

**OFFER ANNOUNCEMENT**  
**VOLUNTARY CONDITIONAL GENERAL OFFER**

by



**BARCLAYS BANK PLC, SINGAPORE  
BRANCH**

(A branch of Barclays Bank PLC, a company  
organised under the laws of England and Wales with  
company number 01026167)



**CHINA INTERNATIONAL CAPITAL  
CORPORATION (SINGAPORE) PTE.  
LIMITED**

(Company Registration Number: 200814424W)  
(Incorporated in the Republic of Singapore)

**for and on behalf of**

**HNA BELT AND ROAD INVESTMENTS (SINGAPORE) PTE. LTD.**

(Company Registration Number: 201709856C)  
(Incorporated in the Republic of Singapore)

a wholly-owned subsidiary of



海航實業集團股份有限公司  
**HNA HOLDING GROUP CO. LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Hong Kong Stock Code: 521)

**to acquire all the issued and paid-up ordinary shares in the capital of**



**CWT LIMITED**

(Company Registration Number: 197000498M)  
(Incorporated in the Republic of Singapore)

**other than those already owned, controlled or agreed to be acquired by the Offeror, its  
related corporations, and their respective nominees**

## I. INTRODUCTION

- 1.1 **The Pre-Conditional Offer Announcement dated 9 April 2017.** Barclays Bank PLC, Singapore Branch and China International Capital Corporation (Singapore) Pte. Limited (collectively, the "**Joint Financial Advisers**"), refer to the announcement (the "**Pre-Conditional Offer Announcement**") dated 9 April 2017 (the "**Pre-Conditional Offer Announcement Date**") made by HNA Belt and Road Investments (Singapore) Pte. Ltd. (the "**Offeror**"), a wholly-owned subsidiary of HNA Holding Group Co. Limited ("**HK ListCo**"). Pursuant to the Pre-Conditional Offer Announcement, the Offeror announced that, subject to the fulfilment or waiver (as applicable) of the Pre-Conditions, it will make a voluntary conditional offer (the "**CWT VGO**") for all the issued and paid-up ordinary shares ("**CWT Shares**") in the capital of CWT Limited (the "**Company**" or "**CWT**"), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations, and their respective nominees (the "**Offer Shares**") in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers (the "**Code**").

A copy of the Pre-Conditional Offer Announcement is available on the website of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at [www.sgx.com](http://www.sgx.com).

Capitalised terms not defined in this announcement (the "**Formal Offer Announcement**") shall have the respective meanings given to them in the Pre-Conditional Offer Announcement.

- 1.2 **No Holding.** As at the date of this Formal Offer Announcement (the "**Formal Offer Announcement Date**"), the Offeror does not own or control, directly or indirectly, any CWT Shares.

## 2. PRE-CONDITIONS TO THE MAKING OF THE CWT VGO

As at the Formal Offer Announcement Date, all of the Pre-Conditions have been satisfied or waived (as the case may be) and **accordingly, the Joint Financial Advisers wish to announce, for and on behalf of the Offeror, the Offeror's firm intention to make the CWT VGO.**

## 3. INFORMATION ON THE OFFEROR, HK LISTCO, AND THE COMPANY

*(Information relating to the Company has been extracted from publicly available sources.)*

### 3.1 The Offeror

3.1.1 The Offeror is a company incorporated in Singapore for the purpose of making the CWT VGO and is an indirect wholly-owned subsidiary of HK ListCo. Its principal business activity is investment holding. As at the Formal Offer Announcement Date, the directors of the Offeror are Xu Haohao, Guo Qifei, Zhao Yongzhi, and Yeoh Kar Choo Sharon. HK ListCo is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

3.1.2 HK ListCo and its subsidiaries (the "**HK Group**") are currently engaged in the businesses of Recreational/Tourism Business and Property Investment Business. It is the intention of the HK Group to continue to strengthen its existing businesses, and at the same time explore opportunities to further develop into a leading diversified international investment company to enhance the growth prospects of the HK Group and create value for HK ListCo's shareholders.

For the purposes of this Formal Offer Announcement, "**Recreational/Tourism Business**" means the business of the provision of recreational and tourism services (including the operation of golf clubs and the provision of hotel and leisure services); and "**Property Investment Business**" means the business of property investment, management and development.

3.1.3 As part of its development strategy, the HK Group mainly focuses on merger and acquisition opportunities in international markets. In particular, the HK Group seeks merger and acquisition targets in sectors including logistics real estate, logistics warehousing, bulk commodity trading, logistics finance, logistics transport facilities, oil storage, marketing and

transportation assets while closely monitoring the economic and trade development situation in the "One Belt, One Road" initiative, Southeast Asia, and other regions (including Hong Kong).

- 3.1.4 A diagrammatic representation of the shareholding structure of the Offeror is annexed hereto as **Annex A (Shareholding Structure)**.

## 3.2 The Company

- 3.2.1 CWT was incorporated in 1970 as a private arm of the Port of Singapore Authority to provide warehousing and container trucking services in support of the onset of container terminal operations. CWT is a company incorporated in Singapore whose shares have been quoted and traded on the SGX-ST since 12 April 1993. CWT and its subsidiaries (the "**CWT Group**") are a leading provider of integrated logistics solutions with interests in logistics services, commodity marketing, financial services and engineering services.

- 3.2.2 As at the date hereof and based on publicly available information, CWT has 600,304,650 issued and paid-up shares. As at the end of the second quarter and half year ended 30 June 2017, there were no unissued shares of CWT under option granted by CWT.

- 3.2.3 According to CWT's audited consolidated financial statements for the year ended 31 December 2016, the CWT Group has four (4) operating business segments: (i) Logistics Services; (ii) Commodity Marketing; (iii) Financial Services; and (iv) Engineering Services.

3.2.3.1 **Logistics Services** includes warehousing, transportation, freight forwarding and cargo consolidation, supply chain management services such as procurement, inventory management, packaging, packing and other value added services and delivery to end customers and container management services. The CWT Group, being a one-stop logistics provider, views all logistics services as total logistics solutions provided to customers. These logistics services are aggregated into a single operating segment since the aggregated operating results of this segment are regularly reviewed by the GCEO (as defined in paragraph 8.2.2.1 below) to make decisions about resources to be allocated to it and to assess its performance.

3.2.3.2 **Commodity Marketing** includes physical trading and supply chain management of base metal non-ferrous concentrates with a predominant focus on copper, lead, zinc and other minor metals and energy products like naphtha and distillates.

3.2.3.3 **Financial Services** includes financial brokerage services, structured trade services and asset management services.

3.2.3.4 **Engineering Services** includes management and maintenance of facilities, vehicles and equipment, supply and installation of engineering products, property management, and design-and-build solutions for logistics properties.

- 3.2.4 Based on CWT's audited consolidated financial statements for the year ended 31 December 2016, the reportable segment revenue and the reportable segment profit before tax of each business segment for the year ended 31 December 2016 was as follows:-

<b>Segment</b>	<b>Reportable segment revenue (excluding inter-segment revenue)</b>	<b>%</b>	<b>Reportable segment profit before tax</b>	<b>%</b>
<b>Logistics Services</b>	S\$831,800,000	8.99	S\$61,135,000	47.31
<b>Commodity Marketing</b>	S\$8,161,343,000	88.21	S\$18,264,000	14.13
<b>Financial Services</b>	S\$128,972,000	1.40	S\$34,203,000	26.47
<b>Engineering Services</b>	S\$129,739,000	1.40	S\$15,626,000	12.09
<b>Total</b>	<b>S\$9,251,854,000</b>	<b>100</b>	<b>S\$129,228,000</b>	<b>100</b>

- 3.2.5 The CWT Group operates in more than 90 countries through its regional offices and network of service partners. Its Logistics Services and Commodity Marketing segments are managed on a worldwide basis and operate principally in Singapore, China, other parts of Asia Pacific, Europe, Africa and South America. Its Financial Services segment operates mainly in China, Singapore and North America. Its Engineering Services segment operates primarily in Singapore.

### 3.2.6 **Financial Information on the CWT Group**

Set out below is a summary of certain consolidated financial information of the CWT Group for the two (2) years ended 31 December 2015 and 2016, respectively, which have been prepared in accordance with the Singapore Financial Reporting Standards, as extracted from the published financial results of the CWT Group:-

	<b>Year ended 31 December 2015 (audited)</b>	<b>Year ended 31 December 2016 (audited)</b>
<b>Net profit before taxation</b>	S\$131,720,000	S\$104,801,000
<b>Net profit after taxation</b>	S\$113,919,000	S\$79,020,000

The unaudited consolidated net asset value of CWT Group as at 30 June 2017 was approximately S\$908,687,000.

Following the close of the CWT VGO, CWT Group will become subsidiaries of the HK Group, and the financial results, assets and liabilities of CWT Group will be consolidated into the accounts of the HK Group. After consultation with HK ListCo's auditors, HK ListCo is of the view that there will be no material difference in the previous financial information of CWT Group if it had adopted the accounting standards and policies of the HK Group.

#### 4. VENDOR UNDERTAKINGS

4.1 As set out in the Pre-Conditional Offer Announcement, the shareholders of the Company (the "**CWT Shareholders**") set out in paragraph 4.2 below (the "**Vendors**") have given the Offeror their irrevocable written undertakings (the "**Vendor Undertakings**"), amongst other things:-

4.1.1 except as prohibited in writing by the Securities Industry Council (the "**SIC**") or by an order of a court of competent jurisdiction, to accept, or procure the acceptance of, the CWT VGO in relation to all the CWT Shares respectively owned by them as of the date of their respective Vendor Undertakings (the "**Undertaken CWT Shares**"), within such number of Market Days (being a day on which the SGX-ST is open for trading of securities) as agreed with the Offeror under the respective Vendor Undertakings after the CWT VGO is open for acceptance, and that the Undertaken CWT Shares shall be sold to the Offeror in accordance with the terms of the CWT VGO, and that notwithstanding any rights of withdrawal which they may have under the Code or the terms of the CWT VGO, to not withdraw such acceptance of the CWT VGO tendered in respect of any of the Undertaken CWT Shares;

4.1.2 to, during the period commencing on the date of their respective Vendor Undertakings until the date on which their respective Vendor Undertakings cease to have any effect, not directly or indirectly:-

4.1.2.1 sell, dispose of, transfer or otherwise deal in, or create any encumbrance over (or permit the sale, disposal of, transfer, dealing in, or creation of any encumbrance over), any of their rights or interests in the Undertaken CWT Shares;

4.1.2.2 accept (or permit the acceptance on their behalf of) any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the CWT VGO;

4.1.2.3 approve, endorse, recommend, vote or agree to vote for any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the CWT VGO; and

4.1.2.4 authorise any of their representatives or advisers to, directly or indirectly, solicit, encourage, initiate or entertain any offers or proposals or hold discussions with any third party about any arrangement, agreement or commitment in connection with the acquisition of (i) all or any Undertaken CWT Shares; or (ii) all or substantially all the business/assets of CWT, save that the restrictions in this sub-paragraph shall not apply to (A) the making of normal presentations, for and on behalf of CWT, to brokers, portfolio investors and analysts in the ordinary and usual course of business; or (B) the provision of information for or on behalf of CWT to the SGX-ST or the SIC; and

4.1.3 to, not exercise any voting rights in the Undertaken CWT Shares or take any action that will frustrate the CWT VGO.

4.2 The Vendors and their respective Undertaken CWT Shares are set out in the table below:-

Vendor	Number of Undertaken CWT Shares	Number of Undertaken CWT Shares as an approximate percentage of the total number of issued CWT Shares as at the Formal Offer Announcement Date (%)
C & P Holdings Pte Ltd <sup>(1)</sup>	191,680,000	31.93
Loi Kai Meng	70,000,000	11.66
Loi Kai Meng (Pte.) Limited <sup>(1)</sup>	37,356,900	6.22
Stanley Liao Private Limited <sup>(1)</sup>	19,581,000	3.26
Liao Chung Lik	16,301,000	2.72
Loi Pok Yen <sup>(2)</sup>	31,000,000	5.16
Stanley K K Liao	10,397,000	1.73
Loi Win Yen	7,930,000	1.32
Lim Soo Seng (Pte.) Limited <sup>(1)</sup>	2,624,000	0.44
Lim Lay Khia (alias Lim Lay Choo)	1,950,000	0.32
Tong Siow Oon Sylvia	1,100,000	0.18
Loi Yan Yi	1,050,000	0.17
<b>Total</b>	<b>390,969,900</b>	<b>65.13</b>

<sup>(1)</sup> C & P Holdings Pte Ltd is majority-owned by Loi Kai Meng (Pte.) Limited, Stanley Liao Private Limited and Lim Soo Seng (Pte.) Limited, each of whom owns more than 20% of its issued share capital.

<sup>(2)</sup> Loi Pok Yen holds 16,000,000 CWT Shares directly and 15,000,000 CWT Shares through his wholly-owned company, Penjuru Capital Pte. Ltd.

4.3 The Vendor Undertakings will terminate, lapse and cease to have any effect if:-

4.3.1 the formal offer document setting out the definitive terms and conditions of the CWT VGO (the "**CWT VGO Offer Document**") is not posted to CWT Shareholders within the time prescribed under the Code; or

4.3.2 the CWT VGO lapses or is withdrawn without having become unconditional in all respects in accordance with its terms through no breach by any of the Vendors of their obligations under their respective Vendor Undertakings.

## 5. OFFER TERMS

5.1 The Offeror will make the CWT VGO for all the Offer Shares subject to and upon the following principal terms and conditions:-

5.1.1 **Offer Shares.** The CWT VGO will be made for all the Offer Shares in accordance with Rule 15 of the Code and subject to the terms and conditions to be set out in the CWT VGO Offer Document to be issued by the Offeror to the CWT Shareholders in connection with the CWT VGO.

5.1.2 **Offer Consideration.** The consideration for each Offer Share will be satisfied by the payment of S\$2.33 in cash (the "**Offer Consideration**").

**THE OFFEROR DOES NOT INTEND TO AND WILL NOT INCREASE THE OFFER CONSIDERATION OR REVISE ANY OTHER TERMS OF THE CWT VGO. AS SUCH THE OFFER CONSIDERATION IS THE FINAL PRICE FOR THE OFFER SHARES.**

CWT Shareholders, in particular those who intend to accept the CWT VGO, are reminded to note that the price of the CWT Shares may potentially fluctuate and there is no guarantee that the current market price of the CWT Shares will or will not sustain and will or will not be higher than the Offer Consideration during and after the period for the acceptance of the CWT VGO.

5.1.3 **No Encumbrances.** The Offer Shares will be acquired:-

5.1.3.1 properly and validly issued and fully paid-up;

5.1.3.2 free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right, right to acquire, security agreement and security interest or other right of whatever nature; and

5.1.3.3 together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by CWT on or after Pre-Conditional Offer Announcement Date), other than the FY2016 Proposed Final Dividend (as defined below).

As stated in CWT's audited financial statements for the financial year ended 31 December 2016, the directors of CWT have proposed a final one-tier cash dividend of three (3) cents per CWT Share for the financial year ended 31 December 2016 ("**FY2016 Proposed Final Dividend**"). The FY2016 Proposed Final Dividend was approved by CWT Shareholders at the annual general meeting of CWT held on 28 April 2017 and was paid on 17 May 2017.

For the avoidance of doubt, CWT Shareholders who accept the CWT VGO will be entitled to retain the FY2016 Proposed Final Dividend.

**If any dividend, right or other distribution or return of capital, other than the FY2016 Proposed Final Dividend, is announced, declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Consideration payable to the accepting CWT Shareholder(s) by an amount equivalent to such dividend, right, other distribution or return of capital.**

5.1.4 **Minimum Acceptance Condition.** The CWT VGO will be conditional upon the Offeror receiving valid acceptances in respect of such number of Offer Shares which, when taken together with the CWT Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the CWT VGO and pursuant to the CWT VGO or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of CWT Shares carrying more than 50% of the voting rights attributable to the CWT Shares (excluding treasury shares), by the closing date of the CWT VGO (the "**Closing Date**").

Pursuant to the Vendor Undertakings, the CWT VGO will become unconditional as to acceptances upon the Vendors tendering their CWT Shares (representing approximately 65.13% of the total issued share capital of CWT) in acceptance of the CWT VGO.

Further information on the CWT VGO and the terms and conditions upon which the CWT VGO will be made, shall be set out in the CWT VGO Offer Document to be issued.

## 6. DEPOSIT ARRANGEMENT

6.1 **Deposit paid to CWT.** Pursuant to an agreement entered into between HK ListCo and CWT on 9 April 2017 (the "**Deposit Agreement**"), HK ListCo agreed to pay a sum of S\$15 million to CWT (the "**Deposit**") to be held in escrow by DBS Trustee Limited (the "**Escrow Agent**") in an escrow account (the "**Escrow Account**") on the terms and subject to the conditions set out in the Deposit Agreement.

6.2 If the CWT VGO is declared unconditional in all respects in accordance with the Code, the Deposit shall be released from the Escrow Account and paid into a bank account to be designated and notified in writing to the Escrow Agent and CWT by the Offeror for the purposes of making payments pursuant to the CWT VGO.

6.3 Further to the making of this Formal Offer Announcement, if the CWT VGO Offer Document is not posted to CWT Shareholders within the time prescribed under the Code, the Deposit shall be released and paid in full to CWT.

6.4 In the event that any party to certain Vendor Undertakings specified in the Deposit Agreement fails to comply with its obligations thereunder to accept the CWT VGO and consequently the CWT VGO does not become unconditional as to acceptances, the Deposit shall be refunded in full to HK ListCo.



## 7. FINANCIAL EVALUATION OF THE CWT VGO

The Offer Consideration of S\$2.33 for each Offer Share represents the following premium over the historical transacted prices of the CWT Shares on the SGX-ST:-

Period	CWT Share Price (\$)	Premium over CWT Share Price (%)
Last transacted price per CWT Share on 6 September 2017, being the last full day of trading of the CWT Shares prior to the Formal Offer Announcement Date	2.28	2.19
Last transacted price per CWT Share on 5 April 2017, being the last full trading day prior to the trading halt on CWT Shares, preceding the Pre-Conditional Offer Announcement Date (the " <b>Last Full Trading Day</b> ")	2.06	13.11
Volume weighted average price (" <b>VWAP</b> ") per CWT Share for the one (1) month period up to and including the Last Full Trading Day	2.00	16.55
VWAP per CWT Share for the three (3) month period up to and including the Last Full Trading Day	2.03	14.64
VWAP per CWT Share for the six (6) month period up to and including the Last Full Trading Day	2.02	15.30
VWAP per CWT Share for the twelve (12) month period up to and including the Last Full Trading Day	2.05	13.48
VWAP per CWT Share for the twenty four (24) month period up to and including the Last Full Trading Day	1.98	17.50
VWAP per CWT Share for the thirty six (36) month period up to and including the Last Full Trading Day	1.85	26.28
VWAP per CWT Share for the sixty (60) month period up to and including the Last Full Trading Day	1.69	38.10

Source: Bloomberg L.P.

**THE CWT VGO PRESENTS CWT SHAREHOLDERS WITH AN OPPORTUNITY TO REALISE THEIR ENTIRE INVESTMENT IN CWT FOR CASH, IF THEY SO CHOOSE, AT A PREMIUM OVER THE HISTORICAL TRANSACTED PRICES OF THE CWT SHARES ON THE SGX-ST (AS SET OUT IN THE TABLE ABOVE), AND WITHOUT INCURRING BROKERAGE FEES.**

**THE OFFER CONSIDERATION EXCEEDS THE HIGHEST CLOSING PRICE OF THE CWT SHARES FOR THE LAST 12 MONTHS PRIOR TO AND INCLUDING THE LAST FULL TRADING DAY.**

## 8. RATIONALE FOR THE CWT VGO AND OFFEROR'S INTENTIONS FOR THE COMPANY

### 8.1 Rationale for the CWT VGO

- 8.1.1 The HK Group has been actively assessing the global market for attractive investment opportunities to complement its existing businesses, namely the Property Investment Business and the Recreational/Tourism Business, to further develop into a leading diversified international investment company.
- 8.1.2 CWT Group has a strong market position in its Logistics Services division and is well diversified through revenues from its Commodity Marketing, Financial Services and Engineering Services divisions, as further described in paragraph 3.2 above.
- 8.1.3 The CWT VGO is in line with the HK Group's investment principle of prudence and justifiable investments. As part of its development strategy, the HK Group mainly focuses on merger and acquisition opportunities in international markets. In particular, the HK Group seeks merger

and acquisition targets in sectors including logistics real estate, logistics warehousing, bulk commodity trading, logistics finance, logistics transport facilities, oil storage, marketing and transportation assets while closely monitoring the economic and trade development situation in the "One Belt, One Road" initiative, Southeast Asia, and other regions (including Hong Kong).

8.1.4 The HK Group believes that the CWT VGO is strategically beneficial for the following reasons:-

**8.1.4.1 Leverage an established international business platform and management team to identify and develop new business opportunities**

Over more than 45 years, the CWT Group has established diversified global operations in Logistics Services, Commodity Marketing, Financial Services and Engineering Services. CWT Group's business units enjoy strong positions in their respective markets and are led by an experienced and knowledgeable management team.

The CWT VGO will enable the HK Group to simultaneously enter into logistics, commodity marketing, financial services and engineering services and have a presence across approximately 90 countries globally. After completion of the CWT VGO, the HK Group believes that the HK Group as enlarged by the CWT Group upon completion of the CWT VGO (the "**Enlarged Group**") can leverage CWT Group's international operating platform and the HK Group's relationships to explore potential new business opportunities, particularly in logistics services, commodity marketing and financial services, and provide a solid foundation for the Enlarged Group's future business development.

**8.1.4.2 Become a leading logistics player with a global reach**

CWT Group provides integrated logistics solutions in Singapore and internationally, with a niche market focus in the commodity, chemical, marine, F&B and wine, and industrial sectors. CWT Group operates and manages warehouses that are strategically located near key transport hubs and ports in Singapore and around the world and as of 31 December 2016 had a global freight forwarding network with connectivity to around 200 direct ports and 1,600 inland destinations supported by an extensive network of more than 100 offices and agents globally.

After completion of the CWT VGO, the HK Group believes that the Enlarged Group could seek to leverage CWT Group's experience and capabilities and the HK Group's relationships to enhance its position as a leading provider of integrated logistics solutions for worldwide customers in the commodity, chemical, marine, F&B and wine, and industrial sectors.

**8.1.4.3 Further diversify the Property Investment Business with a large, high quality real estate portfolio and enhance services and capabilities**

CWT Group is one of the largest owners and managers of warehouse and logistics real estate assets in Singapore. As of 31 December 2016, CWT Group managed approximately 10.3 million sq. ft. of owned and leased warehousing space in Singapore, which includes 2.4 million sq. ft. of the under-construction mega integrated logistics hub in Singapore. The warehouse building of the mega integrated logistics hub has been completed. CWT Group also managed approximately 6.1 million sq. ft. of warehouse space outside of Singapore. In addition, through its engineering subsidiary, Indeco Engineers (Pte) Ltd, CWT Group provides a range of management and maintenance services for facilities, vehicles and equipment fleets, as well as design-and-build solutions for logistics facilities.

After completion of the CWT VGO, the HK Group believes that the Enlarged Group's Property Investment Business will benefit from CWT Group's high quality real estate portfolio while providing opportunities to further enhance its property and facilities management services and property development capabilities.

#### 8.1.4.4 **Capitalise on a well-established commodity trading and financial services platform**

CWT Group's Commodity Marketing division, through MRI Group Pte Ltd and its subsidiaries, is a large independent trader of non-ferrous concentrates and energy products with offices in 10 countries worldwide. CWT Group, through its Financial Services division, offers financial brokerage, structured trade and asset management services. CWT Group also has a 40% ownership of ARA-CWT Trust Management (Cache) Limited, the REIT manager of the Singapore-listed Cache Logistics Trust.

After completion of the CWT VGO, the HK Group believes that the Enlarged Group will be well positioned to capitalise on CWT Group's existing capabilities in commodities marketing and financial services to explore and develop new business opportunities in the areas of supply chain financing, financial services and financial technology.

#### 8.1.4.5 **Better positioned to take advantage of China's "Belt and Road Initiative"**

In 2013, the PRC Government formulated the "Belt and Road Initiative", which consists of two (2) main components, the land-based "Silk Road Economic Belt" and oceangoing "Maritime Silk Road". Under the "Belt and Road Initiative", which is supported by China's Silk Road Infrastructure Fund of US\$40 billion and the Asian Infrastructure Investment Bank with its registered capital of US\$100 billion, significant infrastructure investments across Europe, Central Asia, South Asia, the Middle East and Africa are expected. It is anticipated that these infrastructure investment initiatives will be a key driver of future demand for commodities and logistics in those regions.

After completion of the CWT VGO, the HK Group believes that the Enlarged Group through its well-established logistics and commodity marketing businesses, which have significant brand equity, geographical reach and strong relationships, will be well positioned to benefit from these attractive industry dynamics. In addition, CWT Group currently only has a moderate presence in China and some other global locations and the HK Group believes that it has the potential to further enhance CWT Group's business in these locations, creating business synergies and enhanced economies of scales for the Enlarged Group.

## 8.2 **Offeror's intentions in relation to the Company**

8.2.1 Subject to normal business considerations, the Offeror does not intend to make major changes to the management team of the Company.

8.2.2 In order to ensure continuity in the management, business and operations of CWT Group, the Offeror wishes to have the senior management team of CWT Group's key business units remain in the CWT Group's employment. Accordingly, the Offeror intends to implement the following arrangements that will come into effect upon the CWT VGO turning unconditional:-

8.2.2.1 The Group Chief Executive Officer ("**GCEO**"), Mr Loi Pok Yen, and the Deputy Group Chief Executive Officer cum Group Chief Financial Officer ("**GCFO**"), Mrs Lynda Goh, of CWT will each agree to a fixed employment term of three (3) years. In return for such agreement each of them will be paid a yearly remuneration package that comprises a monthly salary and a variable annual bonus. The variable bonus will be linked to a percentage of the operating earnings before interest, tax, depreciation and amortization of the CWT Group. In addition, upon the completion of three (3) years' service, they will each be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.

8.2.2.2 Other senior management personnel identified by CWT and the Offeror (the "**Senior Management Personnel**") will, in addition to their current remuneration packages and upon the completion of three (3) years' service, be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.

The SIC has ruled that the above intended management retention arrangements with (i) the GCEO and GCFO; and (ii) the Senior Management Personnel who are CWT Shareholders, will not constitute special deals for the purpose of Rule 10 of the Code subject to the independent financial adviser to CWT publicly stating in its opinion that the terms of such arrangements are fair and reasonable.

- 8.2.3 The Offeror currently has no present intention to introduce any major changes to the existing business of the CWT Group, employment of the employees of the Company and/or its subsidiaries, or to re-deploy any of the fixed assets of the Company and/or its subsidiaries, other than in the ordinary course of business.
- 8.2.4 Nevertheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or the Company.

### 8.3 Listing Status and Compulsory Acquisition

- 8.3.1 **Listing Status.** Pursuant to Rule 1105 of the listing manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the CWT VGO that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued CWT Shares (excluding treasury shares), the SGX-ST may suspend the trading of the CWT Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued CWT Shares (excluding treasury shares) are held by at least 500 CWT 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 CWT Shares (excluding treasury shares), thus causing the percentage of the total number of issued CWT Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the CWT Shares only at the Closing Date.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued CWT Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the CWT Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of CWT Shares (excluding treasury shares) in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

- 8.3.2 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), in the event that the Offeror receives valid acceptances pursuant to the CWT VGO (or otherwise acquires CWT Shares during the period when the CWT VGO is open for acceptance) in respect of not less than 90% of the total number of issued CWT Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the CWT VGO and excluding any CWT Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the CWT Shares of the CWT Shareholders who have not accepted the CWT VGO (the "**Dissenting Shareholders**") at a price equal to the Offer Consideration. In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their CWT Shares at a price equal to the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the CWT VGO, such number of CWT Shares which, together with the CWT Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued CWT Shares. For the purpose of calculating whether 90% of the total number of issued CWT Shares are held by the Offeror, its related corporations, and their respective nominees, shares held by the Company as treasury shares are to be treated as having been acquired by the Offeror, its related corporations and their respective nominees. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

8.3.3 **Offeror's Intentions.** It is the intention of the Offeror to delist and privatise CWT, if possible. Accordingly, in the event the Offeror receives acceptances for the CWT VGO such that less than 10% of the total number of issued CWT Shares (excluding any shares held by the Company as treasury shares) are held in public hands, the Offeror presently has no intention to support any action or take any steps to maintain the listing status of CWT on the SGX-ST, and reserves its right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. In addition, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, if and when entitled, the Offeror intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act. However, in the event that the Offeror receives acceptances for the CWT VGO such that more than 10% of the total number of issued CWT Shares (excluding any CWT Shares held by the Company as treasury shares) are held in public hands, CWT will remain listed on the SGX-ST and the Offeror will continue to review and evaluate CWT's position.

## 9. DISCLOSURE OF SHAREHOLDINGS

9.1 **Holdings of Company Securities.** As at the Formal Offer Announcement Date, and based on the latest information available to the Offeror, save as disclosed in Schedule I, none of the Offeror and parties acting in concert with it (the "**Relevant Persons**") owns, controls or has agreed (other than pursuant to the Vendor Undertakings) to acquire any:-

- (a) CWT Shares;
- (b) securities which carry voting rights in CWT; or
- (c) convertible securities, warrants, options or derivatives in respect of the CWT Shares or securities which carry voting rights in CWT,

(collectively, the "**Company Securities**").

9.2 **Irrevocable Undertakings.** Save for the Vendor Undertakings, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the CWT VGO as at the Formal Offer Announcement Date.

9.3 **Other Arrangements.** Save as disclosed in this Formal Offer Announcement, as at the Formal Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:-

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or CWT which might be material to the CWT VGO;
- (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise<sup>1</sup>;
- (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

## 10. CONFIRMATION OF FINANCIAL RESOURCES

China International Capital Corporation (Singapore) Pte. Limited confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the CWT VGO by the CWT Shareholders on the basis of the Offer Consideration.

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<sup>1</sup> The Offeror has entered into financing arrangements in connection with the CWT VGO, including the creation of security interests over all present (if any) and future CWT Shares legally and/or beneficially owned by the Offeror in favour of Madison Pacific Trust Limited (as security agent).

## 11. CWT VGO OFFER DOCUMENT

Full details of the CWT VGO will be contained in the CWT VGO Offer Document containing the terms and conditions of the CWT VGO and enclosing the relevant form(s) of acceptance to be despatched to the CWT Shareholders not earlier than 14 days and not later than 21 days from the Formal Offer Announcement Date.

## 12. VIEWS OF THE INDEPENDENT DIRECTORS OF CWT AND OF THEIR INDEPENDENT FINANCIAL ADVISER

The views of the directors of CWT who are regarded as independent for the purposes of the CWT VGO under the Code (the "**Independent Directors**"), and of the independent financial adviser to the Independent Directors, Ernst & Young Corporate Finance Pte Ltd, will be made available to CWT Shareholders in due course. CWT Shareholders may wish to consider their advice before taking any action in relation to the CWT VGO.

## 13. OVERSEAS SHAREHOLDERS

This Formal Offer Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Formal Offer Announcement in any jurisdiction in contravention of applicable law. The CWT VGO will be made solely by the CWT VGO Offer Document and the relevant form(s) of acceptance accompanying the same, which will contain the full terms and conditions of the CWT VGO, including details of how it may be accepted. For the avoidance of doubt, the CWT VGO will be open to all CWT Shareholders holding CWT Shares, including those to whom the CWT VGO Offer Document and relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Formal Offer Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Formal Offer Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Formal Offer Announcement and any formal documentation relating to the CWT VGO 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 CWT VGO would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, 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 CWT VGO (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 CWT VGO will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of CWT Shareholders who are not resident in Singapore to accept the CWT VGO may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

## 14. CAUTIONARY STATEMENT

CWT Shareholders and potential investors should exercise caution when trading in the CWT Shares, and where in doubt as to the action they should take, they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional advisers.

## 15. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The directors of the Offeror and HK ListCo (the "**Directors**") (including any who may have delegated detailed supervision of this Formal Offer Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed therein are fair and accurate and, where appropriate, no material facts have been omitted and they jointly and severally accept responsibility accordingly.

Where information in this Formal Offer Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Formal Offer Announcement in its proper form and context.

Issued by

**BARCLAYS BANK PLC,  
SINGAPORE BRANCH**

**CHINA INTERNATIONAL CAPITAL  
CORPORATION (SINGAPORE) PTE. LIMITED**

For and on behalf of

**HNA BELT AND ROAD INVESTMENTS (SINGAPORE) PTE. LTD.**

7 September 2017

### Forward-Looking Statements

All statements other than statements of historical facts included in this Formal Offer Announcement 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 and HK ListCo'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 or outcomes may differ materially from those described in such forward-looking statements. CWT Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror and HK ListCo do not undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

Any enquiries relating to this Formal Offer Announcement or the CWT VGO should be directed during office hours to:

**BARCLAYS BANK PLC,  
SINGAPORE BRANCH**

**CHINA INTERNATIONAL CAPITAL  
CORPORATION (SINGAPORE) PTE. LIMITED**

Arnaud GRANGER  
Managing Director  
Head of Mergers & Acquisitions, Southeast Asia

Lindsay LIN  
Managing Director  
Head of Investment Banking, Singapore

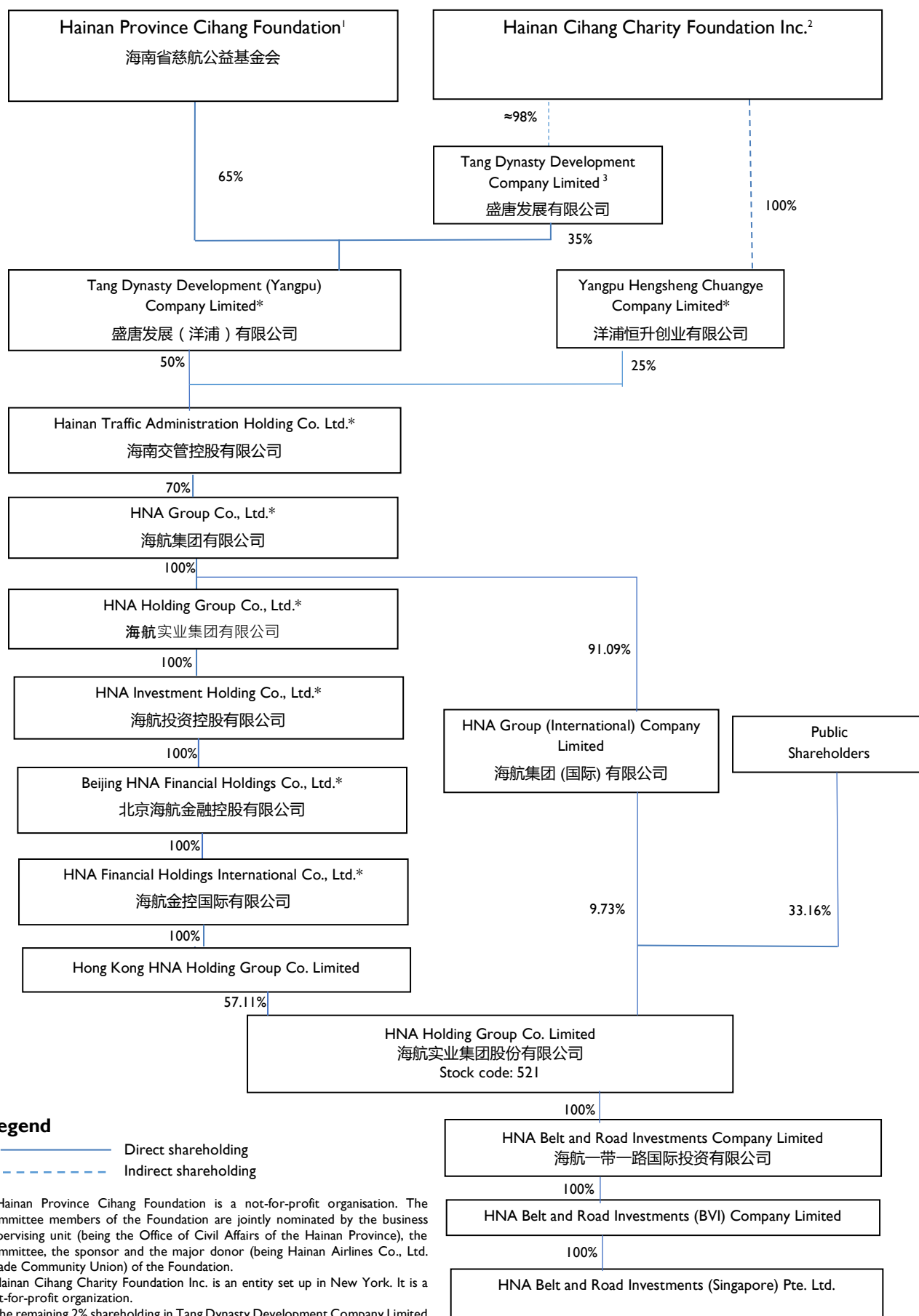
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## ANNEX A – SHAREHOLDING STRUCTURE



### Legend

- Direct shareholding
- - - Indirect shareholding

<sup>1</sup> Hainan Province Cihang Foundation is a not-for-profit organisation. The committee members of the Foundation are jointly nominated by the business supervising unit (being the Office of Civil Affairs of the Hainan Province), the committee, the sponsor and the major donor (being Hainan Airlines Co., Ltd. Trade Community Union) of the Foundation.

<sup>2</sup> Hainan Cihang Charity Foundation Inc. is an entity set up in New York. It is a not-for-profit organization.

<sup>3</sup> The remaining 2% shareholding in Tang Dynasty Development Company Limited is indirectly held by Hainan Airlines Holding Co., Limited.

\*English names are for translation purposes only and not to be taken as the official name of the company.



## SCHEDULE I

### SCHEDULE I - HOLDINGS IN COMPANY SECURITIES

#### I. Details of Holdings in Company Securities by the Relevant Persons

Based on the latest information available to the Offeror, the interests in the Company Securities held by the Relevant Persons as at the date of this Formal Offer Announcement are set out below:

##### (A) Holdings of CWT Shares

Name of Holder	No. of CWT Shares	Percentage (%) <sup>(1)</sup>
Barclays Capital Securities Limited	10,600 <sup>(2)</sup>	0.00%

Note:

- (1) The shareholding percentage is calculated based on 600,304,650 CWT Shares in issue and rounded to the nearest two (2) decimal places.
- (2) This number excludes 248,700 CWT Shares posted as collateral through title transfer but includes 29,900 CWT Shares recalled from collateral on 6 September 2017.

##### (B) Holdings of Derivatives in respect of CWT Shares

Name of Holder	Type of derivative	No. of CWT Shares to which derivative relates	Termination date of derivative	Reference price of derivative
Barclays Bank PLC	Cash settled swap	9,900	19 November 2018	Market price of CWT Shares as at the final valuation date of the relevant swap
		10,800	15 November 2018	
		10,800	16 November 2018	
		10,800	08 November 2018	
		10,800	02 November 2018	
		10,800	09 November 2018	
		21,600	12 November 2018	
		25,800	05 November 2018	
		70,100	05 October 2017	

##### (C) Other Arrangements under Paragraph 9.3 of the Formal Offer Announcement

Name of Holder	Type of Arrangement	No. of CWT Shares	Percentage (%) <sup>(1)</sup>
Barclays Capital Securities Limited	CWT shares lent to another person	279,600	0.05%

Note:

- (1) The shareholding percentage is calculated based on 600,304,650 CWT Shares in issue and rounded to the nearest two (2) decimal places.