CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 198101278D

ANNOUNCEMENT

CONVERSION OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES

The Directors of China Merchants Holdings (Pacific) Limited (the "**Company**") wish to announce that Easton Overseas Limited ("**Easton**") has today converted 135,781,000 redeemable convertible preference shares ("**RCPS**"), being the remaining one-third of the total number of RCPS issued by the Company and held by Easton, at the conversion rate of one ordinary share of the Company for every RCPS. Following such conversion, Easton has converted in full, any and all RCPS held by them.

The conversion will result in an issue of 135,781,000 new ordinary shares in the capital of the Company (the "**New Shares**") to Easton. The New Shares when issued will rank pari passu in all respects with the existing ordinary shares in the capital of the Company.

Following the issue of the New Shares, the total number of issued and paid up ordinary shares of the Company (the "**Shares**") will increase from **876,803,071**[1] to **1,012,584,071**.

By Order of the Board

Lim Lay Hoon
Company Secretary
Singapore, 9 September 2014

[1] As announced by the Company on 9 September 2014, the Company has today, pursuant to the completion of the proposed acquisition of Hong Kong Honest Queen International Investment Limited, issued 119,374,987 New Shares to Hongda International Asset Management Limited. Immediately following such issuance of New Shares and prior to the issuance of New Shares pursuant to the conversion of the RCPS, the total number of issued Shares increased from 757,428,084 to 876,803,701.