

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)

CLARIFICATION ANNOUNCEMENT TO OFFER ANNOUNCEMENT

1. INTRODUCTION

DBS Bank Ltd. ("**DBS Bank**") refers to the announcement dated 9 May 2016 (the "**Offer Announcement**") issued by DBS Bank, for and on behalf of Easton Overseas Limited (the "**Offeror**") in connection with the voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of China Merchants Holdings (Pacific) Limited, other than those Shares owned, controlled or agreed to be acquired by the Offeror.

All capitalised terms used in this Announcement shall have the same meanings as defined in the Offer Announcement, unless otherwise expressly stated or the context otherwise requires.

2. CORRECTION TO TERMS OF THE CONVERTIBLE BONDS OFFER

As set out in paragraph 3.3(a) of the Offer Announcement, the Convertible Bonds Offer Price will, in accordance with Note 1(a) on Rule 19 of the Code, be a fixed "see-through" price, being the Offer Price for one (1) Offer Share multiplied by the number of Shares (rounded down to the nearest whole number) into which the relevant principal amount of Convertible Bonds may be converted.

The actual Convertible Bonds Offer Price payable to each accepting Bondholder will be determined based on the total principal amount of the Convertible Bonds that are tendered by a Bondholder pursuant to the Convertible Bonds Offer.

There was a typographical error in the Convertible Bonds Offer Price in the illustration provided. Accordingly, DBS Bank wishes to announce, for and on behalf of the Offeror as follows:

For purely illustrative purposes only, based on the Fixed Exchange Rate and the Prevailing Conversion Price, the Convertible Bonds Offer Price for every HK\$1,000,000 principal amount of Convertible Bonds will be S\$212,691.42 in cash.

3. NO OTHER CHANGES

Save as set out in this Announcement, there are no other changes to the information set out in the Offer Announcement.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The sole director of the Offeror and the directors of Cornerstone (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 and the directors of Cornerstone 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 and the directors of Cornerstone jointly and severally accept responsibility accordingly.

Issued by
DBS BANK LTD.

For and on behalf of
EASTON OVERSEAS LIMITED
10 May 2016

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

DBS Bank Ltd.
Strategic Advisory

Tel: (65) 6682 8999

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known

and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders, Bondholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements.