

VOLUNTARY CONDITIONAL CASH OFFER

Cash Offer
S\$1.020
for each Offer Share

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 share capital of



招商局 亚太有限公司
China Merchants Holdings (Pacific) Limited

CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

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

other than those already owned, controlled or agreed
to be acquired by Easton Overseas Limited

by



DBS BANK LTD.

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

OFFER DOCUMENT DATED 30 MAY 2016
**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt about this Offer (as defined herein) and/or the Convertible Bonds Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately. DBS Bank Ltd. ("**DBS Bank**") is acting for and on behalf of Easton Overseas Limited (the "**Offeror**") and does not purport to advise shareholders ("**Shareholders**") or Bondholders (as defined herein) of China Merchants Holdings (Pacific) Limited (the "**Company**"). In preparing this Offer Document, DBS Bank has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder or Bondholder.

The contents of this Offer Document have not been reviewed by any regulatory authority in any jurisdiction (including Hong Kong).

You are advised to exercise caution in relation to the Offer and the Convertible Bonds Offer. If you are in any doubt about any of the contents of this Offer Document, you should obtain independent professional advice.

The views of the Independent Directors (as defined herein) and the independent financial adviser to the Offer and the Convertible Bonds Offer will be made available to you by the Company in due course. You may wish to consider their views before taking any action in relation to the Offer and the Convertible Bonds Offer.

If you have sold or transferred all your issued and paid-up ordinary shares in the share capital of the Company (the "**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Offer Document and the

accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") to the purchaser or the transferee as arrangements will be made by CDP for a separate Offer Document and FAA to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately hand this Offer Document and the accompanying Form of Acceptance and Transfer for Offer Shares ("**FAT**") to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or the transfer, for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AND THE CONVERTIBLE BONDS OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 27 JUNE 2016, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF EASTON OVERSEAS LIMITED.

The procedures for acceptance of the Offer are set out in **Appendix VI** to this Offer Document, and in the accompanying FAA and/or FAT. The procedures for acceptance of the Convertible Bonds Offer are set out in **Appendix VII** to this Offer Document.

HIGHLIGHTS OF THE OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

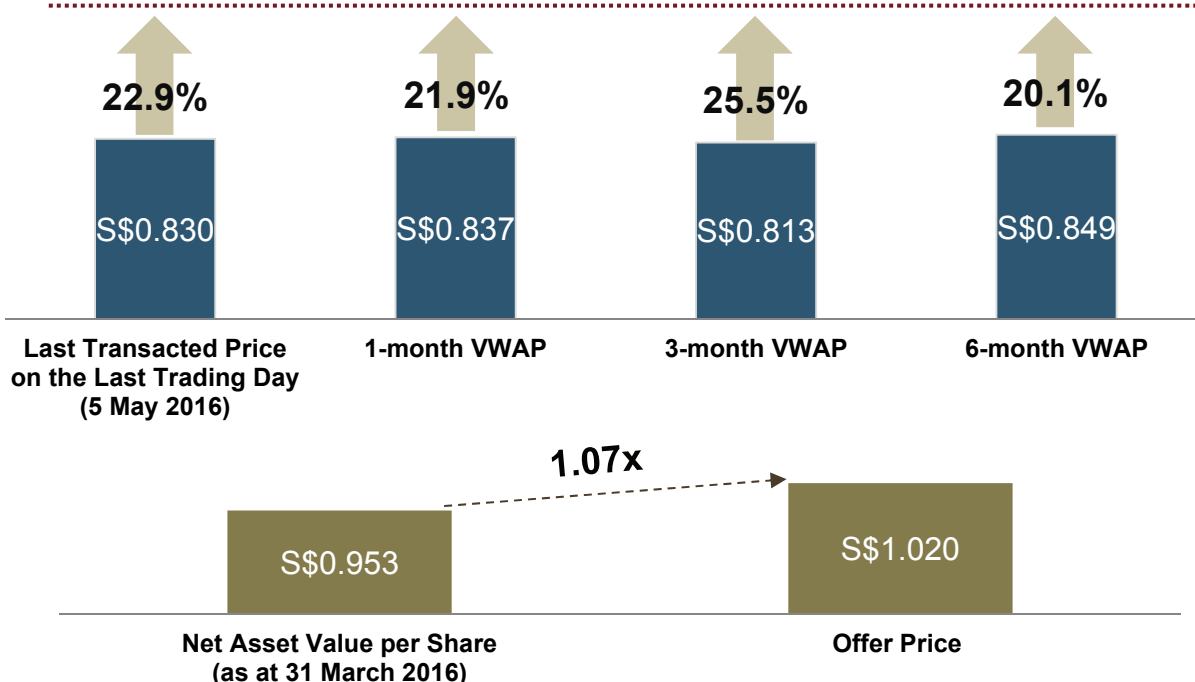
1 Offer presents Shareholders with a clean cash exit opportunity

Amidst the challenging market conditions, the Offer presents you with a clean cash exit opportunity to realise your entire investment in the Company at significant premiums over the historical trading prices of the Shares **without incurring brokerage and other trading costs**.

For each Offer Share: S\$1.020 in cash

2 Offer Price is at significant premiums vis-à-vis the historical pricing benchmarks and is higher than the net asset value of the Company

Offer Price: **S\$1.020**



Notes:

- The figures set out in the chart above are based on data extracted from Bloomberg L.P. on 5 May 2016, being the last full trading day prior to the trading halt on 6 May 2016 (the "**Last Trading Day**"). The last transacted price per Share before the trading halt on 6 May 2016 was S\$0.850.
- Premiums are computed based on the share prices which were rounded to the nearest three (3) decimal places.
- Premiums are rounded to the nearest one (1) decimal place.
- The volume weighted average price ("**VWAP**") comparisons are with reference to the respective periods up to and including the Last Trading Day.
- Net Asset Value per Share as at 31 March 2016 is computed at an exchange rate of S\$1: HK\$5.7118 and rounded to the nearest three (3) decimal places.

要约亮点

所有术语的含义均以本要约文件中的定义为准。此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

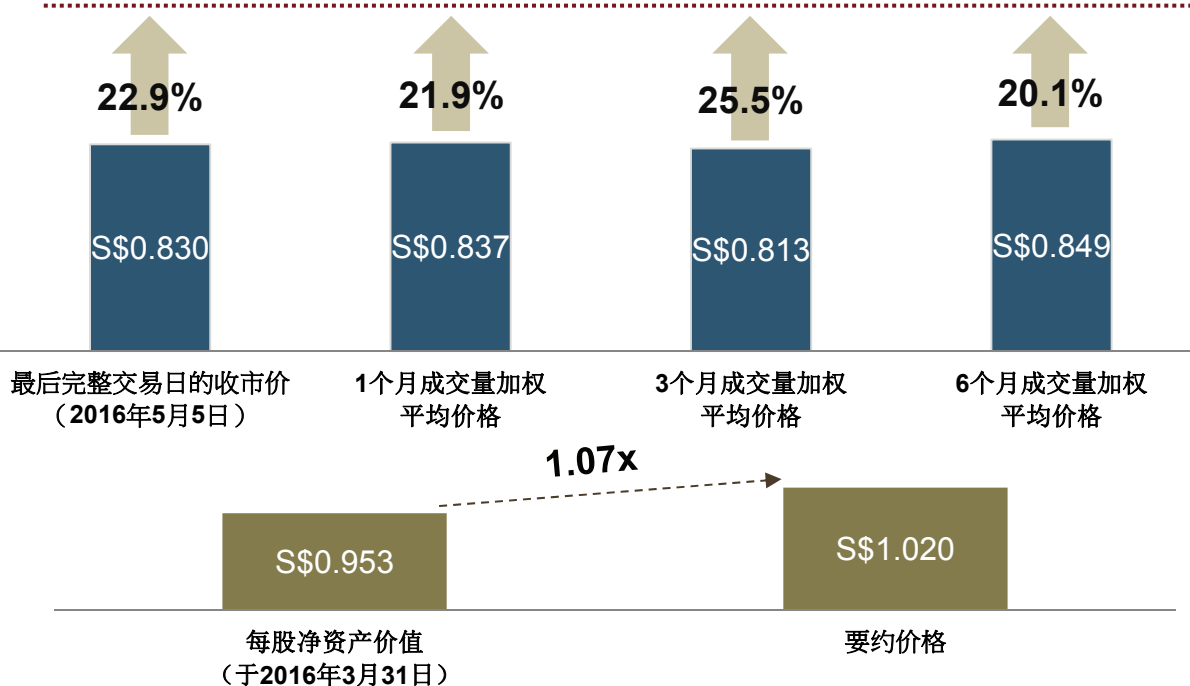
1 本要约为股东提供了一个套现的良机

在目前充满挑战的整体市场环境下，本要约为您提供了一个独特的机会以相对于历史交易价格较高的溢价来套现您的投资。同时您无需承担任何经纪佣金或其它的交易费用。

每股要约价：现金**1.020**新元

2 对比过往股价及公司净资产值，要约价的溢价相当可观

要约价格：**1.020**新元/每股



注释:

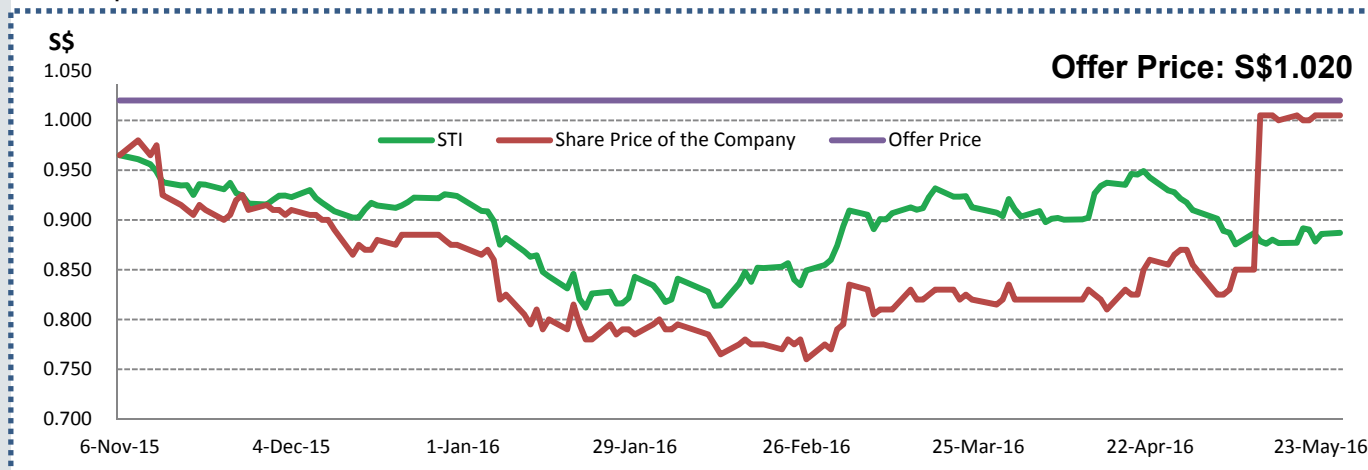
1. 数据来源：于2016年5月5日取自彭博。2016年5月5日为在2016年5月6日停牌前的最后完整交易日。在停牌日即2016年5月6日的最后成交价格为0.850新元。
2. 溢价根据四舍五入至小数点后三位数的股价作为计算基础。
3. 百分比四舍五入至小数点后一位数。
4. 成交量加权平均价格基于2016年5月5日及之前的日期。
5. 基于2016年3月31日每股净资产价值0.953新元计算，使用的汇率为1新元兑换5.7118港元，四舍五入至小数点后三位。

HIGHLIGHTS OF THE OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

3 The Offer Price supports the value of the Shares

In the six (6)-month period prior to and including the Last Trading Day, the price of the Shares had generally been under-performing the Straits Times Index (“**STI**”). However, the price of the Shares surged after the issue of the Offer Announcement and has been well-supported by the Offer Price. The Offer enables Shareholders to achieve returns that out-perform the STI over the same period.



Source: Bloomberg L.P. dated 23 May 2016.

Note:

1. STI has been rebased to the last transacted price as of 6 November 2015 (being the starting date for the 6-month VWAP computation).

4 Offer Price will NOT be adjusted for the FY2015 Dividend

Shareholders as at the Record Date and Time (i.e. 5.00 p.m. on 5 May 2016) for the FY2015 Dividend who accept the Offer will be entitled to retain the FY2015 Dividend.

5 Offeror does NOT intend to preserve the listing status of the Company

The Offeror intends to delist the Company, and if possible, privatise it. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under the Companies Act.

The Offeror does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands.

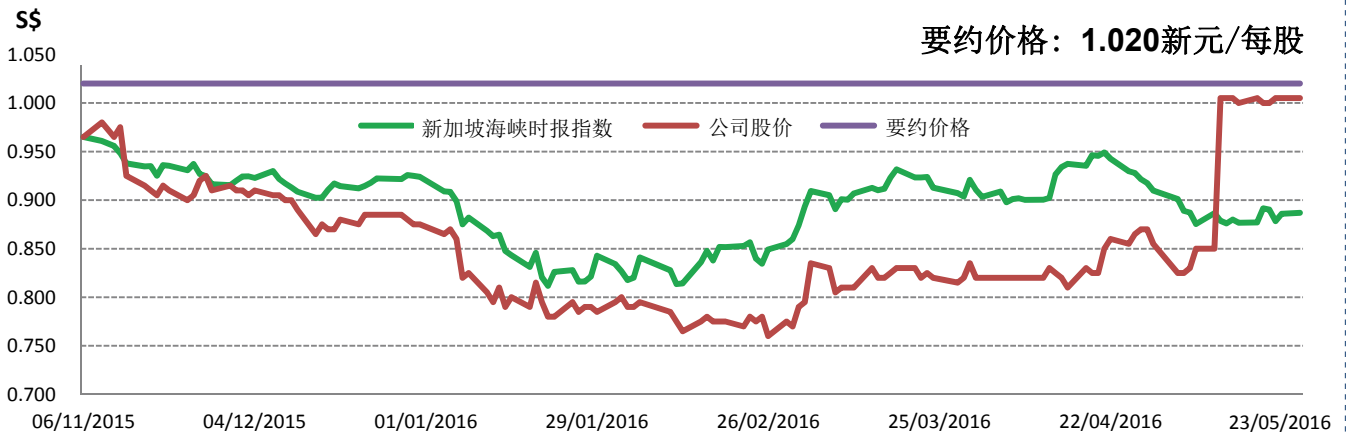
In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

要约亮点

所有术语的含义均以本要约文件中的定义为准。此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

3 要约价支持股票的价值

在包括最后交易日的过往6个月内，公司股价的总体表现不及新加坡海峡时报指数。但是，股价在要约公告发出之后有着显著上升，很好地受到了要约价的支持。要约让股东能在同一时期内取得高于新加坡海峡时报指数的回报率。



数据来源：于2016年5月23日取自彭博

注释：

1. 新加坡海峡时报指数以公司2015年11月6日的最后成交价格（为6个月成交量加权平均价格的起算日期）为基准进行调整，以做比较。

4 要约价不会根据2015财年股息而作调整

于公司的记录日期和时间（即2016年5月5日下午5点）仍为公司股东者在接受本次要约时将有权获派2015财年股息。

5 要约方没有意向维持公司的上市地位

要约方无意向保留公司于新交所的上市地位。相应的，要约方如果及有权时将会行使据公司法所赋予的强制收购权利。

当公众持股量不足已发行股份总数的10%（不包括库存股）时，要约方无意采取任何措施恢复流通股以及/或者解除公司停牌的情况。

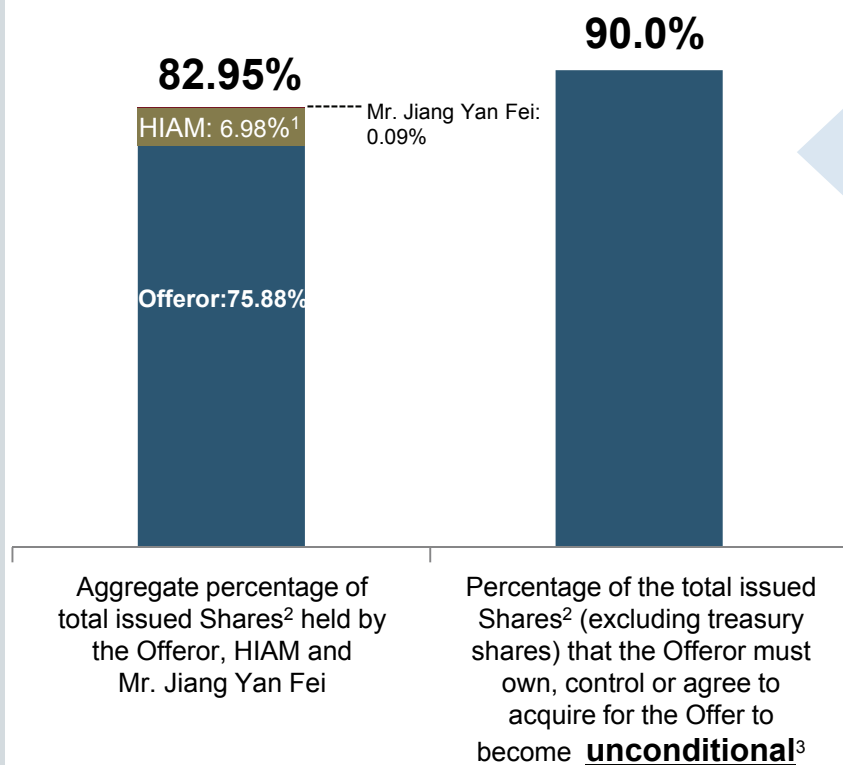
另外，要约方保留权利据上市准则的规则1307及规则1309的规定寻求将公司从新交所自愿除牌。

HIGHLIGHTS OF THE OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

6

Offer will be conditional upon the 90% Acceptance Condition being fulfilled



If your acceptance of the Offer is complete and valid in all respects:

- A. if the Offer has NOT become unconditional, you will be paid S\$1.020 for each Offer Share within seven (7) business days after the Offer has become unconditional; or
- B. if the Offer has become unconditional, you will be paid S\$1.020 for each Offer Share within seven (7) business days of the date of receipt of your acceptance.

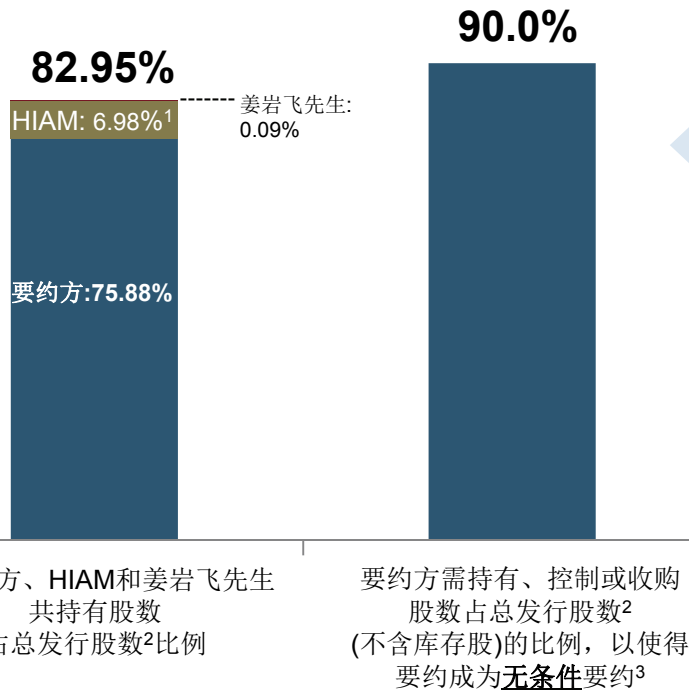
Notes:

1. HIAM has executed an irrevocable undertaking to accept the Offer.
2. As at the Latest Practicable Date, the total number of issued Shares is 1,794,524,100.
3. The Offer will be conditional upon the Offeror having received, by the close of the Offer, 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, will result in the Offeror holding not less than 90% of the Shares (excluding any Shares held in treasury) as at the close of the Offer. Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will 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.

要约亮点

所有术语的含义均以本要约文件中的定义为准。此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

6 本要约的条件在于要约方需达成**90%**要约接受率



如果您完整并有效地接受本要约:

- A. 如果要约尚未成为无条件要约, 您将在要约成为无条件要约之后的7个工作日内获得**1.020新元/每股**的现金价款; 或者
- B. 如果要约已成为无条件要约, 您将在要约方收到您的接受表格之后的7个工作日内获得**1.020新元/每股**的现金价款。

注释:

1. HIAM已经签署了不可撤销的承诺函承诺接受要约。
2. 截至最后实际可行日期, 总发行股数为 1,794,524,100。
3. 要约的条件为在要约结束时, 要约方持有 (包括通过股东接受要约、或要约方于要约前或要约期间所控制或将收购的股票) 至少**90%**的股票 (不包括库存股)。因此, 要约只能在要约结束时才能达成无条件, 除非在要约结束前, 要约方持有 (包括通过股东接受要约、或要约方于要约前或要约期间所控制或将收购的股票) 至少**90%**最大潜在股票数量。

INSTRUCTIONS TO ACCEPT THE OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

Procedures for acceptance of the Offer by Shareholders who hold Offer Shares which are deposited with CDP

If you are a Shareholder:

- Look for the relevant Form of Acceptance and Authorisation for Offer Shares ("**FAA**") in this package.
- Please proceed to Step A below.

If you are a CPFIS Investor and/or SRS Investor:

- Please contact your CPF/SRS Agent Banks (namely, DBS Bank, Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited).

If you have misplaced the FAA:

- Electronic copies are available from the website of the SGX-ST at www.sgx.com.
- Click on the "Company Information" tab → "Company Announcements". Select "CHINA MERCHANTS HLDGS(PACIFIC)". The FAA is appended to the announcement dated 30 May 2016 relating to the despatch of the Offer Document.
- Alternatively, you may call CDP at **(65) 6535 7511** to obtain the FAA.

A

Fill in your details and sign the FAA¹.

- Under Part A, fill in the number of Offer Shares in the "Free Balance" of your CDP Securities Account that you wish to tender in acceptance of the Offer.

I/We hereby irrevocably authorise CDP to effect the transfer from the "Free Balance" of my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP:

Part A	Number of Offer Shares now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the Offer is accepted	Please indicate the number of Offer Shares you wish to tender in acceptance of the Offer
		1 Insert number here

NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.

- Please fill in the applicable date and proceed to sign off on the bottom right hand corner of the FAA.

Date _____

2 Please date here

Signature(s)/Thumbprint(s) of Depositor(s)/Joint Depositors.
For corporations, please sign as per your signing mandate and where appropriate, the Common Seal to be affixed in accordance with your Constitution or relevant constitutive documents.

3 Please sign here

- Please return the completed FAA in the enclosed pre-addressed envelope so as to arrive **NOT LATER THAN 5.30 p.m. on the Closing Date.**

¹ Further instructions for completing the FAA are set out in the FAA and **Appendix VI** to this Offer Document.

提交要约接受表格的步骤

所有术语的含义均以本要约文件中的定义为准。此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

如果您的要约股票存于CDP，则请按照以下步骤接受要约

如果您是股东：

- 请找出本要约文件附带的Form of Acceptance and Authorisation for Offer Shares (“**FAA**”) 表格。
- 请按照以下步骤A执行。

如果您是公积金投资计划(CPFIS)项下投资者以及 / 或退休辅助计划(SRS)项下投资者：

- 请与您的公积金/ 退休辅助计划代理银行（即星展银行、华侨银行或大华银行）联络。

如果您找不到FAA要约接受表格：

- 电子副本可以从新加坡证券交易所网站 www.sgx.com 下载。
- 点击“Company Information”标签页“Company Announcements”。选择“CHINA MERCHANTS HLDGS(PACIFIC)”。FAA表格随附于2016年5月30日有关寄发本要约文件的公告。
- 或者，您可拨打**(65) 6535 7511**联络CDP获得FAA表格。

A

请填写并签署FAA表格¹。

- 请在Part A填写您在CDP证券账户的“自由结余”项下打算出售的要约股份。

I/We hereby irrevocably authorise CDP to effect the transfer from the "Free Balance" of my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP:

Part A		Please indicate the number of Offer Shares you wish to tender in acceptance of the Offer	
Number of Offer Shares now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the Offer is accepted			1 Insert number here

NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.

- 请在表格中填写适用日期并在表格右下角签名。

2 Please date here

Date _____

3 Please sign here

Signature(s)/Thumbprint(s) of Depositor(s)/Joint Depositors.
For corporations, please sign as per your signing mandate and where appropriate, the Common Seal to be affixed in accordance with your Constitution or relevant constitutive documents.

- 将填妥后的FAA表格放入提前注明地址的随附信封并寄回。该邮件必须在不迟于要约截止日期当日下午5时30分（新加坡时间）到达指定地址。

¹ 填写FAA表格的详细步骤，请参阅FAA表格和本要约文件附录VI。

INSTRUCTIONS TO ACCEPT THE OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

Procedures for acceptance of the Offer by Shareholders who hold Offer Shares which are NOT deposited with CDP

A Locate the Form of Acceptance and Transfer for Offer Shares (“FAT”) in this package.

If you have misplaced the FAT:

- Electronic copies are available from the website of the SGX-ST at www.sgx.com.
- Click on the “Company Information” tab → “Company Announcements”. Select “CHINA MERCHANTS HLDGS(PACIFIC)”. The FAT is appended to the announcement dated 30 May 2016 relating to the despatch of the Offer Document.
- Alternatively, you may call the Registrar at **(65) 6536 5355** to obtain the FAT.

B Fill in your details and sign the FAT¹.

- Complete the section below. Particularly, you must state in (A) the number of Offer Shares in respect of which you wish to accept the Offer and state in (B) the share certificate number(s) of the relevant share certificate(s).

(A) Number of Offer Shares Tendered in Acceptance of Offer	(B) Share Certificate No(s).	Consideration	FOR OFFICIAL USE
		Offer Price of S\$1.020 for each Offer Share	

I/We, _____ (Full name of Shareholder and joint Shareholder(s), if any) (Passport/NRIC/Company Registration Number) _____

of _____ (Address)

Telephone No. (Office/Home): _____ (Handphone): _____

Email: _____

- Sign at the relevant section.

For Individual Shareholders

For Corporate Shareholders

Signed, sealed and delivered by the above-named Shareholder/first-named joint Shareholder in the presence of:

Witness' Signature: _____)

Name: _____)

NRIC/Passport No.: _____)

Address: _____)

Occupation: _____)

_____ Signature of Shareholder/first-named joint Shareholder

Signed, sealed and delivered by the above-named joint Shareholder in the presence of:

Witness' Signature: _____)

Name: _____)

NRIC/Passport No.: _____)

Address: _____)

Occupation: _____)

_____ Signature of joint Shareholder, if any

The Common Seal of the above-named Shareholder was hereunto affixed in presence of:

_____)

_____)

Director Director/Secretary

- Please return the completed FAT together with **relevant share certificate(s) and/or other document(s) of title** in the enclosed pre-addressed envelope so as to arrive **NOT LATER THAN 5.30 p.m. on the Closing Date**.

¹ Further instructions for completing the FAT are set out in the FAT and **Appendix VI** to this Offer Document.

提交要约接受表格的步骤

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如果您的要约股票并非存于CDP，则请按照以下步骤接受要约

A

请找出本要约文件附带的Form of Acceptance and Transfer for Offer Shares (“FAT”)表格。

如果您找不到FAT要约接受表格：

- 电子副本可以从新加坡证券交易所网站www.sgx.com下载。
- 点击“Company Information”标签页“Company Announcements”。选择“CHINA MERCHANTS HLDGS(PACIFIC)”。FAT表格随附于2016年5月30日有关寄发本要约文件的公告。
- 或者，您可拨打**(65) 6536 5355**联络股票过户登记处获得FAT表格。

B

请填写并签署FAT表格¹。

- 请完成以下部分。特别是您需要在A部分填写您愿意接受本次要约的股数；以及B部分填写相关股票证明书的号码。

(A) Number of Offer Shares Tenders in Acceptance of Offer	(B) Share Certificate No(s).	Consideration Offer Price of S\$1.020 for each Offer Share	FOR OFFICIAL USE

I/We, _____ (Full name of Shareholder and joint Shareholder(s), if any) (Passport/NRIC/Company Registration Number) _____
of _____ (Address)
Telephone No. (Office/Home): _____ (Handphone): _____
Email: _____

- 签署相关部分。

适用于个人股东

Signed, sealed and delivered by the above-named Shareholder/first-named joint Shareholder in the presence of: _____)
Witness' Signature: _____)
Name: _____)
NRIC/Passport No.: _____)
Address: _____)
Occupation: _____) _____ Signature of Shareholder/first-named joint Shareholder

适用于机构股东

Signed, sealed and delivered by the above-named joint Shareholder in the presence of:
Witness' Signature: _____)
Name: _____)
NRIC/Passport No.: _____)
Address: _____)
Occupation: _____) _____ Signature of joint Shareholder, if any

The Common Seal of the above-named Shareholder was hereunto affixed in presence of: _____)
_____) _____)
Director Director/Secretary

- 将填妥后的FAT表格和相关股票证明书及或其他证明股票所有权的文件放入提前注明地址的随附信封并寄回。该邮件必须在不迟于要约截止日期当日下午5时30分（新加坡时间）到达指定地址。

¹ 填写FAT表格的详细步骤，请参阅FAT表格和本要约文件附录VI。

HIGHLIGHTS OF THE CONVERTIBLE BONDS OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Offer Document.

1

Convertible Bonds Offer Price will be a fixed “see-through” price

As at the Latest Practicable Date, the Company has an outstanding aggregate principal amount of HK\$150,000,000 Convertible Bonds due 6 November 2017 (ISIN: XS0832723927).

The Convertible Bonds Offer Price will be a fixed “see-through” price as following:

Convertible Bonds Offer Price = Offer Price x Number of Shares you would have received if you had converted your Convertible Bonds (rounded down to the nearest whole number)¹

Note 1:

$$\begin{array}{l} \text{Number of Shares you} \\ \text{would have received if you} \\ \text{had converted your} \\ \text{Convertible Bonds (rounded} \\ \text{down to the nearest whole} \\ \text{number)} \end{array} = \frac{\left(\begin{array}{l} \text{Principal amount of the} \\ \text{Convertible Bonds tendered} \end{array} / \begin{array}{l} \text{Fixed Exchange Rate} \end{array} \right)}{\text{Prevailing conversion price of} \\ \text{S\$0.757}}$$

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.

The Convertible Bonds Offer will be conditional upon the Offer becoming or being declared unconditional in all respects

2

Compulsory acquisition for Convertible Bonds

If the Offeror acquires not less than 90% of the outstanding aggregate principal amount of the Convertible Bonds as at the date of the Convertible Bonds Offer¹, the Offeror will be entitled to compulsorily acquire all the Convertible Bonds of the Bondholders who have not accepted the Convertible Bonds Offer at a price equal to the Convertible Bonds Offer Price.

Note:

1. As at the Latest Practicable Date, the Offeror does not own any Convertible Bonds.

3

Procedure for the acceptance of the Convertible Bonds Offer

Please refer to **Appendix VII** to this Offer Document on the procedures for acceptance of the Convertible Bonds Offer.

可转债要约亮点

所有术语的含义均以本要约文件中的定义为准。此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

1 可转债的要约价格为一个固定的“看穿”价格

截至最后实际可行日期，公司已经发行的可转债本金为1亿5千万港元，到期日为2017年11月6日 (ISIN: XS0832723927)。

可转债的要约价格为一个固定的“看穿”价格，按照以下的方程式计算：

$$\text{可转债的要约价格} = \text{要约价} \times \text{您若转换所持的可转债能得到的股份 (向下舍入至最接近的整数股份)}^1$$

注释 (1)

$$\begin{array}{l} \text{您若转换所持的可转债能} \\ \text{得到的股份} \\ \text{(向下舍入至最接近的整} \\ \text{数股份)} \end{array} = \frac{\left(\begin{array}{l} \text{提交的可转债本金} \\ \text{固定转换汇率} \end{array} \right)}{\text{现行的可转换价格为} \\ \text{S\$0.757}}$$

举例说明，每一个一百万港币的可转债，基于固定转换汇率和现行的可转换价格，可转债的要约价格将会是现金212,691.42新元。

本次可转债要约是有条件的，取决于本次要约在所有方面正式宣布或者已经被宣布无条件

2 可转债的强制收购

如果要约方所收购的可转债占公司截至本要约文件之日全部可转债本金不少于90%的比例¹，要约方有权行使强制收购，以可转债要约价格来强制收购未接受可转债要约的可转债持有者所持有的所有可转债。

注释：

1. 截至最后实际可行日期，要约方不持有任何可转债。

3 接受可转债要约的步骤

接受可转债要约的步骤，请参阅本要约文件附录VII。

IMPORTANT DATES AND TIMES

Despatch of Offer Document	30 May 2016 (Monday, Singapore time)
Last date for despatch of Company's Circular to its Shareholders	13 June 2016 (Monday, Singapore time)
Closing Date	5.30 p.m. (Singapore time) on 27 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror

DBS HELP LINE

Please call DBS Bank's Help Line at **(65) 6682 8999** during office hours if you have any enquiries about the Offer Document or if you need assistance to complete the FAA and/or the FAT.

IMPORTANT NOTICE

The information in this section is a summary of this Offer Document and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Offer Document. In the event of any inconsistency or conflict between the terms of summary and this Offer Document, the terms set out in this Offer Document shall prevail. Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Shareholders, Bondholders or any other party. DBS Bank is acting for and on behalf of the Offeror and does not purport to advise any Shareholder or Bondholder.

Shareholders and Bondholders are advised to exercise caution when dealing in their Shares or Convertible Bonds, as the case may be, and refrain from taking any action in relation to their Shares or Convertible Bonds, as the case may be, which may be prejudicial to their interests.

The views of the Independent Directors and the independent financial adviser to the Independent Directors on the Offer will be made available to Shareholders and Bondholders in due course and in any event, the Independent Directors are required under the Code to despatch their views within 14 days of the posting of this Offer Document. Shareholders and Bondholders may wish to consider their advice before taking any action in relation to the Offer or the Convertible Bonds Offer, as the case may be.

重要日期和时间

要约文件寄发日期	2016年5月30日 (星期一, 新加坡时间)
公司通函的最迟寄发日期	2016年6月13日 (星期一, 新加坡时间)
要约截止日期和时间	2016年6月27日, 下午5时30分 (新加坡时间) 或要约方或要约方代表 可能随时公告的更晚日期

星展银行的帮助热线

若您对要约文件有任何疑问或在填写相关接受表格时需要任何协助，
欢迎在办公时间致电星展银行的帮助热线 **(65) 6682 8999**。

重要声明

本节所载信息仅为要约文件的概要，故应于本要约文件其他部分所载的全部内容一同阅读。若概要于本要约文件存在任何不一致或相冲突的条款，则应以本要约文件中的所列条款为准。本节所列的任何信息并未意在或可被作为提供给股东，可转债持有者或其他任何各方的意见、推荐或游说。星展银行为要约方服务并代表要约方行事，而并非旨在向任何股东，可转债持有者提供意见。

建议股东和可转债持有者在处置其公司股票和/或可转债时谨慎行事，并避免采取任何可能对其不利的有关其公司股票和/或可转债的行为。

独立董事和独立董事委任的独立财务顾问对该要约的意见将在合适的时候提供给股东和可转债持有者，但无论如何，独立董事必须按新加坡收购及合并守则的规定在该要约文件寄发后的14天内寄发其意见书。股东和可转债持有者在对该要约和/或可转债要约采取任何行动前可参考独立董事及独立财务顾问的意见。

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document, the FAA and the FAT:

<i>“Acceptance Condition”</i>	:	Shall have the meaning ascribed to it in paragraph 2.3 of this Offer Document
<i>“Bondholders”</i>	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Offer Document
<i>“Bonds Settlement Date”</i>	:	Shall have the meaning ascribed to it in paragraph 3 of Appendix V to this Offer Document
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Clearing Systems”</i>	:	Clearstream, Luxembourg and Euroclear
<i>“Clearing Systems Notice”</i>	:	The “Deadlines and Corporate Events” or similar form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the Despatch Date informing Direct Participants of the procedures to be followed in order to participate in the Convertible Bonds Offer
<i>“Clearstream, Luxembourg”</i>	:	Clearstream Banking, société anonyme
<i>“Closing Date”</i>	:	5.30 p.m. on 27 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day of the lodgement of acceptances of the Offer and the Convertible Bonds Offer
<i>“CM Highway”</i>	:	China Merchants Huajian Highway Investment Co., Ltd
<i>“CM Highway Financial Statements”</i>	:	Shall have the meaning ascribed to it in paragraph 3 of Appendix II to this Offer Document
<i>“CM Options”</i>	:	Shall have the meaning ascribed to it in paragraph 2.2(a) of this Offer Document
<i>“CMG”</i>	:	China Merchants Group Limited
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50 of Singapore)
<i>“Company”</i>	:	China Merchants Holdings (Pacific) Limited
<i>“Company Scheme”</i>	:	Shall have the meaning ascribed to it in paragraph 2.2(a) of this Offer Document
<i>“Company Securities”</i>	:	Means (a) Shares; (b) securities which carry voting rights in the Company; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b)

<i>“Convertible Bonds”</i>	:	Shall have the meaning ascribed to it in paragraph 2.2(b) of this Offer Document
<i>“Convertible Bonds Offer”</i>	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Offer Document
<i>“Convertible Bonds Offer Price”</i>	:	Shall have the meaning ascribed to it in paragraph 3.3 of this Offer Document
<i>“Convertible Securities”</i>	:	Securities convertible or exchangeable into new Shares or existing Shares
<i>“Cornerstone”</i>	:	Cornerstone Holdings Limited
<i>“CPF”</i>	:	Central Provident Fund
<i>“CPF Agent Banks”</i>	:	Agent banks included under the CPFIS
<i>“CPFIS”</i>	:	Central Provident Fund Investment Scheme
<i>“CPFIS Investors”</i>	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
<i>“Date of Receipt”</i>	:	Shall have the meaning ascribed to it in paragraph 1(a) of Appendix VI to this Offer Document
<i>“DBS Bank”</i>	:	DBS Bank Ltd.
<i>“DBS Vickers”</i>	:	DBS Vickers Securities (Singapore) Pte Ltd
<i>“Derivatives”</i>	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
<i>“Despatch Date”</i>	:	30 May 2016, being the date of this Offer Document and the date of despatch of this Offer Document
<i>“Direct Participant”</i>	:	Each person shown in the records of the Clearing Systems as a holder of Convertible Bonds
<i>“Dissenting Convertible Bondholders”</i>	:	Shall have the meaning ascribed to it in paragraph 12.2 of this Offer Document
<i>“Dissenting Shareholders”</i>	:	Shall have the meaning ascribed to it in paragraph 12.2 of this Offer Document
<i>“Electronic Acceptance”</i>	:	Shall have the meaning ascribed to it in paragraph 1(a) of Appendix VI to this Offer Document
<i>“Encumbrances”</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document
<i>“Euroclear”</i>	:	Euroclear Bank S.A./N.V.

<i>“FAA”</i>	:	Form of Acceptance and Authorisation for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
<i>“FAT”</i>	:	Form of Acceptance and Transfer for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
<i>“Fixed Exchange Rate”</i>	:	Shall have the meaning ascribed to it in paragraph 3.1 of this Offer Document
<i>“FY”</i>	:	The financial year ended 31 December of the relevant year
<i>“FY2015 Dividend”</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“HIAM”</i>	:	Hongda International Asset Management Limited
<i>“HK\$” and “HK cents”</i>	:	Hong Kong dollars and cents respectively, being the lawful currency of Hong Kong
<i>“Independent Directors”</i>	:	The directors of the Company who are considered to be independent for the purposes of the Offer and the Convertible Bonds Offer
<i>“Irrevocable Undertaking”</i>	:	Shall have the meaning ascribed to it in paragraph 13.1 of the Offer Document
<i>“Last Trading Day”</i>	:	Shall have the meaning ascribed to it in paragraph 9.1 of this Offer Document
<i>“Latest Practicable Date”</i>	:	23 May 2016, being the latest practicable date prior to the printing of this Offer Document
<i>“Listing Manual”</i>	:	The listing manual of the Main Board of the SGX-ST in force as at the Latest Practicable Date
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Offer”</i>	:	The voluntary conditional cash offer by DBS Bank, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<i>“Offer Announcement”</i>	:	Shall have the meaning ascribed to it in paragraph 1.1 of this Offer Document

<i>“Offer Announcement Date”</i>	:	9 May 2016
<i>“Offer Document”</i>	:	This document issued by DBS Bank, for and on behalf of the Offeror, in respect of the Offer and the Convertible Bonds Offer
<i>“Offer Period”</i>	:	The period from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed
<i>“Offer Price”</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document
<i>“Offer Shares”</i>	:	Shall have the meaning ascribed to it in paragraph 2.2 of this Offer Document
<i>“Offeror”</i>	:	Easton Overseas Limited
<i>“Option Price”</i>	:	Shall have the meaning ascribed to it in paragraph 4.2 of this Offer Document
<i>“Optionholders”</i>	:	Shall have the meaning ascribed to it in paragraph 4.1 of this Offer Document
<i>“Options”</i>	:	Means options to subscribe for or purchase new Shares or existing Shares
<i>“Options Proposal”</i>	:	Shall have the meaning ascribed to it in paragraph 4.2 of this Offer Document
<i>“Overseas Person”</i>	:	Shall have the meaning ascribed to it in paragraph 14 of this Offer Document
<i>“PRC”</i>	:	The People’s Republic of China
<i>“Prevailing Conversion Price”</i>	:	Shall have the meaning ascribed to it in paragraph 3.1 of this Offer Document
<i>“Purchaser”</i>	:	Shall have the meaning ascribed to it in paragraph 1(a) of Appendix VI to this Offer Document
<i>“Record Date and Time”</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of the Offer Document
<i>“Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte. Ltd., in its capacity as the share registrar of the Company
<i>“Relevant Day”</i>	:	Shall have the meaning ascribed to it in paragraph 4(a) of Appendix V to this Offer Document
<i>“Restricted Jurisdiction”</i>	:	Shall have the meaning ascribed to it in paragraph 14 of this Offer Document
<i>“RMB” and “RMB cents”</i>	:	Renminbi and Renminbi cents respectively, being the lawful currency of PRC

<i>“S\$” and “Singapore cents”</i>	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
<i>“Securities Account”</i>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act”</i>	:	Securities and Futures Act (Chapter 289 of Singapore)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholder”</i>	:	Holders of Shares (including persons whose/which Shares are deposited with CDP or who/which have purchased Shares on the SGX-ST)
<i>“Shares”</i>	:	Issued and paid-up ordinary shares in the capital of the Company
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“SRS”</i>	:	Supplementary Retirement Scheme
<i>“SRS Agent Banks”</i>	:	Agent banks included under the SRS
<i>“SRS Investors”</i>	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
<i>“STI”</i>	:	Shall have the meaning ascribed to it in paragraph 11.3 of the Offer Document
<i>“Tender Agent”</i>	:	Citibank, N.A., London Branch
<i>“Tender Instruction”</i>	:	The electronic tender and blocking instruction which may be submitted by a Bondholder via the relevant Clearing System in the form set out in the Clearing Systems Notice
<i>“Unsuccessful Offer”</i>	:	Shall have the meaning ascribed to it in paragraph 5(e) of Appendix V to this Offer Document
<i>“US\$”</i>	:	United States dollars, being the lawful currency of the United States of America
<i>“VWAP”</i>	:	Shall have the meaning ascribed to it in paragraph 9.2 of this Offer Document
<i>“Warrants”</i>	:	Rights to subscribe for or purchase new Shares or existing Shares
<i>“%”</i>	:	Per centum or percentage

Acting in Concert. The expression “acting in concert” shall have the meaning ascribed to it in the Code.

Depositors and Depository Agents. The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Gender. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Rounding. Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be arithmetic aggregations of the figures that precede them.

Shareholders and/or Bondholders. References to “you”, “your” and “yours” in this Offer Document are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST) and/or Bondholders (as the case may be).

Statutes. Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

Time and Date. Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Total Number of issued Shares. Unless stated otherwise, any reference in this Offer Document to the total number of issued Shares is a reference to a total of 1,794,524,100 Shares as at the Latest Practicable Date (based on the results of the electronic instant information search of the Company dated the Latest Practicable Date obtained from the Accounting and Corporate Regulatory Authority of Singapore). The Company does not have any treasury shares.

Forward-Looking Statements

All statements other than statements of historical facts included in this Offer Document 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.



DBS BANK LTD.

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

30 May 2016

To: Shareholders and Bondholders of China Merchants Holdings (Pacific) Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY DBS BANK, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

- 1.1 On the Offer Announcement Date, DBS Bank announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for the Offer Shares in accordance with Rule 15 of the Code (the "**Offer Announcement**"). A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.
- 1.2 This Offer Document contains the formal offer by DBS Bank, for and on behalf of the Offeror, to acquire all the Offer Shares. We urge you to read this document carefully and properly consider this Offer.

2. THE OFFER

2.1 Consideration.

For each Offer Share: S\$1.020 in cash (the "Offer Price").

The Offer Shares will be acquired (a) fully paid-up; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"); and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, other than the final one-tier tax exempt dividend of 3.50 Singapore cents per Share for the financial year ended 31 December 2015 (the "**FY2015 Dividend**").

As announced by the Company, the record date and time of the determination of entitlements to the FY2015 Dividend was 5.00 p.m. on 5 May 2016 (the "**Record Date and Time**"). For the avoidance of doubt, Shareholders as at the Record Date and Time for the FY2015 Dividend who accept the Offer will be entitled to retain the FY2015 Dividend.

If any dividend, right and other distribution or return of capital (other than the FY2015 Dividend) is announced, declared, paid or made on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, right and other distribution or return of capital.

2.2 **Offer Shares.** The Offer is extended, on the same terms and conditions, to all the Shares, other than those Shares already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”).

In particular, the Offer will be extended, on the same terms and conditions, to:

- (a) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (the “**CM Options**”) granted under the China Merchants Holdings (Pacific) Limited Share Option Scheme 2002 (the “**Company Scheme**”) prior to the close of the Offer; and
- (b) all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the outstanding 1.25% convertible bonds in the principal amount of HK\$150,000,000 due 6 November 2017 issued by the Company (“**Convertible Bonds**”) prior to the close of the Offer.

For the purposes of the Offer, the expression “**Offer Shares**” will include all such Shares.

2.3 **Conditional Offer.** The Offer will be conditional upon the Offeror having received, by the close of the Offer, 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, will result in the Offeror holding **not less than 90%** of the Shares (excluding any Shares held in treasury) as at the close of the Offer (“**Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will 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. For this purpose, the “**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 persons acting in concert with it) been validly converted or exercised (as the case may be) as at the date of such declaration.

The Offeror reserves the right to reduce the Acceptance Condition to a lower minimum acceptance level, provided that such revision be made after obtaining the consent of the SIC. In the event that the Acceptance Condition is revised, the revised Offer shall remain open for another 14 days following such revision and Shareholders who have accepted the Offer will be permitted to withdraw their acceptances within eight (8) days of notification of such revision.

Save for the Acceptance Condition, the Offer will be unconditional in all other respects.

2.4 **Warranty.** Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer

Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, other than the FY2015 Dividend).

2.5 **Details of the Offer. Appendix V** to this Offer Document sets out further details on (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.

2.6 **Procedures for Acceptance. Appendix VI** to this Offer Document sets out the procedures for acceptance of the Offer.

3. THE CONVERTIBLE BONDS OFFER

3.1 **Convertible Bonds.** As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has an outstanding aggregate principal amount of HK\$150,000,000 Convertible Bonds which are convertible into new Shares based on the fixed exchange rate (the "**Fixed Exchange Rate**") as set out in the terms and conditions of the Convertible Bonds, and at the prevailing conversion price of S\$0.757 per Share as announced by the Company on 22 April 2016 (the "**Prevailing Conversion Price**").

3.2 **Convertible Bonds Offer.** In addition to extending the Offer to all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the outstanding Convertible Bonds prior to the close of the Offer, in accordance with Rule 19 of the Code, DBS Bank, for and on behalf of the Offeror, hereby makes an offer to the holders of all the Convertible Bonds (the "**Bondholders**") to acquire the Convertible Bonds, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in this Offer Document (the "**Convertible Bonds Offer**").

3.3 **Convertible Bonds Offer Price.** Each Bondholder validly accepting the Convertible Bonds Offer will receive cash consideration for the Convertible Bonds. The offer price for the Convertible Bonds (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.

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.

3.4 **No Encumbrances.** The Convertible Bonds will be acquired (a) fully paid-up; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all interests, payments, rights or other distributions which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

- 3.5 **Adjustment for Distributions.** In the event any interest, payment, right or other distribution is announced, declared, paid or made on the Convertible Bonds on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Convertible Bonds Offer Price payable to such accepting Bondholder by the amount of such interest, payment, right and distribution.
- 3.6 **Condition.** The Convertible Bonds Offer will be conditional upon the Offer becoming or being declared unconditional in all respects.
- 3.7 **Offer and Convertible Bonds Offer Mutually Exclusive.** For the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Offer and the Convertible Bonds Offer are separate and are mutually exclusive. The Convertible Bonds Offer does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if a Bondholder converts his Convertible Bonds in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion, he may not accept the Convertible Bonds Offer in respect of such converted Convertible Bonds. Conversely, if a Bondholder wishes to accept the Convertible Bonds Offer in respect of his Convertible Bonds, he may not convert those Convertible Bonds in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion.
- 3.8 **Warranty.** Acceptance of the Convertible Bonds Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Bondholder that each Convertible Bond tendered in acceptance of the Convertible Bonds Offer is sold by the accepting Bondholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all interests, payments, rights or other distributions which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).
- 3.9 **Choices.** Bondholders can, in relation to all or part of their Convertible Bonds:
- (a) convert such Convertible Bonds and participate in the Offer by (i) converting the Convertible Bonds in compliance with the procedures for the conversion of the Convertible Bonds set out in the terms and conditions of the Convertible Bonds; and (ii) thereafter accepting the Offer in respect of all or part of the new Shares unconditionally issued or to be issued pursuant to such conversion, in accordance with the procedures set out in **Appendix VI** to this Offer Document;
 - (b) accept the Convertible Bonds Offer in respect of all or part of the Convertible Bonds held in accordance with the procedures set out in **Appendix VII** to this Offer Document; or
 - (c) take no action and let the Convertible Bonds Offer lapse in respect of their Convertible Bonds.
- 3.10 **Details of Convertible Bonds Offer.** **Appendix V** to this Offer Document sets out further details on (a) the duration of the Convertible Bonds Offer; (b) the settlement of the consideration for the Convertible Bonds Offer; (c) the requirements relating to the announcement of the level of acceptances of the Convertible Bonds Offer; and (d) the right of withdrawal of acceptances of the Convertible Bonds Offer.
- 3.11 **Procedures for Acceptance.** **Appendix VII** to this Offer Document sets out the procedures for acceptance of the Convertible Bonds Offer.

4. CM OPTIONS

4.1 As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 2,205,000 outstanding CM Options. Under the rules of the Company Scheme, the CM Options are not freely transferable by the holders (the “**Optionholders**”) thereof. In view of this restriction, the Offeror will not make an offer to acquire the CM Options in connection with the Offer (although, as stated above, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the CM Options prior to the close of the Offer).

4.2 Instead DBS Bank will, on behalf of the Offeror, make a proposal (the “**Options Proposal**”) to the Optionholders, that subject to:

(a) the Offer becoming or being declared unconditional in all respects; and

(b) the relevant CM Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (determined as provided below) (the “**Option Price**”) in consideration of such Optionholders agreeing:

(i) not to exercise any of such CM Options into new Shares; and

(ii) not to exercise any of their rights as Optionholders,

in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such CM Options. Further, if the Offer becomes or is declared unconditional in all respects, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant CM Options for cancellation. If the Offer lapses or is withdrawn or if the relevant CM Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

4.3 The Option Price is computed on a “see-through” basis. In other words, the Option Price in relation to any CM Option is the amount of the excess of the Offer Price over the exercise price of that CM Option. If however the exercise price of a CM Option is equal to or more than the Offer Price, the Option Price for each CM Option will be the nominal amount of S\$0.001.

4.4 For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and are mutually exclusive. Without prejudice to the foregoing, if the Optionholders wish to exercise their CM Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such CM Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their CM Options, they may not exercise those CM Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

4.5 Details of the Options Proposal have been separately despatched to Optionholders.

5. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company does not have any redeemable convertible preference shares.

6. INFORMATION ON THE OFFEROR AND CORNERSTONE

6.1 Information on the Offeror. The Offeror is an investment holding company incorporated under the laws of the British Virgin Islands on 8 March 1994. As at the Latest Practicable Date:

- (a) the Offeror has an authorised capital of 50,000 shares with a par value of US\$1.00 for each share, and an issued and paid-up share capital of US\$1.00, consisting of one (1) ordinary share;
- (b) the Offeror is a wholly-owned subsidiary of Cornerstone, which is in turn a wholly-owned subsidiary of CM Highway, and CM Highway is wholly-owned by CMG; and
- (c) Cornerstone is the sole director of the Offeror.

6.2 Information on Cornerstone. Cornerstone is an investment holding company incorporated under the laws of Hong Kong on 25 March 2009. As at the Latest Practicable Date:

- (a) Cornerstone has an issued and paid-up share capital of HK\$2,950,000,000, consisting of 2,950,000,000 shares; and
- (b) the directors of Cornerstone are:
 - (i) Mr. Luo Hui Lai;
 - (ii) Mr. Zheng Hai Jun; and
 - (iii) Mr. Jiang Yan Fei.

6.3 Additional Information. Appendix I to this Offer Document sets out certain additional information on the Offeror.

7. INFORMATION ON CMG AND CM HIGHWAY

7.1 Information on CMG. CMG is a leading state-owned conglomerate based in Hong Kong under the direct supervision of the state-owned Assets Supervision and Administration Commission of the State Council of the PRC. The business of CMG comprises three (3) core business sectors — Transportation, Finance and Property.

7.2 Information on CM Highway. CM Highway has been incorporated since 1993 and is a key infrastructure operator of CMG's transportation sector and manages CMG's investment in the Company. CM Highway's key business is in the investment, development, construction and management of roads, bridges, water transport, port and other transportation infrastructure and related projects. As at the Latest Practicable Date, CM Highway has investments in 18 toll road operators, including holding shares in 12 listed companies in the PRC and the Company in Singapore.

7.3 Additional Information on CM Highway. Appendix II to this Offer Document sets out certain additional information on CM Highway.

8. INFORMATION ON THE COMPANY

8.1 **Principal Activities.** Based on publicly available information, the Company was incorporated under the laws of Singapore on 27 March 1981 and was listed on the Main Board of the SGX-ST on 17 August 1981. According to publicly available information, the Company was transformed into a toll road player following the acquisition of equity interests in five (5) toll roads in the PRC on 30 December 2004. Currently, the Company invests in and operates eight (8) toll roads in the PRC, with such toll roads located in Zhejiang province, Jiangxi province, Guangxi Zhuang Autonomous Region and Guizhou province in the PRC.

8.2 **Share Capital.** As at the Latest Practicable Date, based on publicly available information, the issued and paid-up share capital of the Company comprises 1,794,524,100 Shares. The Company does not have any treasury shares.

8.3 **Directors of the Company.** As at the Latest Practicable Date, based on publicly available information, the board of directors of the Company comprises the following individuals:

- (a) Mr. Luo Hui Lai (Executive Chairman and Chief Executive Officer);
- (b) Mr. Zheng Hai Jun (Non-executive Vice Chairman);
- (c) Mr. Jiang Yan Fei (Vice Chairman, General Manager and Chief Operating Officer);
- (d) Mr. Wang Xiu Feng (Non-executive Director);
- (e) Dr Lim Heng Kow (Lead Independent Director); and
- (f) Dr Hong Hai (Independent Director).

8.4 **Additional Information.** Appendix III to this Offer Document sets out additional information on the Company.

9. RATIONALE FOR THE OFFER AND THE CONVERTIBLE BONDS OFFER AND INTENTIONS FOR THE COMPANY

9.1 Low Trading Liquidity of Shares

The trading volume of the Shares has been low, with an average daily trading volume¹ of approximately 656,438 Shares, 558,163 Shares and 597,546 Shares during the one (1)-month period, three (3)-month period and six (6)-month period up to and including 5 May 2016, being the last full trading day of the Company prior to the date of the Offer Announcement (the "**Last Trading Day**"). Each of these represents less than 0.05% of the total number of issued Shares for the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices.

¹ Calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period and six (6)-month period up to and including the Last Trading Day.

9.2 Offer Price at a Significant Premium to the Last Transacted Share Price

The Offer Price represents a premium of approximately 22.9% over the last transacted price per Share of S\$0.830 on 5 May 2016, being the Last Trading Day.

When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price also represents a premium of approximately 21.9%, 25.5% and 20.1% over the volume weighted average price (“**VWAP**”) per Share for the one (1)-month, three (3)-month and six (6)-month periods, respectively.

Amidst the challenging market conditions, the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at significant premiums over the historical trading prices of the Shares without incurring brokerage and other trading costs.

9.3 Greater Management Flexibility

The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

9.4 Compliance Costs of Maintaining Listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

9.5 The Offeror’s Future Plans for the Company

It is currently the intention of the Offeror to ensure continuity in the operations of the Group. The Offeror also intends to undertake a review of the operations, management and financial position of the Company and retains the flexibility to evaluate various options or opportunities which may present themselves which it regards to be in the interests of the Offeror and/or the Company. Save as disclosed, the Offeror does not currently have any intention to (a) make any major changes to the business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the existing employees of the Group.

10. SIC RULINGS

The SIC has ruled that each of Mr. Luo Hui Lai, Mr. Zheng Hai Jun, Mr. Jiang Yan Fei and Mr. Wang Xiu Feng is exempted from the requirement to make a recommendation to Shareholders in connection with the Offer.

Each of Mr. Luo Hui Lai, Mr. Zheng Hai Jun, Mr. Jiang Yan Fei and Mr. Wang Xiu Feng has a conflict of interest in relation to the Offer as he is a director, executive and/or nominee of the Offeror and/or persons acting in concert with it.

Mr. Luo Hui Lai, Mr. Zheng Hai Jun, Mr. Jiang Yan Fei and Mr. Wang Xiu Feng will still assume responsibility for the accuracy of facts stated and opinions expressed in documents, announcements and/or advertisements issued by or on behalf of the Company in connection with the Offer.

11. FINANCIAL EVALUATION OF THE OFFER

11.1 The Offer Price is 1.07 times the net asset value per Share² of the Company.

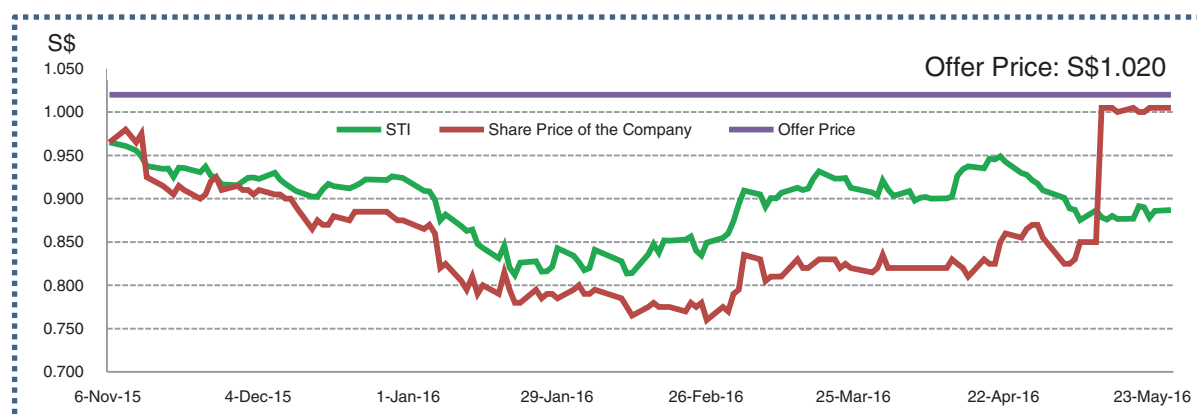
11.2 The Offer Price represents the following premiums over the historical traded prices of the Shares:

Description	Share Price (S\$) ⁽¹⁾	Premium over Share Price ⁽²⁾ (%)
(a) Last transacted price per Share on the Last Trading Day	0.830	22.9
(b) VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.837	21.9
(c) VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day	0.813	25.5
(d) VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day	0.849	20.1

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. on 5 May 2016. The last transacted price per Share before the trading halt on 6 May 2016 was S\$0.850.
- (2) Computed based on the share prices which were rounded to the nearest three (3) decimal places. Premiums over share prices were rounded to the nearest one (1) decimal place.

11.3 In the six (6)-month period prior to and including the Last Trading Day, the price of the Shares had generally been under-performing the Straits Times Index (“**STI**”). However, the price of the Shares surged after the issue of the Offer Announcement and has been well-supported by the Offer Price. The Offer enables Shareholders to achieve returns that out-perform the STI over the same period.



Source: Bloomberg L.P. dated 23 May 2016.

Note:

- (1) STI has been rebased to the last transacted price as of 6 November 2015 (being the starting date for the six (6)-month VWAP computation).

² Computed based on the net asset value per Share of S\$0.953 as at 31 March 2016 at an exchange rate of S\$1: HK\$5.7118 and rounded to the nearest three (3) decimal places.

12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and persons acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public.

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

12.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding, for the avoidance of doubt, any treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Price.

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires 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 Shares, Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Price.

In addition, as the relevant provisions of the Companies (Amendment) Act 2014 have come into force, Section 215 of the Companies Act is now extended to include “units of shares”, including without limitation, the Convertible Bonds. Accordingly, if the Offeror acquires not less than 90% of the outstanding aggregate principal amount of the Convertible Bonds as at the date of the Convertible Bonds Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Convertible Bonds Offer), the Offeror will be entitled to compulsorily acquire all the Convertible Bonds of the Bondholders who have not accepted the Convertible Bonds Offer (the “**Dissenting Convertible Bondholders**”) at a price equal to the Convertible Bonds Offer Price.

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such principal amount of Convertible Bonds which, together with the Convertible Bonds held by it, its related corporations and their respective nominees, comprise 90% or more of the outstanding aggregate principal amount of the Convertible Bonds, Dissenting Convertible Bondholders will have a right to require the Offeror to acquire their Convertible Bonds at the Convertible Bonds Offer Price.

12.3 Offeror's Intentions

The Offeror does not intend to maintain the present listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

13. IRREVOCABLE UNDERTAKING

13.1 **Irrevocable Undertaking.** As at the Latest Practicable Date, Hongda International Asset Management Limited ("**HIAM**") holds 125,343,736 Shares, representing approximately 6.98% of the total number of issued Shares. HIAM has executed an irrevocable undertaking dated 23 May 2016 (the "**Irrevocable Undertaking**") in favour of the Offeror, pursuant to which HIAM has undertaken to accept the Offer and the Convertible Bonds Offer in respect of (a) all Shares held by it, and (b) any other Shares and/or Convertible Bonds which it may acquire, or which may be allotted and issued to it, on or after the date of the Irrevocable Undertaking.

13.2 The Irrevocable Undertaking shall terminate, lapse and cease to have any effect upon the Offer being withdrawn for whatever reason other than as a result of a breach of any of HIAM's obligations under the Irrevocable Undertaking.

13.3 Save for the Irrevocable Undertaking, as at the Latest Practicable Date, neither the Offeror nor any persons acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer and/or the Convertible Bonds Offer.

14. OVERSEAS PERSONS

The availability of the Offer and the Convertible Bonds Offer to Shareholders whose mailing addresses are outside of Singapore (as shown on the register of members of the Company or, as the case may be, in the records of CDP) and/or Bondholders who are located or whose mailing addresses are outside of Singapore (each, an "**Overseas Person**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Person should inform himself about and observe any applicable legal requirements, and exercise caution in relation to the Offer and Convertible Bonds Offer, as this Offer Document, the FAA and the FAT have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdictions, the Offeror, DBS Bank and CDP each reserves the right not to send these documents to Shareholders and Bondholders in such overseas jurisdictions. For the avoidance of doubt, the Offer and the Convertible Bonds Offer will be open to all Shareholders and Bondholders (as the case may be), including those to whom this Offer Document, the FAA and/or the FAT have not been, or may not be, sent.**

Copies of this Offer Document and any other formal documentation relating to the Offer and the Convertible Bonds Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer or the Convertible Bonds Offer would violate the laws of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of

acceptance by any such use, means, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer and the Convertible Bonds Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer and the Convertible Bonds Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

Overseas Persons may, nonetheless, obtain copies of this Offer Document, the FAA and/or the FAT and any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, CDP (if he is a depositor) at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588; or the Registrar (if he is a scripholder), Boardroom Corporate & Advisory Services Pte. Ltd. at its office located at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

Alternatively, an Overseas Person may write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, the Registrar (if he is a scripholder) at the address listed above, or to the Tender Agent (if he is a Bondholder) by way of e-mail at exchange.gats@citi.com, to request for this Offer Document, the FAA and/or the FAT and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Person's own risk.

It is the responsibility of any Overseas Person who wishes to (a) request for this Offer Document, the FAA and/or the FAT and/or any related documents; or (b) accept the Offer or the Convertible Bonds Offer (as the case may be), to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Person shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including DBS Bank) shall be fully indemnified and held harmless by such Overseas Person for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including DBS Bank) may be required to pay. In (i) requesting for this Offer Document, the FAA and/or the FAT and any related documents; and/or (ii) accepting the Offer or the Convertible Bonds Offer (as the case may be), the Overseas Person represents and warrants to the Offeror and DBS Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Person who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

The Offeror and DBS Bank each reserves the right to notify any matter, including the fact that the Offer and the Convertible Bonds Offer have been made, to any or all Shareholders and Bondholders (including Overseas Persons) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder or Bondholder (including an Overseas Person) to receive or see such announcement, notice or advertisement.

15. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank, as financial adviser to the Offeror in connection with the Offer and the Convertible Bonds Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price and all acceptances of the Convertible Bonds Offer by Bondholders on the basis of the Convertible Bonds Offer Price.

16. 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 Offer Document) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Offer Document (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document 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 Offer Document.

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

17. GENERAL

Any omission relating to the despatch of this Offer Document, the FAA and/or the FAT, or any notice, advertisement or announcement required to be given under the terms of the Offer or the Convertible Bonds Offer to, or any failure to receive the same by, any person to whom the Offer or the Convertible Bonds Offer is made or should be made shall not invalidate the Offer or the Convertible Bonds Offer in any way.

The Offer, the Convertible Bonds Offer, this Offer Document, the FAA and/or the FAT, all acceptances of the Offer and the Convertible Bonds Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and all accepting Shareholders and Bondholders agree, by accepting the Offer or the Convertible Bonds Offer (as the case may be), to submit to the non-exclusive jurisdiction of the Singapore courts.

CPFIS Investors will receive further information on how to accept the Offer from the CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.

SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks. SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their SRS investment accounts.

Unless expressly provided otherwise in this Offer Document, the FAA and/or the FAT, a person who is not a party to any contracts made pursuant to the Offer, the Convertible Bonds Offer, this Offer Document, the FAA and/or the FAT has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

The Offeror and DBS Bank each reserves the right to treat acceptances of the Offer or the Convertible Bonds Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the FAA, the FAT and/or the Clearing Systems Notice, as the case may be, or if made otherwise than in accordance with the provisions herein and in the FAA, the FAT and/or the Clearing Systems Notice.

DBS Bank and the Tender Agent is acting for and on behalf of the Offeror and does not purport to advise the Shareholders or Bondholders. In preparing its letter to the Shareholders and Bondholders for and on behalf of the Offeror, DBS Bank has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder or Bondholder.

The Company is aware of the making of the Offer and the Convertible Bonds Offer as set out in this Offer Document. The views of the Independent Directors and the independent financial adviser to the Independent Directors on the Offer and the Convertible Bonds Offer will be made available to Shareholders and Bondholders in due course and in any event, the Independent Directors are required under the Code to despatch their views within 14 days of the posting of this Offer Document. Shareholders and Bondholders may wish to consider their advice before taking any action in relation to the Offer or the Convertible Bonds Offer, as the case may be.

Appendix V to this Offer Document sets out additional general information relating to the Offer and the Convertible Bonds Offer. Your attention is drawn to all the Appendices which form part of this Offer Document.

Issued by
DBS BANK LTD.

For and on behalf of
EASTON OVERSEAS LIMITED

30 May 2016

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

DBS Bank Ltd.
Strategic Advisory
Tel: (65) 6682 8999

APPENDIX I — ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTOR OF THE OFFEROR

The name, address and description of the Director as at the Latest Practicable Date are as follows:

<u>Name</u>	<u>Address</u>	<u>Description</u>
Cornerstone Holdings Limited	39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

3. PRINCIPAL ACTIVITY OF THE OFFEROR

The principal activity of the Offeror is that of an investment holding company.

4. NO FINANCIAL STATEMENTS

The Offeror is not required to prepare, and has not prepared, any financial statements since the date of its incorporation.

APPENDIX II — ADDITIONAL INFORMATION ON CM HIGHWAY

1. DIRECTORS OF CM HIGHWAY

The names, addresses and descriptions of the directors of CM Highway as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Li Xiao Peng	c/o CM Highway 39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director
Mr. Deng Ren Jie	c/o CM Highway 39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director
Mr. Wang Hong	c/o CM Highway 39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director
Mr. Luo Hui Lai	c/o CM Highway 39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director
Mr. Hua Li	c/o CM Highway 39th floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong	Director

2. REGISTERED OFFICE OF CM HIGHWAY

The registered office of CM Highway is at 31st floor, China Merchants Tower, No. 118 Jian Guo Road, Chaoyang District, Beijing, China.

3. SUMMARY OF FINANCIAL INFORMATION OF CM HIGHWAY

A summary of the financial information relating to CM Highway from the audited consolidated financial statements of CM Highway for FY2013, FY2014 and FY2015, and the unaudited consolidated financial statements as at 31 March 2016 (collectively, the “**CM Highway Financial Statements**”) is set out below. The summary financial information should be read together with the CM Highway Financial Statements (copies of which are available for inspection as set out in paragraph 4 of **Appendix IV** to this Offer Document).

Consolidated Income Statements of CM Highway

A summary of the consolidated income statements of CM Highway for FY2013, FY2014 and FY2015 and the unaudited consolidated income statement as at 31 March 2016 is set out below:

	Financial year ended 31 December (Audited)			Unaudited as at 31 March 2016
	FY2013 RMB'000 ⁽¹⁾	FY2014 RMB'000 ⁽¹⁾	FY2015 RMB'000 ⁽¹⁾	RMB'000 ⁽¹⁾
Revenue	1,800,350	1,687,162	1,827,714	545,639
Exceptional Items	28,313	81,729	64,869	34,598
Net profit / (loss) before tax	2,549,314	2,815,897	3,648,713	952,382
Net profit / (loss) after tax	2,330,544	2,604,424	3,179,622	866,862
Minority interests	308,482	381,952	445,692	110,189
Net profit after minority interests	2,022,062	2,222,472	2,733,931	756,673
Net earnings per share (in RMB cents) ⁽²⁾	n.a.	n.a.	n.a.	n.a.
Net dividends per share (in RMB cents) ⁽²⁾	n.a.	n.a.	n.a.	n.a.

Notes:

(1) Rounded to the nearest whole number.

(2) The registered capital of CM Highway is not divided into shares.

Consolidated Balance Sheet of CM Highway

The audited consolidated balance sheet of CM Highway as at 31 December 2015 and the unaudited consolidated balance sheet of CM Highway as at 31 March 2016 are summarised below:

	Audited as at 31 December 2015 RMB'000 ⁽¹⁾	Unaudited as at 31 March 2016 RMB'000 ⁽¹⁾
Current assets	3,991,872	4,028,928
Non-current assets	42,509,663	42,806,932
Total assets	46,501,534	46,835,859
Current liabilities	11,494,197	9,147,608
Non-current liabilities	7,260,249	9,301,132
Total liabilities	18,754,447	18,448,740
NET ASSETS	27,747,088	28,387,120
Share capital	1,500,000	1,500,000
Reserves	22,166,568	22,695,049
Non-controlling interests	4,080,519	4,192,070
TOTAL EQUITY	27,747,088	28,387,120

Note:

(1) Rounded to the nearest whole number.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, there has been no known material changes in the financial position of CM Highway subsequent to 31 December 2015, being the date of its last published audited accounts.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of CM Highway are disclosed in Note 4 of the audited financial statements of CM Highway for FY2015.

APPENDIX III — ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

Based on publicly available information, the names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Luo Hui Lai	Blk 12 No. 906 Hai Yue Garden, Nan Shan District, Shenzhen, China	Executive Chairman and Chief Executive Officer
Mr. Zheng Hai Jun	No. 1501 Level 21, An Hua Xi Li Qu Chao Yang District, Beijing, China	Non-executive Vice Chairman
Mr. Jiang Yan Fei	10 Prinsep Link, #10-06, Sunshine Plaza, Singapore 187948	Vice Chairman, General Manager and Chief Operating Officer
Mr. Wang Xiu Feng	#6-2-2301, Block 1, Taiyanggong St 1, Chaoyang District, Beijing, China	Non-executive Director
Dr Lim Heng Kow	60 Bayshore Road, #23-03, Bayshore Park, Singapore 469982	Lead Independent Director
Dr Hong Hai	18 Oriole Crescent, Raffles Park, Singapore 288611	Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, based on publicly available information, the Company has an issued and paid-up share capital of S\$1,479,037,574.85 comprising 1,794,524,100 Shares. The Company does not have any treasury shares. As at the Latest Practicable Date, the Company does not have any other class of share capital.

As at the Latest Practicable Date, based on information available to the Offeror, save for the Convertible Bonds and CM Options, the Company has not granted any other options or issued any rights, warrants or other securities convertible into, exercisable for or redeemable with any Shares.

There is no restriction in the Constitution of the Company on the right to transfer any Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for information on the Company which is publicly available (including without limitation, the first quarter financial statement for the period ended 31 March 2016 which was released by the Company on the SGXNET on 28 April 2016), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 31 December 2015, being the date of the last balance sheet of the Company laid before Shareholders in a general meeting.

4. REGISTERED OFFICE

The registered office of the Company is at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

APPENDIX IV — ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, based on the latest information available to the Offeror, the interests in Shares held by the Offeror and persons acting in concert with it are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Easton Overseas Limited	1,361,619,393 ⁽²⁾	75.88	—	—	1,361,619,393	75.88
Cornerstone ⁽³⁾	—	—	1,361,619,393	75.88	1,361,619,393	75.88
CM Highway ⁽³⁾	—	—	1,361,619,393	75.88	1,361,619,393	75.88
CMG ⁽³⁾	—	—	1,361,619,393	75.88	1,361,619,393	75.88
Jiang Yan Fei	1,617,000	0.09	—	—	1,617,000	0.09

Notes:

- (1) The percentage shareholding interest is based on the total number of issued Shares of 1,794,524,100 Shares as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.
- (2) A total of 308,355,075 Shares held by the Offeror are registered in the name of DBS Nominees (Private) Limited.
- (3) The Offeror is the wholly-owned subsidiary of Cornerstone, which is in turn wholly-owned by CM Highway. CM Highway is wholly-owned by CMG. Accordingly, Cornerstone, CM Highway and CMG are deemed to have an interest in the 1,361,619,393 Shares held by the Offeror.

(b) **Dealings in Company Securities**

Based on the latest information available to the Offeror, the details of dealings in Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date by the Offeror and persons acting in concert with it are set out below:

Name	Dealing Date	No. of Shares bought	No. of Shares sold	Transaction price per Share (S\$)
DBS Vickers	22 March 2016	11,000	—	0.815
DBS Vickers	23 March 2016	—	11,000	0.815

- (c) As at the Latest Practicable Date, save for the Irrevocable Undertaking, no person has given any undertaking to the Offeror or any persons acting in concert with it, to accept or reject the Offer and/or the Convertible Bonds Offer.
- (d) As at the Latest Practicable Date, save for the Irrevocable Undertaking, neither the Offeror nor any persons acting in concert with it has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares and/or the Convertible Bonds which may be an inducement to deal or refrain from dealing in the Shares and/or the Convertible Bonds Offer.
- (e) As at the Latest Practicable Date, save for the Irrevocable Undertaking, there is no agreement, arrangement or understanding between (i) the Offeror or any persons acting in concert with it, and (ii) any of the present or recent directors of the Company, or any of the present or recent Shareholders, Bondholders or any other persons that has any connection with or is conditional upon the outcome of the Offer and/or the Convertible Bonds Offer.
- (f) As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares and/or the Convertible Bonds acquired by the Offeror pursuant to the Offer and/or the Convertible Bonds Offer will or may be transferred to any other person.
- (g) As at the Latest Practicable Date, there is no agreement, arrangement or understanding for payment or other benefit being made or given to any director of the Company or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or as consideration for, or in connection with, his retirement from office or otherwise in connection with the Offer and/or the Convertible Bonds Offer.
- (h) Save as disclosed in this Offer Document, as at the Latest Practicable Date, none of the Offeror or any persons acting in concert with it has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold), or (iii) lent any Company Securities to another person.

2. GENERAL

2.1 Consent

DBS Bank and the Tender Agent have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of their names and all references thereto in the form and context in which they respectively appear.

2.2 Costs and Expenses

All costs and expenses of or incidental to the Offer including the preparation and circulation of this Offer Document, the FAA and the FAT (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

3. MARKET QUOTATIONS

The closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., on (a) the Latest Practicable Date was S\$1.005; and on (b) the Last Trading Day was S\$0.830. The closing prices of the Shares on the SGX-ST on the last Market Day (on which there were trades in respect of the Shares) of each of the six (6) calendar months preceding the Offer Announcement Date, as reported by Bloomberg L.P., are set out below:

Date	Closing Price of the Month (S\$)
April 2016	0.855
March 2016	0.820
February 2016	0.775
January 2016	0.785
December 2015	0.875
November 2015	0.915

During the period commencing six (6) months preceding the Offer Announcement Date and ending on the Latest Practicable Date (being 10 November 2015 to 23 May 2016 (both dates inclusive)):

- (i) the highest closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$1.005, which was transacted on 10 May 2016, 11 May 2016, 12 May 2016, 16 May 2016, 19 May 2016, 20 May 2016 and 23 May 2016; and
- (ii) the lowest closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$0.760, which was transacted on 26 February 2016.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the office of the Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal business hours, while the Offer remains open for acceptance:

- (a) the memorandum and articles of association of the Offeror;
- (b) the Offer Announcement;
- (c) the Irrevocable Undertaking;
- (d) the CM Highway Financial Statements; and
- (e) the letter of consent from DBS Bank referred to in paragraph 2.1 of this **Appendix IV**.

APPENDIX V — DETAILS OF THE OFFER AND THE CONVERTIBLE BONDS OFFER

1. DURATION OF THE OFFER AND THE CONVERTIBLE BONDS OFFER

- (a) **Closing Date.** Except insofar as the Offer and the Convertible Bonds Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer and the Convertible Bonds Offer will remain open for acceptances for a period of at least 28 days from the date of posting of this Offer Document.

The Offer and the Convertible Bonds Offer will close at 5.30 p.m. on 27 June 2016 (the “Closing Date”) or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

- (b) **Offer and Convertible Bonds Offer to remain open for 14 days after being declared unconditional as to acceptances.** Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be 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 it would otherwise have closed, in order to give those Shareholders and/or Bondholders who have not accepted the Offer and/or the Convertible Bonds Offer (as the case may be) the opportunity to do so. This requirement does not apply if, before the Offer becomes or is declared to be unconditional as to acceptances, the Offeror has given notice in writing to the Shareholders and Bondholders at least 14 days before the specified Closing Date that the Offer and the Convertible Bonds Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, shall not be capable of being enforced in a competitive situation.
- (c) **Final Day Rule.** Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. on the 60th day after the date of posting of this Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.
- (d) **Revision.** Pursuant to Rule 20.1 of the Code, the Offer and the Convertible Bonds Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders and Bondholders, as the case may be. In any case, where the terms are revised, the benefit of the Offer and the Convertible Bonds Offer (as so revised) will be made available to each of the Shareholders and Bondholders, as the case may be, including those who had previously accepted the Offer and/or the Convertible Bonds Offer.
- (e) **Subsequent Closing Date(s).** If there is an extension of the Offer and/or the Convertible Bonds Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next Closing Date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer and/or the Convertible Bonds Offer will remain open until further notice. In the latter case, those Shareholders and Bondholders who have not accepted the Offer and/or the Convertible Bonds Offer (as the case may be) will be notified in writing at least 14 days before the Offer and/or the Convertible Bonds Offer are closed.

2. SETTLEMENT FOR THE OFFER

Subject to the receipt by the Offeror from accepting Shareholders of valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document and the FAA, the FAT and/or the terms and conditions for Electronic Acceptance (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time(s), remittances in the form of S\$ cheques drawn on a bank in Singapore for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the accepting Shareholder (or, in the case of a Shareholder holding share certificate(s) which is not deposited with CDP, his designated agent (if any)) by ordinary post and at the risk of the accepting Shareholder or in such manner as he may have agreed with CDP for payment of any cash distribution as soon as practicable but in any event:

- (a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) business days of that date; or
- (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) business days of the date of such receipt.

3. SETTLEMENT FOR THE CONVERTIBLE BONDS OFFER

Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Bondholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document, the Offeror shall:

- (a) in respect of acceptances of the Convertible Bonds Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) business days of that date; or
- (b) in respect of acceptances of the Convertible Bonds Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Convertible Bonds Offer closes, within seven (7) business days of the date of such receipt,

(each such date, a "**Bonds Settlement Date**") make payment of the Convertible Bonds Price in S\$ for each Convertible Bond tendered in acceptance of the Convertible Bonds Offer.

On the Bonds Settlement Date, the Offeror shall make payment of the Convertible Bonds Offer Price in immediately available S\$ funds delivered to the Clearing Systems for payment to the cash accounts of the relevant Bondholders in the Clearing Systems. The deposit of such funds with the Tender Agent will discharge the obligation of the Offeror to the relevant Bondholders in respect of the above amounts represented by such funds.

Provided the Offeror makes or has made on its behalf full payment of the Convertible Bonds Offer Price to the Clearing Systems on or before the Bonds Settlement Date, under no circumstances will any additional interest be payable because of any delay in the transmission of funds from the Clearing Systems or the Tender Agent or any other intermediary with respect to such Convertible Bonds.

4. ANNOUNCEMENTS

(a) Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the dealing day (the “**Relevant Day**”) immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares and Convertible Bonds (as nearly as practicable):

- (i) in respect of which valid acceptances of the Offer and the Convertible Bonds Offer have been received;
- (ii) held by the Offeror and any person acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror and any person acting in concert with it during the Offer Period,

and will specify the percentages of the total number of Shares in issue and the total Convertible Bonds represented by such numbers.

(b) Under Note 5 to Rule 28.1 of the Code, purchases made through the SGX-ST by the Offeror and persons acting in concert with it with no pre-agreement or collusion between the parties to such transactions or their agents, may be counted towards satisfying the Acceptance Condition. All other purchases by the Offeror and persons acting in concert with it (i.e. off market purchases) may only be counted when fully completed and settled.

(c) Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with paragraph 4(a) above, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares and the Convertible Bonds until the relevant information is given.

(d) In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by DBS Bank or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

(e) In computing the number of Offer Shares and Convertible Bonds represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects.

5. RIGHT OF WITHDRAWAL

(a) Except as expressly provided in this Offer Document and the Code, acceptances of the Offer and the Convertible Bonds Offer shall be irrevocable.

(b) If the Offer has become or been declared unconditional as to acceptances, but the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. on the Relevant Day, then immediately thereafter:

- (i) any Shareholder holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Easton Overseas Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588;

- (ii) any Shareholder holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Easton Overseas Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; and
- (iii) a Bondholder will be entitled to submit a valid revocation instruction to the Tender Agent and the relevant Clearing System.

Such notice of withdrawal shall be effective only when actually received by the Offeror.

- (c) Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight (8) days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code. For the purpose of Rule 22.6 of the Code, the period of 14 days referred to therein will run from the date of such confirmation, or the date on which the offer would otherwise have expired, whichever is later.
- (d) A Shareholder and/or a Bondholder who has tendered acceptances under the Offer and/or the Convertible Bonds Offer (as the case may be) will be entitled to withdraw his acceptance after 14 days from the Closing Date, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances.
- (e) In a competitive situation, if one (1) offer becomes unconditional as to acceptances, then Shareholders and/or Bondholders who have tendered their acceptances for the competing offer and/or the convertible bonds offer (the "**Unsuccessful Offer**") can, if they wish, immediately withdraw their acceptances for the Unsuccessful Offer.
- (f) A Shareholder and/or a Bondholder who has tendered acceptances under the Offer and/or the Convertible Bonds Offer may withdraw his acceptances within eight (8) days of notification by the Offeror of any revision of the Acceptance Condition.

APPENDIX VI — PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY DEPOSITORS WHOSE/WHICH SECURITIES ACCOUNTS ARE AND/OR WILL BE CREDITED WITH OFFER SHARES

(a) **Depositors whose/which Securities Accounts are credited with Offer Shares**

If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you are entitled to receive this Offer Document together with the FAA. If you wish to accept the Offer, you should complete and sign the accompanying FAA in accordance with the provisions and instructions in this Offer Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and submit the duly completed and signed original of the FAA,

either by hand to:

EASTON OVERSEAS LIMITED

c/o The Central Depository (Pte) Limited
9 North Buona Vista Drive,
#01-19/20,
The Metropolis,
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

EASTON OVERSEAS LIMITED

c/o The Central Depository (Pte) Limited
Robinson Road Post Office,
P.O. Box 1984,
Singapore 903934

so as in either case to arrive not later than 5.30 p.m. on the Closing Date.

If you have sold or transferred all your Offer Shares, you need not forward this Offer Document and/or the FAA to the purchaser or the transferee (the “**Purchaser**”) as arrangements will be made by CDP for a separate Offer Document and FAA to be sent to the Purchaser. Purchasers should note that CDP will, on behalf of the Offeror, send a copy of this Offer Document and the FAA by ordinary post at the Purchasers’ own risk to their respective addresses as they appear in the records of CDP.

If you wish to accept the Offer, you must insert in Part A of the FAA the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which the Offer is accepted.

If you are a depository agent as defined under Section 81SF of the Securities and Futures Act, you may accept the Offer via the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents (“**Electronic Acceptance**”). Such Electronic Acceptances must be submitted **not later than 5.30 p.m. on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA has been duly completed, signed in its originality and submitted to CDP.

Subject to paragraph 1(b) below, if the number of Offer Shares inserted in Part A of the FAA or submitted through Electronic Acceptance exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the date of receipt of the FAA by CDP (the “**Date of Receipt**”) or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date) or, if no such number of Offer Shares is inserted in Part A, then you are deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date).

(b) Depositors whose/which Securities Accounts will be credited with Offer Shares

If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with a FAA. If you wish to accept the Offer in respect of such Offer Shares, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares, complete, sign and submit the duly completed and signed original of the accompanying FAA in accordance with the provisions and instructions in this Offer Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and return the duly completed and signed original of the FAA,

either by hand to:

EASTON OVERSEAS LIMITED

c/o The Central Depository (Pte) Limited
9 North Buona Vista Drive,
#01-19/20,
The Metropolis,
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

EASTON OVERSEAS LIMITED

c/o The Central Depository (Pte) Limited
Robinson Road Post Office,
P.O. Box 1984,
Singapore 903934

so as in either case to arrive not later than 5.30 p.m. on the Closing Date.

If you purchase Offer Shares on the SGX-ST, your acceptance in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. on the Date of Receipt (if the FAA is received by CDP prior to the Closing Date) or 5.30 p.m. on the Closing Date (if the FAA is received by CDP on the Closing Date).

None of the Offeror, DBS Bank or CDP accepts any responsibility or liability in relation to such rejection, including the consequences thereof.

(c) **Depositors whose/which Securities Accounts are and will be credited with Offer Shares**

If you already have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, and if you have also purchased additional Offer Shares on the SGX-ST that are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account but in respect of the additional Offer Shares purchased which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of such additional Offer Shares only **after** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares. The provisions set out above shall apply in the same way to your acceptance(s).

(d) **General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account. You can verify the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account (a) through CDP Online if you have registered for CDP Internet Access Service; or (b) through CDP Phone Service if you have a T-Pin.

CDP will, upon receipt on behalf of the Offeror of the duly completed and signed original of the FAA or Electronic Acceptance, and all other relevant documents (if any), transfer the Offer Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to a “Suspense Account” until the consideration for the Offer Shares has been despatched to you.

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

No acknowledgement will be given for submissions made. All communications, notices, documents and payments will be sent by ordinary post at the risk of the person(s) entitled thereto to the mailing address appearing in the records of CDP. Settlement of the consideration under the Offer will be subject to the receipt of confirmation satisfactory to the Offeror that the Offer Shares to which the FAA relates are credited to the “Free Balance” of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and lodged with Easton Overseas Limited c/o The Central Depository (Pte) Limited, **by hand** at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588 or **by post** at your own risk using the enclosed pre-addressed envelope to Robinson Road Post Office, P.O. Box 1984, Singapore 903934.

Upon the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from the “Free Balance” of your Securities Account together with payment of the Offer Price by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions.

In the event that the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have accepted the Offer and tendered for acceptance under the Offer to the “Free Balance” of your Securities Account as soon as possible but, in any event, within 14 days from the lapse of the Offer.

If you do not have any existing Securities Account in your name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

If you are a depositor whose/which Securities Account is or will be credited with Offer Shares but you do not receive the FAA, you may obtain such a FAA upon production of satisfactory evidence that you are a Shareholder or have purchased the Offer Shares on the SGX-ST (as the case may be) from CDP, at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588.

2. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY SHAREHOLDERS WHO HOLD OFFER SHARES WHICH ARE NOT DEPOSITED WITH CDP

If you hold Offer Shares which are not deposited with CDP, you are entitled to receive this Offer Document together with the FAT. If you wish to accept the Offer, you should complete and sign the FAT (which is available upon request from Easton Overseas Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623) in accordance with the provisions and instructions in this Offer Document including the provisions and instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer) and deliver the duly completed and signed original of the FAT with the relevant share certificate(s) and/or other document(s) of title and/or any other relevant document(s) required by the Offeror **by hand or by post** in the enclosed pre-addressed envelope, at your own risk, to:

EASTON OVERSEAS LIMITED

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place,
#32-01, Singapore Land Tower,
Singapore 048623

so as to arrive not later than 5.30 p.m. on the Closing Date.

If the number of Offer Shares in respect of acceptances for the Offer as inserted by you in the FAT exceeds the number of Offer Shares represented by the share certificate(s) and/or other document(s) of title accompanying the FAT, or if no such number of Offer Shares is inserted by you, then you shall be deemed to have accepted the Offer in respect of all the Offer Shares as represented by the share certificate(s) and/or other document(s) of title accompanying the FAT.

General

If your Offer Shares are represented by share certificate(s) which are not registered with the Company in your own name, you must send in, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant documents required by the Offeror together with a duly completed and signed original of the FAT accompanied by transfer form(s), duly completed and executed by the person(s) registered with the Company as the holder of the Offer Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).

It is your responsibility to ensure that the FAT is properly completed in all respects. The Offeror, DBS Bank and/or the Registrar will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAT, or (subject to the preceding paragraph) which is not accompanied by the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror, or which is otherwise

incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the FAT will be final and binding, and none of the Offeror, DBS Bank or the Registrar accepts any responsibility or liability for the consequences of such a decision.

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror will be given.

All communications, notices, certificates, documents and remittances will be sent by ordinary post at the risk of the person(s) entitled thereto.

In the event that the Offer becomes or is being declared to be unconditional in all respects in accordance with its terms, payment will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the register of members of the Company) by ordinary post at your address as it appears in the register of members of the Company at your own risk (or to such different name and address as may be specified by you in the FAT and at your own risk), by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount.

In the event the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and any other accompanying document(s) will be returned to you as soon as possible but, in any event, within 14 days of the lapse of the Offer.

If you are a Shareholder who holds Offer Shares which are not deposited with CDP but you do not receive the FAT, you may obtain such a FAT upon production of satisfactory evidence that you are a Shareholder, from Easton Overseas Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at its office located at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

3. OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR ACCEPTANCE

If you hold share certificate(s) of some of the Offer Shares beneficially owned by you and if you have deposited the rest of the Offer Shares beneficially owned by you with CDP, you are required to complete, sign and return at your own risk, the signed original FAT in respect of the Offer Shares represented by share certificate(s) and the FAA in respect of the Offer Shares which are deposited with CDP, if you wish to accept the Offer in respect of all such Offer Shares. Both the FAT and the FAA must be completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the respective procedures for acceptance set out in paragraphs 1 and 2 of this **Appendix VI**.

If you hold share certificate(s) of the Offer Shares beneficially owned by you and you wish to accept the Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Offer Document and ending on the Closing Date (both dates inclusive) as your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Offer.

If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is properly completed in all respects, submitted with original signature(s) and all required documents are provided. The Offeror, DBS Bank, CDP and/or the Registrar will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAA and/or the FAT, as the case may be, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject any acceptance will be final and binding, and none of the Offeror, DBS Bank, CDP or the Registrar accepts any responsibility or liability for the consequences of such a decision.

Acceptances in the form of the FAA and/or the FAT received by the Offeror, DBS Bank, CDP and/or the Registrar, on a Saturday, Sunday or public holiday will only be processed and validated on the next business day.

Submission of the duly completed and signed original of the FAA and/or the FAT through CDP and/or the Registrar and/or, as the case may be, the Offeror or DBS Bank, shall be conclusive evidence in favour of the Offeror, DBS Bank, CDP and the Registrar of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.

APPENDIX VII — PROCEDURES FOR ACCEPTANCE OF THE CONVERTIBLE BONDS OFFER

1. PARTICIPATION PROCEDURES FOR THE CONVERTIBLE BONDS OFFER

- 1.1 To tender Convertible Bonds, each Bondholder 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 by the Closing Date.
- 1.2 Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold Convertible Bonds whether such intermediary would need to receive instructions to participate in, or withdraw their instruction to participate in the Convertible Bonds Offer before the deadlines specified in this Offer Document.
- 1.3 The deadlines set by each Clearing System for the submission of Tender Instructions may also be earlier than the relevant deadlines specified in this Offer Document.
- 1.4 The Convertible Bonds are denominated and can only be tendered in acceptance of the Convertible Bonds Offer in a principal amount of HK\$1,000,000 each or integral multiples thereof.
- 1.5 The tendering of Convertible Bonds in acceptance of the Convertible Bonds Offer will be deemed to have occurred upon receipt by the Tender Agent from the relevant Clearing System of a valid Tender Instruction in respect of such Convertible Bonds submitted in accordance with the requirements of such Clearing System.
- 1.6 Each Tender Instruction shall specify, among other things, the aggregate principal amount of Convertible Bonds being tendered, the event or reference number issued by the relevant Clearing System, the identity of the Direct Participant and the securities account number at the relevant Clearing System in which the relevant Convertible Bonds are held and any other information required by the relevant Clearing System. The receipt of such Tender Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Convertible Bonds in the relevant Clearing System so that no transfers may be effected in relation to such Convertible Bonds.
- 1.7 Bondholders must take appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Convertible Bonds at any time after the date of submission of such Tender Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Convertible Bonds in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Tender Agent, DBS Bank and the Offeror.
- 1.8 Only Direct Participants may submit Tender Instructions. Each Bondholder that is not a Direct Participant must arrange for the Direct Participant through which it holds the relevant Convertible Bonds to submit a Tender Instruction on its behalf to the relevant Clearing System by the deadline specified by such Clearing System.
- 1.9 **THE METHOD OF DELIVERY OF CONVERTIBLE BONDS AND OTHER DOCUMENTS TO THE TENDER AGENT, INCLUDING ACCEPTANCE OF THE CONVERTIBLE BONDS OFFER BY TENDER INSTRUCTION (WHICH CAUSES THE ACCOUNT IN RESPECT OF THE TENDERED CONVERTIBLE BONDS TO BE BLOCKED IN ACCORDANCE WITH THE PROCEDURES OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS THE**

CASE MAY BE), IS AT THE ELECTION AND RISK OF THE BONDHOLDER. NO GUARANTEED DELIVERY PROCEDURE IS AVAILABLE FOR THE DELIVERY OF THE CONVERTIBLE BONDS. THE TENDERING OF CONVERTIBLE BONDS UNDER THE CONVERTIBLE BONDS OFFER WILL BE DEEMED TO HAVE OCCURRED UPON RECEIPT BY THE TENDER AGENT, VIA THE RELEVANT CLEARING SYSTEM, OF A VALID TENDER INSTRUCTION IN ACCORDANCE WITH THE REQUIREMENTS OF SUCH CLEARING SYSTEM.

2. BONDHOLDER AND DIRECT PARTICIPANTS' REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 2.1 By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, the relevant Bondholder and any Direct Participant submitting such Tender Instruction on such Bondholder's behalf shall be deemed to agree to, acknowledge, represent, warrant and undertake to the Offeror, DBS Bank and the Tender Agent as follows on the Closing Date and on each Bonds Settlement Date (if the relevant Bondholder is unable to agree to or give these acknowledgements, representations, warranties and undertakings, such Bondholder or Direct Participant should contact DBS Bank immediately) that:
- (a) it has received, reviewed and accepts the terms, conditions and other considerations of the Convertible Bonds Offer, and the offer and distribution restrictions, all as described in this Offer Document;
 - (b) it agrees and consents to the relevant Convertible Bonds being blocked in the relevant Clearing System;
 - (c) by blocking the relevant Convertible Bonds in its account at the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent (and for the Tender Agent to provide such details to the Offeror and DBS Bank);
 - (d) upon the terms and subject to the conditions of the Convertible Bonds Offer, it tenders in the Convertible Bonds Offer the principal amount outstanding of Convertible Bonds in its account blocked in the relevant Clearing System and, subject to, and effective upon, the purchase by the Offeror, it renounces all right, title and interest in and to all such Convertible Bonds purchased by or at the direction of the Offeror pursuant to the Convertible Bonds Offer and waives and releases any rights or claims it may have against the Offeror with respect to any such Convertible Bonds or the Convertible Bonds Offer;
 - (e) all authority conferred or agreed to be conferred pursuant to its agreements, acknowledgements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
 - (f) none of the Offeror, DBS Bank or the Tender Agent has given it any information with respect to the Convertible Bonds Offer save as expressly set out in this Offer Document nor has any of them made any recommendation to it as to whether it should tender Convertible Bonds in the Convertible Bonds Offer and it has made its own decision with regard to tendering Convertible Bonds in the Convertible Bonds Offer based on such legal, tax or financial advice as it has deemed necessary to seek;

- (g) no information has been provided to it by the Offeror, DBS Bank or the Tender Agent, or any of their respective directors, officers, agents, affiliates or employees, with regard to the tax consequences for Bondholders arising from the tender of Convertible Bonds in the Convertible Bonds Offer and the receipt of the Convertible Bonds Offer Price and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction in connection with the Convertible Bonds Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Offeror, DBS Bank or the Tender Agent, or any of their respective directors, officers, agents, affiliates or employees, or any other person in respect of such taxes and payments;
- (h) it is not a person to whom it is unlawful to send this Offer Document or make an invitation pursuant to the Convertible Bonds Offer under applicable securities laws and it has not distributed or forwarded this Offer Document or any other documents or materials relating to the Convertible Bonds Offer to any such person(s);
- (i) each Tender Instruction is being submitted in compliance with all applicable laws or regulations of the jurisdiction in which the Bondholder is located or resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with such instruction;
- (j) it has full power and authority to tender, sell, assign and transfer the Convertible Bonds it has tendered in acceptance of the Convertible Bonds Offer pursuant to the Tender Instruction and, if such Convertible Bonds are purchased by the Offeror pursuant to the Convertible Bonds Offer, such Convertible Bonds will be transferred to, or for the account of, the Offeror fully paid-up, with full title free from all Encumbrances and together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all interests, payments, rights or other distributions which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date), and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Offeror to be necessary or desirable to complete the transfer of such Convertible Bonds or to evidence such power and authority;
- (k) it holds and will hold, until the time of settlement on the Bonds Settlement Date, the relevant Convertible Bonds blocked in its account at the relevant Clearing System and, in accordance with the requirements of such Clearing System and by the deadline required by such Clearing System, it has submitted, or has caused to be submitted, a Tender Instruction to such Clearing System to authorise the blocking of the tendered Convertible Bonds with effect on and from the date of such submission so that, at any time pending the transfer of such Convertible Bonds on the relevant Bonds Settlement Date to the Offeror or to its agent on its behalf, no transfers, redemption or exchange of such Convertible Bonds may be effected;
- (l) it has observed and will observe the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance, in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Offeror, DBS Bank, the Tender Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Convertible Bonds Offer;

- (m) it agrees that the Offeror will have no obligation to pay the Convertible Bonds Offer Price unless such accepting Bondholder complies with its obligations set out in this **Appendix VII** and will, upon request, execute and deliver any additional documents as may be required to give effect to such acceptance and the transfer of such tendered Convertible Bonds to the Offeror (or its nominee) to complete the sale, assignment, transfer and cancellation of such tendered Convertible Bonds or to evidence such power and authority;
- (n) it has read and agrees to all of the terms and conditions of the Convertible Bonds Offer. All authority conferred or agreed to be conferred by such accepting Bondholder shall not be affected by, and shall survive, the death or incapacity of such accepting Bondholder, and any obligation of such accepting Bondholder hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of such accepting Bondholder;
- (o) it shall indemnify the Offeror, DBS Bank and the Tender Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given pursuant to, the Convertible Bonds Offer (including any acceptance thereof) by any such accepting Bondholder; and
- (p) it has instructed the Clearing Systems that if the Offeror purchases any of its Convertible Bonds, the Clearing Systems should credit the cash paid to purchase those Convertible Bonds to the account in which those Convertible Bonds were held immediately before purchase.

2.2 The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the relevant Bonds Settlement Date in respect of all of the Convertible Bonds the relevant Bondholder has tendered in the Convertible Bonds Offer and which are accepted for purchase by the Offeror.

2.3 By submitting a Tender Instruction, each Bondholder and the relevant Direct Participant acknowledges and agrees that each of the Tender Agent, DBS Bank and the Offeror has received and will rely upon its agreements, acknowledgements, representations and warranties set forth therein, and the Bondholder agrees to notify each of the Tender Agent, DBS Bank and the Offeror promptly in writing if any information given by, or on behalf of, such Bondholders in a Tender Instruction (including any agreements, acknowledgements, representations and warranties contained therein) ceases to be accurate and complete.

3. IRREGULARITIES

3.1 All questions as to the validity, form and eligibility (including time of receipt) of any Tender Instruction or as to the revocation of any Tender Instruction will be determined by the Offeror, in its sole discretion, and such determination will be final and binding.

3.2 The Offeror, DBS Bank and the Tender Agent each reserves the absolute right to reject any and all Tender Instructions or (in the limited circumstances in which revocation is permitted) revocation instructions not in proper form or in respect of which, in the opinion of their legal advisers, the acceptance by the Offeror, DBS Bank or the Tender Agent may be unlawful. Each of the Offeror, DBS Bank and the Tender Agent also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. Each of the Offeror, DBS Bank and the

Tender Agent also reserves the absolute right to waive any such defect, irregularity or delay in respect of particular Convertible Bonds, whether or not the Offeror, DBS Bank and/or the Tender Agent has elected to waive similar defects, irregularities or any delay in respect of other Convertible Bonds.

- 3.3 Any defect, irregularity or delay must be cured within such time as the Offeror, DBS Bank or the Tender Agent determines, unless waived by it. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Offeror, DBS Bank or the Tender Agent shall be under any duty to give notice to a Bondholder of any defects, irregularities or delays in the receipt or non-receipt of any Tender Instruction or revocation instructions, nor shall any of them incur any liability for failure to give such notice.
- 3.4 Subject to the rights of the Offeror to amend or terminate the Convertible Bonds Offer and/or this Offer Document, the Offeror expressly reserves the right, in its sole discretion, to delay acceptance of tenders of Convertible Bonds pursuant to the Convertible Bonds Offer in order to comply with applicable laws.
- 3.5 Bondholders are solely responsible for complying with all the procedures for submitting Tender Instructions and revocation instructions. None of the Offeror, the Tender Agent or DBS Bank shall be under any duty to give notice to Bondholders of any irregularities in the Tender Instructions or revocation instructions nor shall any of them incur any liability for failure to give such notice.

4. CLOSING DATE

The Convertible Bonds Offer shall remain open for acceptance until 5.30 p.m. on the Closing Date.

5. REJECTION

At any time from and including the Despatch Date up to and including the Closing Date, the Offeror may reject Tender Instructions which it considers in its sole discretion not to have been validly submitted under the Convertible Bonds Offer and the Offeror is under no obligation to any relevant Bondholder to furnish any reason or justification for refusing to accept such tenders. For example, the tender of Convertible Bonds may be rejected and not accepted and may be treated as not having been validly submitted under the Convertible Bonds Offer if any such tender does not comply with the requirements of a particular jurisdiction.

6. RECEIPT

No acknowledgement will be given for submissions of the Tender Instructions. For reasons of confidentiality, the Tender Agent will not entertain telephone enquiries relating to your aggregate principal amount of Convertible Bonds in your securities account. You can verify the aggregate principal amount of Convertible Bonds in your securities account by obtaining a statement of account from the relevant Clearing System.

7. RETURN OF CONVERTIBLE BONDS

In the event the Offer does not become or is not declared unconditional in all respects in accordance with its terms and the Offer lapses or is withdrawn, such Convertible Bonds shall cease to be blocked in the Bondholder's securities account at the relevant Clearing System.

8. CONVERTIBLE BONDS OFFER CONDITIONAL

In the event the Offer becomes or is declared unconditional in all respects in accordance with its terms, the Tender Agent will, on the relevant Bonds Settlement Date, debit from your securities account the amount of Convertible Bonds which are the subject of your Tender Instruction and procure payment of the Convertible Bonds Offer Price to such securities account via the Clearing Systems.

9. GENERAL

9.1 **Failure to comply with procedures.** The Offeror will only accept tenders of Convertible Bonds under the Convertible Bonds Offer by way of submission of valid Tender Instructions in accordance with the procedures set out in this **Appendix VII**. Bondholders should not send Tender Instructions to the Offeror or DBS Bank and such Tender Instructions should only be sent to the Tender Agent via the relevant Clearing Systems and in accordance with the terms of such relevant Clearing System.

9.2 **Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you will be sent to Direct Participants in accordance with the procedures of the relevant Clearing System. Bondholders are hereby informed that significant delays may be experienced in publishing notices through the Clearing Systems. Bondholders are urged to contact DBS Bank or the Tender Agent for the relevant announcements until the Bonds Settlement Date.

9.3 **Loss in Transmission.** The Offeror, DBS Bank, the Tender Agent or the Registrar, as the case may be, shall not be liable for any loss that may occur as a result of any delay or failure in transmission of the Tender Instructions.

9.4 **Acceptances Irrevocable.** The submission of a valid Tender Instruction in accordance with the procedures set out in this **Appendix VII** will each be irrevocable (except as specifically provided for in this Offer Document and the Code).

10. THE TENDER AGENT

10.1 The Offeror has retained Citibank, N.A., London Branch, to act as the Tender Agent in relation to the Convertible Bonds Offer.

10.2 None of the Tender Agent or any of its directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer, the Convertible Bonds Offer, the Offeror or any of its affiliates contained in this Offer Document or for any failure by the Offeror to disclose events that may have occurred and may affect the significance or accuracy of such information.

10.3 None of the Tender Agent or any of its directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Offer, the Convertible Bonds Offer or any recommendation as to whether Bondholders should tender Convertible Bonds or otherwise participate in the Convertible Bonds Offer.

10.4 The Tender Agent is the agent of the Offeror and owes no duty to any Bondholder.

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