

**MEDIA RELEASE****CHINA MERCHANTS GROUP ACQUIRES LOSCAM****For Immediate Release, 5 July 2010**

The Board of Loscam is pleased to announce that Hong Kong based China Merchants Group has completed the acquisition of Loscam.

Loscam is a leading pallet pooling company with strong market position in Australia and other Asian countries, including Thailand, Indonesia, Singapore, the Philippines, Hong Kong, Vietnam, Malaysia and China. After the acquisition, the existing management will continue to own equity in the business under the terms of the transaction.

China Merchants Group is a PRC state-owned business which was established in 1872. It is a diversified conglomerate with a focus in three core business segments:

**Transportation & related infrastructure,**

**Property development & management,**

**Financial investment & asset management.**

China Merchants Group's consolidated total assets were over US\$39 billion as of December 31, 2009. The acquisition is China Merchants Group's first entry into the pallet pooling industry.

President of China Merchants Group Dr Fu Yuning said the acquisition was a significant landmark for the Group.

"The addition of Loscam to our group is a major milestone and provides a great opportunity for our business," he said. "Loscam is the first major overseas acquisition by China Merchants Group outside of the Asian region.

"Loscam is a business which has enjoyed strong historical growth, and it has the potential for significant future growth. We have full confidence in the management team to deliver on this potential with our support."

"Through our broad range of business ventures in China and Hong Kong, I am sure we will bring extensive China knowledge to Loscam. The acquisition will also further extend the capabilities of China Merchants Group existing supply chain infrastructure and services business and enhance and optimise our service offerings" said Dr Fu.

Loscam Chief Executive Officer Mark Daniel said that it was an extremely positive outcome for Loscam, with the company set to benefit from the change. "We are all extremely excited about the opportunities that the new ownership will bring to Loscam," said Mr Daniel.

"Importantly, it will be business as usual: the management team will continue to run the business with the same values and customer-centric approach as we have demonstrated successfully in the past.

"Under the new ownership, the company is set to benefit considerably as a result of synergies with other China Merchants Group businesses, and through their experience in China. These factors are expected to result in a fast tracking of our overall growth plans and our ability to meet customer needs.

"This is a great outcome for everyone: Our Customers; the team at Loscam; Our old Owners, and the new Owners, China Merchants Group."

Australia  
China  
Hong Kong  
Indonesia  
Malaysia  
Philippines  
Singapore  
Thailand  
Vietnam

**Loscam Limited**

A.C.N. 006 440 991

**Corporate Office**

Level 1, 37-41 Prospect Street, Box Hill B.C. VIC 3128 Tel: (03) 9843 3700 Fax: (03) 9843 3701

Credit Suisse and Deutsche Bank advised Loscam on the sale while Bank of America Merrill Lynch advised China Merchants Group.

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For further media information, please contact Matthew Mahon, Royce +61 413 101 860 or [matthew@royce.com.au](mailto:matthew@royce.com.au)

## **About Loscam – [www.loscam.com](http://www.loscam.com)**

LOSCAM is a fast growing provider of Returnable Package Handling (RPH) solutions for use in Australia and Asian supply chains. Loscam is focussed on delivering high quality, efficient and environmentally sustainable solutions.

The business was established in the 1940s in Australia and the mid 1990s in Asia. Loscam's focus is primarily on the hire of wooden pallets, and it has almost 10million pallets on hire. The business enjoys a strong position in the Australian market, where it is the #2 provider of pallet solutions.

Loscam holds the #1 market position in seven of the eight Asian countries in which it operates, namely; Thailand, Indonesia, Singapore, the Philippines, Hong Kong, Vietnam and Malaysia, with an emerging presence in China.

Loscam currently employs over 600 staff – around 240 in Australia and around 370 in Asia.

We have built our reputation by providing outstanding customer service, innovative products and tailored solutions to our customers.

Loscam is focussed on delivering high quality, efficient and environmentally sustainable solutions, which has led to a position of leadership in the manufacturing and retail sectors.

## **China Merchants Group – [www.cmhk.com](http://www.cmhk.com)**

Founded in 1872, China Merchants Group was the first national enterprise in China's modern history. Being the forerunner of China's national industry and commerce, China Merchants has played an important role in the modernization of China.

In 1979, China Merchants established China's first industrial zone opening to the outside world – China Merchants Shekou Industrial Zone, which greatly contributed to the opening up of China to foreign investments.

Over the years, China Merchants have grown into a diversified conglomerate with a focus in three core business segments:

- Transportation (Ports and Related Services, Toll Roads, Energy Shipping and Logistics)
- Finance (Banking, Securities, Funds, Insurance)
- Property (Industrial Zone, Property Development)

With its headquarters based in Hong Kong and business operations in emerging markets in Hong Kong, mainland China and Southeast Asia, China Merchants ranks among the top 10 state-owned enterprise in the PRC and one of the "four major mainland-funded companies" based in Hong Kong.