

VOLUNTARY CONDITIONAL CASH OFFER

by



DBS BANK LTD.

(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

for and on behalf of

EASTON OVERSEAS LIMITED

(Company Registration No.: 111542)
(Incorporated in the British Virgin Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Company Registration No.: 198101278D)
(Incorporated in the Republic of Singapore)

DEALINGS DISCLOSURE AND LEVEL OF ACCEPTANCES FOR 22 JUNE 2016

**EASTON OVERSEAS LIMITED AND ITS CONCERT PARTIES OWN, CONTROL
OR HAVE AGREED TO ACQUIRE 92.55% OF THE SHARES IN
CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED¹**

OFFER DECLARED UNCONDITIONAL IN ALL RESPECTS

EXTENSION OF CLOSING DATE

1. INTRODUCTION

DBS Bank Ltd. ("**DBS Bank**") refers to the offer document dated 30 May 2016 (the "**Offer Document**") issued by DBS Bank, for and on behalf of Easton Overseas Limited (the "**Offeror**"), in connection with:

- (a) the voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of China Merchants Holdings (Pacific) Limited (the "**Company**"), other than those Shares owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"); and
- (b) the offer to acquire the outstanding 1.25% convertible bonds ("**Convertible Bonds**") in the principal amount of HK\$150,000,000 due 6 November 2017 issued by the Company, other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Convertible Bonds Offer**").

All capitalised terms used but not defined herein shall have the same meanings given to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

¹ In this Announcement, unless otherwise stated, all references to percentage shareholding of the issued share capital of the Company are based on the issued 1,794,524,100 Shares.

2. DEALINGS BY THE OFFEROR

Pursuant to Rule 12.1 of the Code, DBS Bank, for and on behalf of the Offeror, wishes to announce the following acquisitions of Shares by the Offeror on 22 June 2016:

Total number of Shares acquired	511,700
Percentage of total number of Shares represented by Shares acquired	0.03%
Price per Share acquired (excluding brokerage commission and Goods and Services Tax)	S\$1.020

3. LEVEL OF ACCEPTANCES OF THE OFFER

Pursuant to Rule 28.1 of the Code, DBS Bank wishes to announce, for and on behalf of the Offeror, that:

- (a) **Acceptances of the Offer.** As at 5.00 p.m. (Singapore time) on 22 June 2016, the Offeror has received valid acceptances of **239,922,995 Shares** from the Shareholders², representing approximately **13.37%** of the total number of Shares.
- (b) **Shares held on or before the Offer Announcement Date.** As at the Offer Announcement Date, the Offeror and persons acting in concert with it ("**Concert Parties**") owned, controlled or agreed to acquire an aggregate of **1,363,236,393 Shares**³, representing approximately **75.97%** of the total number of Shares.
- (c) **Shares acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 22 June 2016 (other than pursuant to valid acceptances of the Offer).** Following the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 22 June 2016, save for the acquisition by the Offeror of an aggregate of **57,634,900 Shares**, representing approximately **3.21%** of the total number of Shares, the Offeror and its Concert Parties have not acquired or agreed to acquire any Shares (other than pursuant to valid acceptances of the Offer).

4. RESULTANT SHAREHOLDINGS

Accordingly, as at 5.00 p.m. (Singapore time) on 22 June 2016, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties; and (b) valid acceptances of the Offer, **amount to an aggregate of 1,660,794,288 Shares, representing:**

- (i) **approximately 92.55% of the total number of Shares of the Company; and**

² This includes an aggregate of 125,343,736 Shares (representing approximately 6.98% of the total number of issued Shares) held by Hongda International Asset Management Limited ("**HIAM**"). As disclosed in the Offer Document, HIAM has executed an irrevocable undertaking dated 23 May 2016 in favour of the Offeror to, *inter alia*, accept the Offer. HIAM has tendered in acceptance of the Offer in respect of its 125,343,736 Shares.

³ This includes an aggregate of 1,617,000 Shares (representing approximately 0.09% of the total number of issued Shares) held by Jiang Yan Fei, being a Concert Party in connection with the Offer.

- (ii) **approximately 91.73% of the maximum potential issued share capital of the Company⁴.**

5. LEVEL OF ACCEPTANCES OF THE CONVERTIBLE BONDS OFFER

Pursuant to Rule 28.1 of the Code, DBS Bank wishes to announce, for and on behalf of the Offeror, that:

- (a) **Acceptances of the Convertible Bonds Offer.** As at 5.00 p.m. (Singapore time) on 22 June 2016, the Offeror has received valid acceptances in respect of an aggregate principal amount of **HK\$84,000,000 Convertible Bonds**, representing approximately **56.00%** of the outstanding aggregate principal amount of the Convertible Bonds.
- (b) **Convertible Bonds held on or before the Offer Announcement Date.** As at the Offer Announcement Date, none of the Offeror and its Concert Parties owned, controlled or had agreed to acquire any Convertible Bonds.
- (c) **Convertible Bonds acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 22 June 2016 (other than pursuant to valid acceptances of the Convertible Bonds Offer).** Following the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 22 June 2016, none of the Offeror and its Concert Parties acquired or agreed to acquire any Convertible Bonds.

6. RESULTANT BONDHOLDINGS

Accordingly, as at 5.00 p.m. (Singapore time) on 22 June 2016, the aggregate principal amount of (a) Convertible Bonds owned, controlled or agreed to be acquired by the Offeror and its Concert Parties; and (b) valid acceptances of the Convertible Bonds Offer, amount to an aggregate principal amount of **HK\$84,000,000 Convertible Bonds, representing approximately 56.00% of the outstanding aggregate principal amount of Convertible Bonds of the Company.**

7. OFFER AND CONVERTIBLE BONDS OFFER DECLARED UNCONDITIONAL IN ALL RESPECTS

DBS Bank wishes to announce, for and on behalf of the Offeror, that the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, result in the Offeror holding such number of Shares carrying more than 90% of the voting rights attributable to the maximum potential issued share capital of the Company.

ACCORDINGLY, THE OFFER HAS BECOME UNCONDITIONAL AS TO ACCEPTANCES AND IS HEREBY DECLARED UNCONDITIONAL IN ALL RESPECTS. THE CONVERTIBLE BONDS OFFER IS ALSO HEREBY DECLARED UNCONDITIONAL IN ALL RESPECTS.

⁴

"Maximum potential issued share capital of the Company" means the total number of Shares which would be in issue had all outstanding Convertible Bonds and CM Options (other than those acquired or agreed to be acquired by the Offeror and its Concert Parties) been validly converted or exercised (as the case may be) as at the date of this Announcement. As at the date of this Announcement, the maximum potential issued share capital of the Company is 1,810,491,512, based on the latest information available to the Offeror.

8. EXTENSION OF OFFER AND CLOSING DATE

In accordance with Rule 22.6 of the Code, as the Offer has become unconditional as to acceptances, the Offer and the Convertible Bonds Offer will remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed. **Accordingly, the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 11 July 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "Closing Date").**

9. PROCEDURES FOR ACCEPTANCE

Shareholders who wish to accept the Offer but have not done so should complete, sign and forward their FAA or FAT (as the case may be) and all other relevant documents as soon as possible so as to reach The Central Depository (Pte) Limited ("CDP") or Boardroom Corporate & Advisory Services Pte. Ltd. (the "Registrar") (as the case may be) no later than 5.30 p.m. (Singapore time) on the Closing Date. All FAAs, FATs and other relevant documents received after 5.30 p.m. (Singapore time) on the Closing Date will not be accepted.

Bondholders who wish to accept the Convertible Bonds Offer but have not done so should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction to be received by the tender agent for the Convertible Bonds Offer, Citibank, N.A., London Branch (the "Tender Agent") by the Closing Date. Bondholders are advised to check with the bank, securities broker or other intermediary (an "Intermediary") through which they hold Convertible Bonds as to the deadline by which such Intermediary would need to receive instructions in order for the Bondholders to be able to tender their acceptances of the Convertible Bonds Offer prior to the Closing Date.

Shareholders and/or Bondholders who are in any doubt about the Offer and/or the Convertible Bonds Offer should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.

Shareholders who have not received or who have misplaced the Offer Document and/or the relevant acceptance forms should contact CDP (if he is a Shareholder whose Securities Account is/or will be credited with Shares ("Depositor") or the Registrar (if he is a Shareholder whose name appears in the register of members of the Company ("Scrip Shareholders")), as the case may be, immediately at the following respective addresses:

For Depositors:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20
The Metropolis
Singapore 138588
Tel: (65) 6535 7511

For Scrip Shareholders:

**Boardroom Corporate & Advisory
Services Pte. Ltd.**
50 Raffles Place,
#32-01, Singapore Land Tower,
Singapore 048623
Tel: (65) 6536 5355

Copies of the Offer Document and the FAA may be obtained by Depositors from CDP during normal business hours and up to the Closing Date, upon production of satisfactory evidence that their Securities Accounts are or will be credited with the Shares.

Copies of the Offer Document and the FAT may be obtained by Scrip Shareholders from the Registrar during normal business hours and up to the Closing Date, upon production of satisfactory evidence of title to the Shares.

Bondholders should contact the Tender Agent at exchange.gats@citi.com to request for copies of the Offer Document.

Electronic copies of the Offer Document are available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

10. **COMPULSORY ACQUISITION AND SECTION 215(3) OF THE COMPANIES ACT**

In view of the Offeror's shareholding as at the date of the Offer, the compulsory acquisition threshold under Section 215(1) of the Companies Act for the Offer is 97.59% of the total number of Shares. **Accordingly, the Offeror is currently not entitled to exercise any rights of compulsory acquisition in connection with the Offer. The Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.**

As at 5.00 p.m. (Singapore time) on 22 June 2016, as the Offeror has acquired such number of shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") have the right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price by serving a notice requiring the Offeror to do so. Dissenting Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

11. **DIRECTORS' RESPONSIBILITY STATEMENT**

The sole director of the Offeror, the directors of Cornerstone, and the directors of CM Highway (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the sole director of the Offeror, the directors of Cornerstone, and the directors of CM Highway has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The sole director of the Offeror, the directors of Cornerstone, and the directors of CM Highway jointly and severally accept responsibility accordingly.

Issued by
DBS BANK LTD.

For and on behalf of
EASTON OVERSEAS LIMITED
22 June 2016

Any inquiries relating to this Announcement, the Offer or the Convertible Bonds Offer should be directed during office hours to:

DBS Bank Ltd.
Strategic Advisory

Tel: (65) 6682 8999