



# GROWING FROM STRENGTH TO STRENGTH



## FY2014 Results Briefing

27 February 2015





# Agenda

- ◆ Financial Highlights
- ◆ Toll Road Operations Report
- ◆ Looking Ahead
- ◆ Question-and-Answer



# Financial Highlights

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**Revenue**

**HK\$2,019 million**  **7%**

**Net Profit for the Year**

**HK\$1,060 million**  **18%**

**Net Profit Attributable to Shareholders**

**HK\$739 million**  **20%**

**Free Cash flow**

**HK\$1,705 million**  **14%**

**Proposed Final Dividend**

**3.5 Singapore cents**



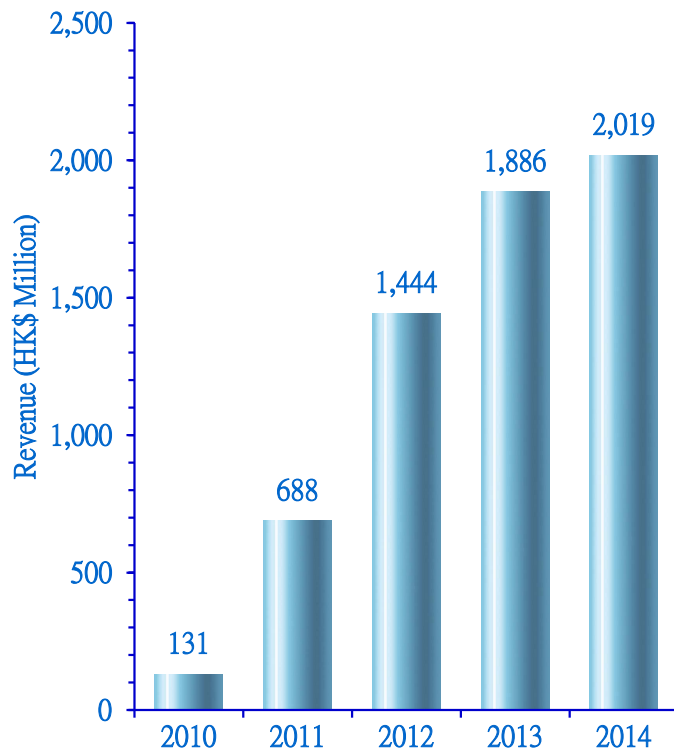
# Profit & Loss Statement

	FY2014 (HK\$ million)	FY2013 (HK\$ million)	Change (%)
Revenue	2,019	1,886	▲ 7
Operating Profit	1,121	986	▲ 14
Finance Costs	(125)	(154)	▼ 19
Subsidy Income	24	22	▲ 9
Share of Results of Joint Ventures	264	248	▲ 6
Profit from Discontinued Operations	64	49	▲ 32
Tax & Non-controlling Interest	(609)	(537)	▲ 13
Net Profit Attributable to Shareholders	739	614	▲ 20

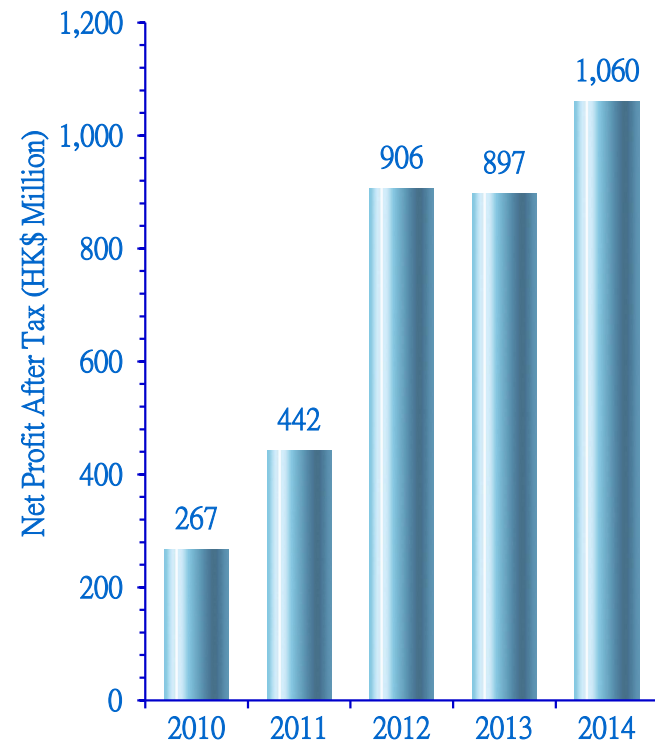


# Financial Highlights

## Group Revenue



## Group Net Profit After Tax





# Segmental Analysis

## REVENUE

Business Segment	FY2014 (HK\$ million)	FY2013 (HK\$ million)	Change (%)
Toll Road Operations	2,014	1,877	▲ 7
Others/corporate	5	9	▼ 45
Total	2,019	1,886	▲ 7

## PROFIT AFTER TAX

Business Segment	FY2014 (HK\$ million)	FY2013 (HK\$ million)	Change (%)
Toll Road Operations	1,022	855	▲ 20
Property Development (discontinued)	64	48	▲ 32
Others/corporate	(26)	(6)	▲ 316
Total	1,060	897	▲ 18



# Balance Sheet Highlights

	FY2014 (HK\$ million)	FY2013 (HK\$ million)
Current Assets	1,250	2,032
Non-current Assets	14,341	11,400
Current Liabilities	1,695	1,538
Non-current Liabilities	4,966	4,133
Net Assets	8,930	7,761
Shareholders' Funds	6,374	5,109
Minority Interests	2,556	2,652
Total Equity	8,930	7,761



# Total Borrowings

	FY2014 (HK\$ million)	FY2013 (HK\$ million)
Current	402	249
Non-current	3,845	3,419
Total Borrowings	4,247	3,668
Cash and Cash Equivalents	(1,049)	(1,448)
Net borrowings	3,198	2,220
Net gearing (times)	0.36	0.29





# Key Financial Indicators

	FY2014	FY2013
Basic EPS <sup>1</sup>	89.52 HK cents	84.51 HK cents
Fully Diluted EPS <sup>2</sup>	69.80 HK cents	61.34 HK cents
NAV per share		
- based on issued share capital at end of the year <sup>3</sup>	HK\$6.10	HK\$6.23
- assuming all RCPS had been converted <sup>4</sup>	-	HK\$5.98
Return on Assets <sup>5</sup> (%)	6.8	6.7
Return on Equity <sup>6</sup> (%)	11.6	12.0
Net gearing ratio <sup>7</sup> (times)	0.36	0.29

<sup>1</sup> Based on weighted average no. of ordinary shares of 826 million (FY2013 : 719 million)

<sup>2</sup> Based on weighted average no. of ordinary shares of 1,117 million (FY2013 : 1,074 million)

<sup>3</sup> Net assets/ no. of ordinary shares in issue of 1,045 million (FY2013: Net assets less redemption value of RCPS / no. of ordinary shares in issue of 719 million)

<sup>4</sup> RCPS fully converted in FY2014 (FY2013: Net assets after all the RCPS had been converted / no. of ordinary shares in issue of 855 million)

<sup>5</sup> Net profit/Total assets

<sup>6</sup> Net profit attributable to shareholders/ Shareholders' funds

<sup>7</sup> Total borrowings less cash and cash equivalents/Total equity



# Free Cash Flow

	FY2014 (HK\$ million)	FY2013 (HK\$ million)
Profit Before Tax	1,348	1,139
Depreciation, amortisation & other items	179	295
Working capital changes	88	(28)
Tax Paid	(337)	(198)
Operating Cash Flow	1,278	1,208
<i>Add</i>		
Dividends received from toll road joint ventures	373	234
Proceeds from repayment of loans granted to toll road joint ventures	104	76
<i>Less Capex</i>	(50)	(17)
Free Cash Flow	1,705	1,501



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# Annual Traffic Volume & Revenue By Toll Road

	Traffic Volume per road			Toll Revenue per road		
	FY2014	FY2013	Change	FY2014	FY2013	Change
	'000 Vehicles			RMB million		
Yongtaiwen Expressway	10,827	10,159	▲ 6.6%	1,239	1,158	▲ 6.9%
Beilun Port Expressway	9,934	10,056	▼ 1.2%	308	322	▼ 4.4%
Guiliu Expressway	5,931	5,826	▲ 1.8%	628	601	▲ 4.7%
Guihuang Highway	21,331	25,789	▼ 17.3%	223	206	▲ 8.2%
Total	48,023	51,830	▼ 7.3%	2,398	2,287	▲ 4.9%



# Net Profit by Toll Road

	FY2014			FY2013			
HK'000	Share of Results	Subsidy Income	Total	Share of Results	Subsidy Income	Total	Change %
<b>JOINTLY CONTROLLED ENTITIES ("JCE")</b>							
Guiliu Expressway	153,914	-	153,914	146,226	-	146,226	▲ 5.3
Guihuang Highway	110,503	23,652	134,155	102,165	21,751	123,916	▲ 8.3
<i>Net profit from JCE</i>			288,069			270,142	▲ 6.6
<b>SUBSIDIARIES</b>							
Yongtaiwen Expressway	-	-	333,269	-	-	295,037	▲13.0
Beilun Port Expressway	-	-	102,973	-	-	116,582	▼11.7
Jiurui Expressway <sup>(1)</sup>	-	-	12,287	-	-	-	n.m.
<i>Net profit from Subsidiaries</i>			448,529			411,619	▲ 9.0
<b>OTHERS</b>							
Other Revenue & Expenses <sup>(2)</sup>	-	-	(34,815)	-	-	(110,432)	▼68.5
<b>TOTAL</b>			701,783			571,329	▲ 22.8

1. The financial results of Jiurui Expressway was consolidated with effect from 9 September 2014.

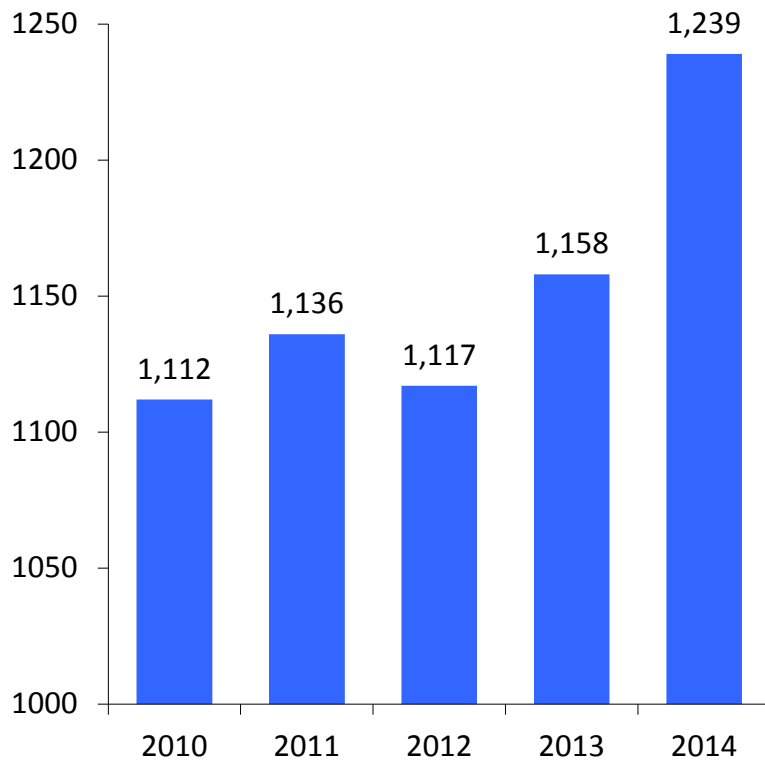
2. These comprise deferred income, effective interest, administrative expenses, finance costs, foreign exchange difference, withholding tax and negative goodwill arising from acquisition of a group of subsidiaries.



# Yongtaiwen Expressway

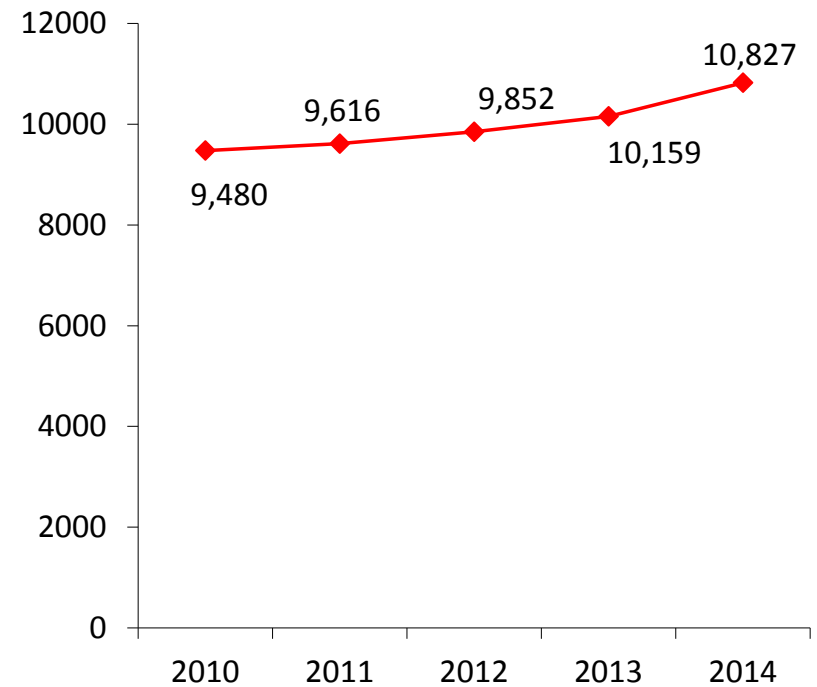
## Toll Revenue

(RMBmm)



## Traffic Volume

(Vehicles '000)

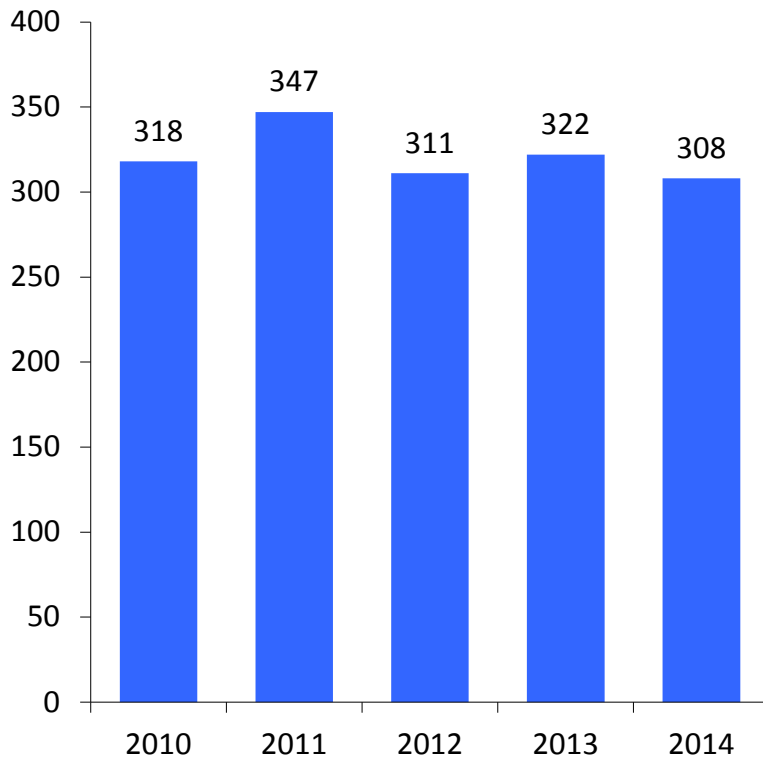




# Beilun Port Expressway

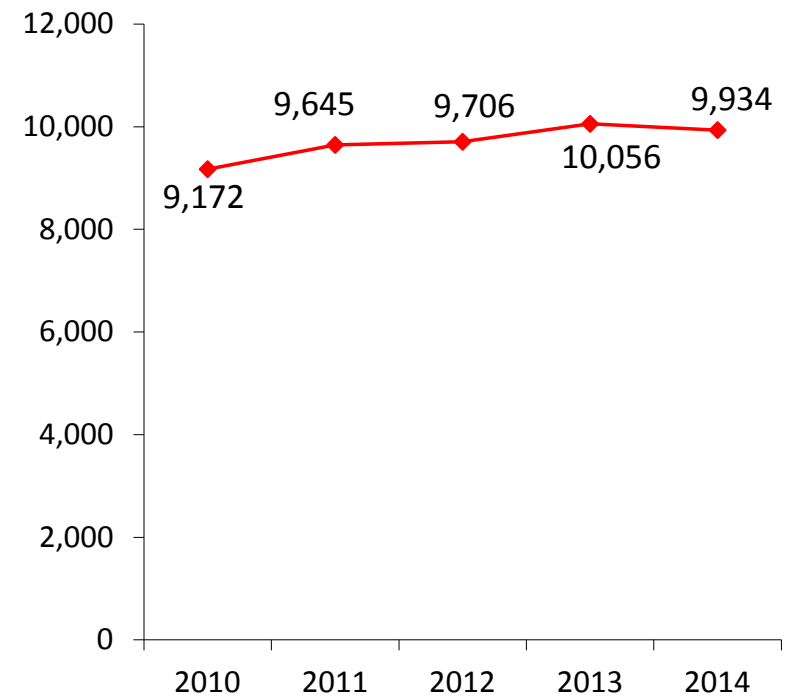
## Toll Revenue

(RMBmm)



## Traffic Volume

(Vehicles '000)

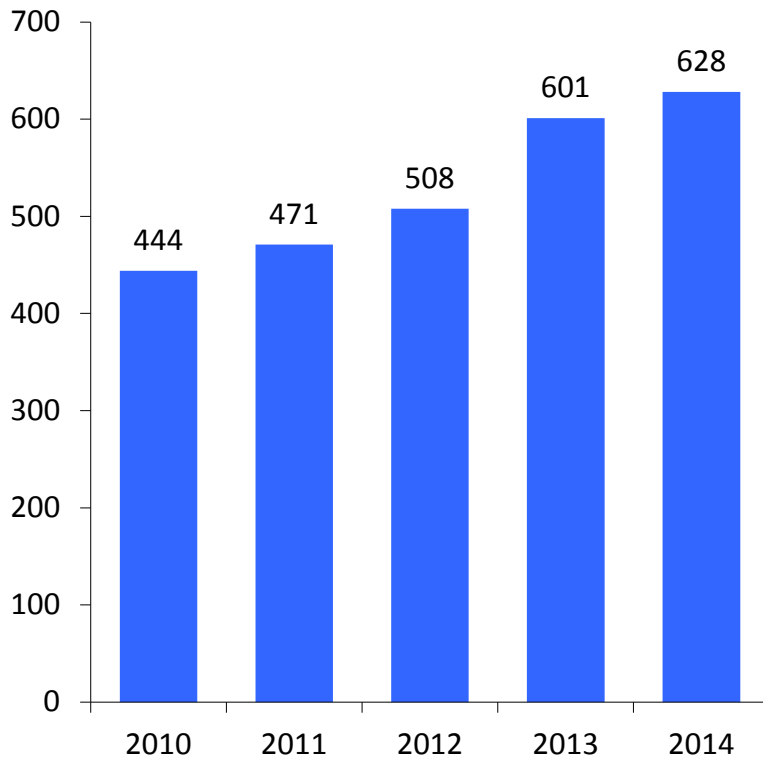




# Guiliu Expressway

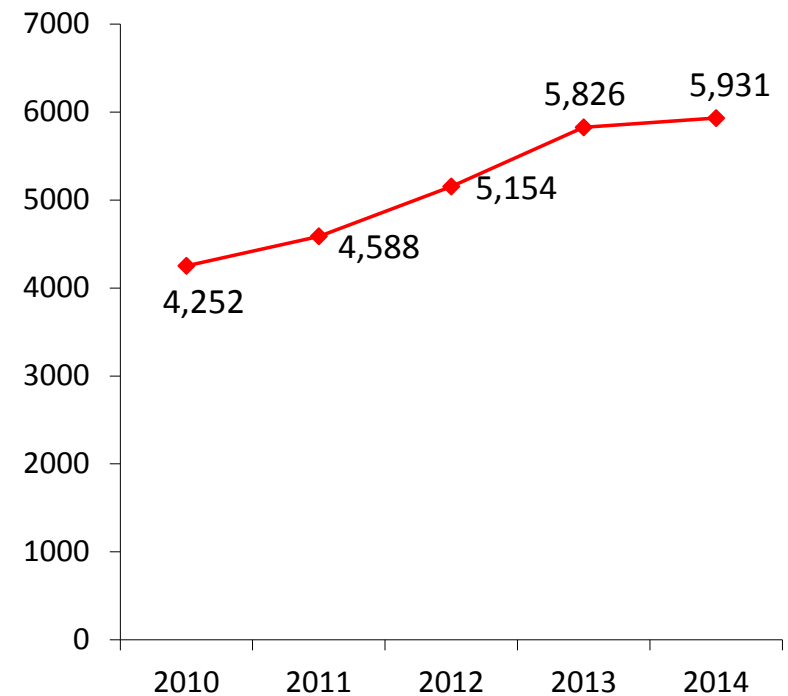
## Toll Revenue

(RMBmm)



## Traffic Volume

(Vehicles '000)



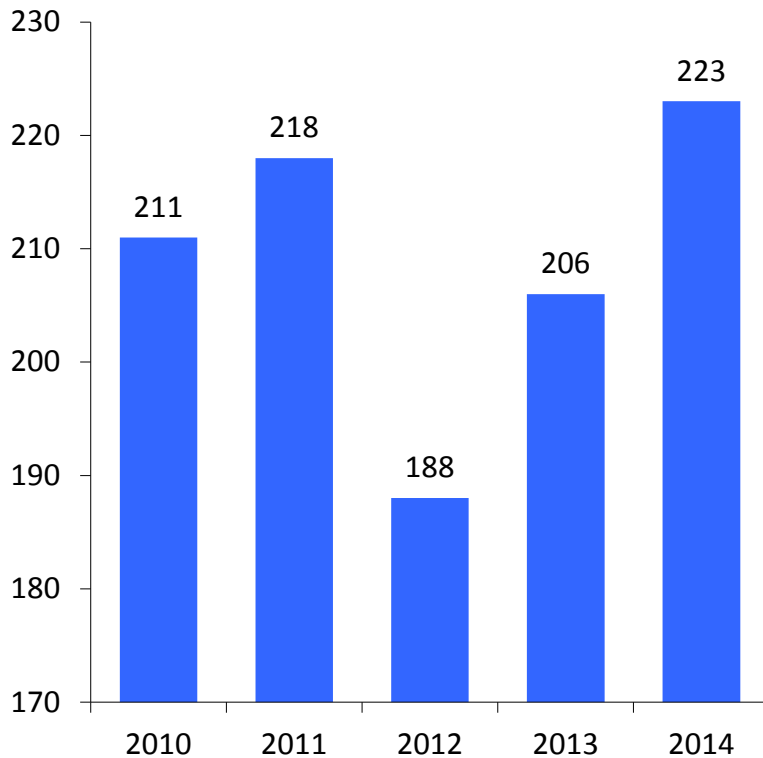




# Guihuang Highway

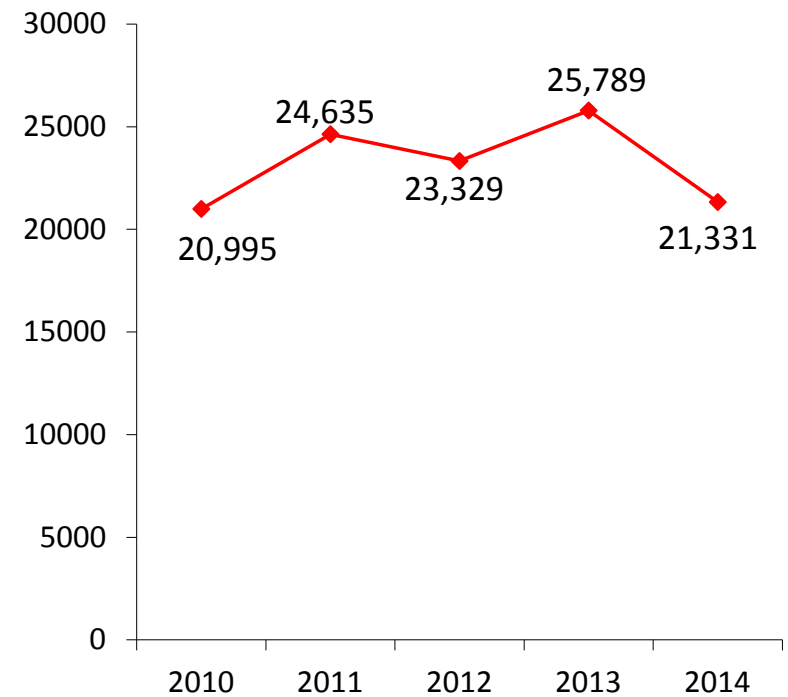
## Toll Revenue

(RMBmm)



## Traffic Volume

(Vehicles '000)





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招商局是中国最大的公路投资企业，参与投资和管理的高速公路全长达2300公里



# FY2015 Outlook

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- ◆ The overall outlook of the toll road industry in China remains positive.
- ◆ The economic growth in China and continued growth in vehicle ownership should continue to underpin the Group's toll road assets traffic and toll revenue growth.
- ◆ The net profit for FY2015 is expected to be lifted by full-year contribution from the Jiurui Expressway and continued growth of the Group's toll road portfolio.





# Dividend Payout

Historical Dividend Payout  
(Singapore cents)

% of Dividend Payout

FINANCIAL YEAR <b>2014</b>	- Interim Dividend - Final Dividend	3.50 3.50	→	<b>63%<sup>(1)</sup></b>
FINANCIAL YEAR <b>2013</b>	- Interim Dividend - Final Dividend	2.75 4.25	→	<b>54%<sup>(1)</sup></b>
FINANCIAL YEAR <b>2012</b>	- Interim Dividend - Final Dividend	2.75 2.75	→	<b>89%<sup>(1)</sup></b>
FINANCIAL YEAR <b>2011</b>	- Interim Dividend - Final Dividend	2.50 3.00	→	<b>74%</b>
FINANCIAL YEAR <b>2010</b>	- Interim Dividend - Final Dividend	2.00 2.00	→	<b>67%</b>

*(1) Excludes exceptional items*

**THE COMPANY WILL MAINTAIN THE TARGET ANNUAL DIVIDEND  
PAYOUT OF AT LEAST 50% OF UNDERLYING NET PROFITS**



# Our Share Price





# Proposed Bonus Issue

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- ◆ On the basis of one (1) bonus share for every twenty (20) existing ordinary shares.
- ◆ Increase the issued share capital base of the Company to reflect the growth and expansion of its business.
- ◆ Reward shareholders for their continued support.
- ◆ Increase the accessibility of investing in the Company to more investors.
- ◆ Improve the trading liquidity of the Company's shares.
- ◆ Broaden the shareholder base of the Company.





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招商局重庆交通科研设计院为国家重要公路交通科研开发机构, 图为由重庆交通科研设计院参与设计的我国第一座三跨大型连续全漂浮钢箱梁悬索桥——厦门海沧大桥



# Thank you

## Question & Answer

Panel:

1. Luo Hui Lai, Chairman & CEO
2. Jiang Yan Fei, Vice Chairman, General Manager & COO
3. Shi Xiu Li, Executive Director
4. Vivien Chin, General Manager of Finance Department





# Disclaimer

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This presentation may contain forward-looking statements regarding, among other things, the Company's outlook, business and strategy which are current as of the date they are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on these forward-looking statements which are based on the current views of Company's Management on future developments and events.