of the Shares Compulsory Acquisition, the Company had, on 8 July 2016, applied to the SGX-ST (the "**Delisting Application**") for its confirmation that it has no objection to (i) the Shares being delisted from the Official List of the SGX-ST upon the Offeror's completion of the Shares Compulsory Acquisition and the Convertible Bonds being delisted from the SGX-ST (collectively, the "**Proposed Delisting**"), (ii) the waiver of the requirements under Rule 1307 of the Listing Manual that the Proposed Delisting be approved by Shareholders in a general meeting (the "**Rule 1307 Waiver**"), and (iii) the waiver of the requirements under Rule 1309 of the Listing Manual that a reasonable exit alternative should be offered to Shareholders in connection with the Proposed Delisting and that an independent financial adviser be appointed to advise on the exit offer (the "**Rule 1309 Waiver**").

The Rule 1307 Waiver was sought on the basis that the Offeror now holds more than 90 per cent. of the Shares. If the delisting of the Company were put to a vote by Shareholders, it is likely that the Offeror will vote all its Shares in favour of the delisting resolution. This intention is in line with the public disclosures previously made by the Offeror in relation to the maintenance of the Company's listing status, where the Offeror has consistently, regularly and unambiguously stated that it does not intend to maintain the listing status of the Company. Accordingly, it is a given conclusion that any delisting resolution will be approved. For that reason, it would be an unnecessary expenditure of time and expense if the Company were required to call a general meeting of its Shareholders to approve the delisting.

The Rule 1309 Waiver was sought on the basis that:

- (i) the Offeror has consistently, regularly and unambiguously stated that it does not intend to maintain the listing status of the Company. Shareholders are therefore aware of the delisting risk, and would have had a reasonable opportunity to exit their investment in the Company either by selling their Shares on the SGX-ST (since the Offer was announced on 9 May 2016) or by accepting the Offer (since the Offer Document was posted on 30 May 2016);
- (ii) the Offer Price represents a premium of approximately 22.9 per cent. over the last transacted price per Share on the SGX-ST of S\$0.830 on 5 May 2016, being the last full trading day of the Company prior to the Offer Announcement Date. The IFA has opined that the Offer Price of S\$1.020 is fair and reasonable. It should also be noted that under the Code, the Offeror is prohibited from acquiring Shares at above the Offer Price or on terms better than the terms of the Offer within six months of the close of the Offer. Accordingly, even if an exit offer is made, it will have to be made based on the Offer Price and on the same terms as that of the Offer;
- (iii) an exit offer is not materially different from a take-over offer regulated under the Code. If an exit offer is required to be made, the Company would incur additional costs and expenses in appointing an independent financial adviser (who will be giving

its opinion on the Offer Price, when there is an existing IFA's opinion that the Offer Price is fair and reasonable), preparing the circular to Shareholders and holding the extraordinary general meeting (in which the delisting resolution will definitely be approved as the Offeror already holds more than 90 per cent. of voting rights attributable to the Shares); and

- (iv) the Offeror has received valid acceptances pursuant to the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares) and is therefore entitled to, and will in due course, exercise its Shares Compulsory Acquisition Right to acquire all the Shares of Dissenting Shareholders at the Offer Price of S\$1.020 in cash for each Share. Therefore, as the Shares of the Dissenting Shareholders will be acquired by the Offeror pursuant to the Shares Compulsory Acquisition, the Dissenting Shareholders will not be left holding Shares which are not listed on a stock exchange upon the delisting of the Company from the SGX-ST.

### **3. Waiver of Rule 705(2) of the Listing Manual**

Together with the Delisting Application, the Company applied to the SGX-ST for a waiver (the **"Rule 705(2) Waiver"**) of the requirements under Rule 705(2) of the Listing Manual for the Company to announce the financial statements for its second quarter ended 30 June 2016 (the **"2Q FY2016 Results"**) no later than 14 August 2016.

The Rule 705(2) Waiver was sought on the basis that the 2Q FY2016 Results should no longer be of relevance to the Dissenting Shareholders, because (i) as announced in the Shares CA Announcement, the Offeror is entitled to, and will in due course, exercise its Shares Compulsory Acquisition Right to compulsorily acquire the Shares of the Dissenting Shareholders and the Company will ultimately be delisted, and (ii) as announced in the Suspension of Trading Announcement, trading of the Shares on the SGX-ST has ceased with immediate effect on 12 July 2016.

### **4. SGX-ST Confirmations**

The Board wishes to announce that the SGX-ST has on 19 July 2016 informed the Company that the SGX-ST:

- (i) has no objection to the Proposed Delisting, subject to compliance with the SGX-ST's listing requirements;
- (ii) has no objection to the Rule 1307 Waiver in connection with the Proposed Delisting; and
- (iii) has no objection to the Rule 705(2) Waiver in connection with the announcement of the 2Q FY2016 Results by 14 August 2016.

The above confirmations of the SGX-ST have been made subject to:

- (i) an announcement being made of the Delisting Application and waivers granted, the reasons for seeking the waivers and the conditions as required under Rule 107 of the Listing Manual;

- (ii) submission of a written confirmation from the Company that the waivers do not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (iii) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decisions which has yet to be announced by the Company.

The SGX-ST also confirmed that Rule 1309 of the Listing Manual has been complied with by the Company.

The SGX-ST's decision is not to be taken as an indication of the merits of the Proposed Delisting.

## **5. Delisting of the Company from the SGX-ST**

The date and time of the delisting of the Shares and Convertible Bonds from the Official List of the SGX-ST will be announced in due course.

## **6. Responsibility Statement**

The directors of the Company (the "**Directors**") (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the announcements issued by or on behalf of the Offeror), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Lim Lay Hoon  
Company Secretary  
Singapore, 20 July 2016