

**CHINA MERCHANTS GROUP LIMITED**  
**LAUNCHES**  
**VOLUNTARY CONDITIONAL CASH OFFER ("OFFER")**  
**FOR**  
**CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED (THE "COMPANY")**

*Unless otherwise defined herein, all capitalised terms which are used in this press release shall have the same meanings ascribed to them in the Offer Announcement made by DBS Bank Ltd. ("DBS Bank") for and on behalf of the Easton Overseas Limited. A copy of the Offer Announcement is available on [www.sqx.com](http://www.sqx.com).*

- Offer Price: **S\$1.020** in cash. Offer Price will **not** be adjusted for the dividend to be paid on 19 May 2016
- Offer Price represents premium of:
  - ✓ approximately 22.9% over the last transacted price per Share of S\$0.830 on 5 May 2016 ("**Last Trading Day**")
  - ✓ between 20.1% and 25.5% over the one (1)-month to six (6)-month volume weighted average price per Share up to and including the Last Trading Day
- Offer will be conditional upon the 90% Acceptance Condition (as defined below) being fulfilled
- Currently, Offeror owns 75.9% of Shares
- Offeror is seeking to privatise and delist the Company

**SINGAPORE, 9 May 2016** – Easton Overseas Limited (the "**Offeror**"), which is indirectly wholly-owned by China Merchants Group Limited, has launched a voluntary conditional cash offer (the "**Offer**") to acquire all the issued and paid-up ordinary shares ("**Shares**") in the share capital of the Company, other than those Shares owned, controlled or agreed to be acquired by the Offeror. An offer will also be made to the holders of the convertible bonds ("**Bondholders**") to acquire the Convertible Bonds, other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Convertible Bonds 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, 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<sup>1</sup>.

The Offeror is making the Offer with a view to delisting the Company from the Singapore Exchange Securities Trading Limited and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act (Chapter 50 of Singapore).

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, facilitate the implementation of any operational change, and save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

Amidst the challenging market conditions, the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a significant premium over the prevailing trading prices of the Shares.

The Offer Price is 1.07 times the net asset value per Share<sup>2</sup> of the Company. The Offer Price represents the following premiums over the historical traded prices of the Shares:

	Description	Share Price (S\$) <sup>(1)</sup>	Premium over Share Price <sup>(2)</sup> (%)
(a)	Last transacted price per Share on the Last Trading Day	0.830	22.9
(b)	VWAP per Share for the one (1)-month period up to and including the Last Trading Day	0.837	21.9
(c)	VWAP per Share for the three (3)-month period up to and including the Last Trading Day	0.813	25.5
(d)	VWAP per Share for the six (6)-month period up 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 share suspension 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.

The Offer Document setting out the terms and conditions of the Offer and the Convertible Bonds Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders and Bondholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

DBS Bank is the financial adviser to the Offeror.

<sup>1</sup>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 (other than those acquired or agreed to be acquired by the Offeror and persons acting in concert with it) and Options been validly converted or exercised (as the case may be) as at the date of such declaration.

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

### **Responsibility Statement**

*The sole director of the Offeror and the directors of Cornerstone Holdings Limited ("**Cornerstone**"), (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading.*

*Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the sole director of the Offeror and the directors of Cornerstone has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.*

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

### **Forward-looking Statements**

*All statements other than statements of historical facts included in this press release 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.*

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

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