

CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 198101278D

ANNOUNCEMENT

CMHP SHARE OPTION SCHEME 2002 - ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF SHARES COMPRISED IN UNEXERCISED OPTIONS

The board of directors (the “**Board**”) of China Merchants Holdings (Pacific) Limited (the “**Company**”) refers to the CMHP Share Option Scheme 2002 (the “**2002 Scheme**”) and the bonus issue of 54,740,985 new shares of the Company (the “**Bonus Shares**”), on the basis of one (1) Bonus Share to be credited as fully paid for every twenty (20) existing shares of the Company (“**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at 5.00 p.m. on 14 May 2015 (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Bonus Issue**”).

The Company has today allotted and issued 54,740,985 Bonus Shares, which was effected by capitalising HK\$310,523,892 by way of a transfer from the accumulated profits of the Company to the share capital account of the Company and applying the same towards payment in full for the Bonus Shares..

Adjustments due to Bonus Issue

Rule 12 of the 2002 Scheme provides that, in the event of a variation in the number of Shares in issue (including by way of a capitalisation of profits), the Remuneration Committee of the Company (the “**Options Committee**”) has the discretion to, *inter alia*, adjust the following:

- (i) the price at which the holder (a “**Participant**”) of an option granted under the 2002 Scheme (an “**Option**”) shall subscribe for each Share upon the exercise of an Option (the “**Exercise Price**”) to the extent unexercised; and/or
- (ii) the class and/or number of Shares comprised in an Option to the extent unexercised and the rights attached thereto.

After considering all relevant circumstances, the Options Committee considers it appropriate and equitable to adjust the Exercise Price and number of Shares comprised in all outstanding Options which are unexercised, as follows:

Adjustment to Exercise Price

Adjusted Exercise Price = Existing Exercise Price x (A / B)

Where:

A = Aggregate nominal amount of the issued Shares immediately before the Bonus Issue, being 1,095,636,442 Shares

B = Aggregate nominal amount of the issued Shares immediately after the Bonus Issue, being 1,150,377,427 Shares

Adjustment to number of Shares comprised in an Option to the extent unexercised

Adjusted number of Shares comprised in an Option which are unexercised = Existing number of Shares comprised in an Option which are unexercised x (21 / 20), fractional entitlements to be disregarded

The adjustment to the Exercise Price and the number of Shares comprised in an Option, to the extent unexercised, as a result of the Bonus Issue will take effect retrospectively in respect of all Options exercised on and from the Books Closure Date.

As at the date of this Announcement, there are an aggregate number of 2,100,000 Shares comprised in unexercised Options granted to Participants and the Exercise Price of such Options is S\$0.789. Accordingly, following the adjustments described above, the aggregate number of Shares comprised in unexercised Options granted to Participants will be adjusted to 2,205,000 Shares and the Exercise Price of such Options will be adjusted to S\$0.751.

In accordance with the Rules of the 2002 Scheme, the Company will be notifying each Participant in writing and delivering to such Participant a statement setting forth, *inter alia*, the adjusted Exercise Price and the adjusted number of Shares comprised in the Option(s) granted to such Participant so far as unexercised.

BY ORDER OF THE BOARD

Lim Lay Hoon
Company Secretary
Singapore, 2 June 2015