

CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198101278D)

ANNOUNCEMENT

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

1. Introduction

The Board of Directors (the “**Board**”) of China Merchants Holdings (Pacific) Limited (the “**Company**”) refers to:

- (i) the announcement dated 9 May 2016 (the “**Offer Announcement**”) made by DBS Bank Ltd. (“**DBS**”), for and on behalf of Easton Overseas Limited (the “**Offeror**”), in respect of:
 - (a) a voluntary conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”), other than those Shares owned, controlled or agreed to be acquired by the Offeror; and
 - (b) an appropriate offer to be made to the holders of the Convertible Bonds (as defined below) (the “**Bondholders**”) to acquire the outstanding 1.25 per cent. convertible bonds due 6 November 2017 issued by the Company (the “**Convertible Bonds**”), other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Convertible Bonds Offer**”);
- (ii) the announcement dated 10 May 2016 made by DBS, for and on behalf of the Offeror, in respect of the terms of the Convertible Bonds Offer; and
- (iii) the announcement dated 10 May 2016 made by the Company informing shareholders of the Company (the “**Shareholders**”) and Bondholders of the Offer and the Convertible Bonds Offer (the “**Offeree Announcement**”).

2. Appointment of Independent Financial Adviser

The Board wishes to announce that CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Offer and the Convertible Bonds Offer (the “**Independent Directors**”).

3. Offeree Circular

As stated in the Offeree Announcement, a circular containing the advice of the IFA and the recommendations of the Independent Directors (the “**Offeree Circular**”) will be sent to Shareholders and Bondholders within 14 days from the date of despatch of the formal offer document to be issued by DBS, for and on behalf of the Offeror, in connection with the Offer and the Convertible Bonds Offer.

In the meantime, Shareholders and Bondholders are advised to refrain from taking any action in relation to their Shares and Convertible Bonds which may be prejudicial to their interests and to exercise caution when dealing in the Shares and the Convertible Bonds, until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA which will be set out in the Offeree Circular.

4. Responsibility Statement

The Directors (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the announcements issued by or on behalf of the Offeror), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Lim Lay Hoon
Company Secretary
Singapore, 20 May 2016