



招商局 亚太有限公司
CHINA MERCHANTS HOLDINGS (PACIFIC) LIMITED

(Company Registration No. 198101278D)

China Merchants Holdings (Pacific) posts

31% rise in net profit in 1H2014

Company declares interim dividend of 3.50 cents

SINGAPORE, 7 August 2014 – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today announced a net profit attributable to shareholders of HK\$249.3 million for the second quarter ended 30 June 2014, up 42% from the HK\$175.7 million recorded in the previous corresponding quarter. For the first six months of 2014, net profit attributable to shareholders increased by HK\$93.1 million or 31% to HK\$397.3 million.

Group revenue for 2Q2014 rose to HK\$494.1 million, an increase of 3% from the same quarter a year ago, largely driven by the revenue growth from the Yongtaiwen Expressway which accounted for approximately 79% of total Group revenue and the increase in bank interest income.

Group net profit for 2Q2014 of HK\$331.8 million was 31% higher than that of the corresponding period in 2013 mainly due to a higher profit contribution from the toll road operations and the recognition of an exceptional gain of HK\$66.3 million from the disposal of the Group’s property development business in April 2014. After taking into account non-controlling interests, net profit attributable to shareholders increased 42% to HK\$249.3 million.

Contribution to net profit attributable to shareholders by the Group’s toll road operations for 2Q2014 amounted to HK\$183.2 million, an increase of 8% from the HK\$169.7 million achieved a year ago. This was principally due to a higher profit

contribution from the Yongtaiwen Expressway, Guiliu Expressway and Guihuang Highway as well as the recognition of deferred income and effective interest income on compensation receivable from the relocation of certain toll stations along the Guihuang Highway. Higher interest income and exchange gain also boosted the net profit. This was partly offset by higher finance costs and administrative expenses.

Traffic flow on our two toll roads located in Zhejiang province, namely the Yongtaiwen Expressway and the Beilun Port Expressway were affected by the change in road network arising from the opening of the Jiaoshao Bridge. Whilst traffic flow recorded by the Yongtaiwen Expressway increased 5%, a direct result of the economic growth in Wenzhou municipality of Zhejiang province and the increase in the traffic volume of goods vehicles following the opening of Jiashao Bridge to traffic, the Beilun Port Expressway registered a decline of 3% in traffic flow.

Toll revenue recorded by the Yongtaiwen Expressway was up by 6%, driven by the higher traffic flow. Net profit contribution grew 7% from HK\$80.5 million in 2Q2013 to HK\$85.9 million in 2Q2014 on the back of the higher toll revenue registered and lower finance costs from the repayment of certain long term bank borrowings, partially offset by higher cost of sales.

Toll revenue registered by the Beilun Port Expressway was down 8% due to the change in road network arising from the opening of Jiaoshao Bridge and traffic diversion from a newly opened competing road. Net profit contribution decreased 38% or HK\$11.9 million due to the lower toll revenue registered, higher amortisation of toll road operating rights, higher staff costs and repairs and maintenance expenses.

The Guiliu Expressway registered an increase in net profit contribution of 4% or HK\$1.4 million on the back of higher toll revenue achieved. Toll revenue reported by this road increased 6% due to the growth in traffic volume, improvement in the road network and the continued increase in vehicle ownership.

The Guihuang Highway posted a net profit of HK\$37.2 million, up 6% from the HK\$35.3 million achieved in the previous corresponding period. The profit growth was lower than the toll revenue increase of 19% as the performance of Guihuang Highway

was affected by higher amortisation of toll road operating rights, higher staff costs and repairs and maintenance expenses, partially offset by higher subsidy income recorded.

For the six months ended 30 June 2014, the Group recorded a revenue of HK\$958.6 million, an increase of 5% over the corresponding period of last year. Group net profit for the six months to-date was up 24% to HK\$554.5 million, boosted by a higher profit contribution from the toll road operations and the recognition of an exceptional gain from the disposal of the Group's property development business. After taking into account non-controlling interests, net profit attributable to shareholders for the year-to-date increased 31% to HK\$397.3 million.

Taking into consideration the Group's expected financial performance in FY2014 and future development needs, the Board has proposed an interim dividend of 3.50 Singapore cents per share, an increase of 27% on the previous year's payout of 2.75 cents per share. The Board is committed to an annual dividend payout ratio of at least 50% of underlying net profits.

On 21 July 2014, CMHP announced its intention to acquire the entire issued ordinary share capital of Hong Kong Honest Queen International Investment Limited, the holding company of Honest Queen International (Jiangxi) Jiurui Expressway Development Co., Ltd (诚坤国际(江西)九瑞高速公路发展有限公司) ("Jiurui Expressway Co"), which owns the rights to operate the Jiurui Expressway (Jiujiang - Ruichang Section) (江西省九江至瑞昌高速公路) (the "Jiurui Expressway"), a 48.14 km long expressway located in Jiangxi Province in the People's Republic of China.

Commenting on the outlook for the rest of the financial year, Executive Chairman and CEO Mr Luo Hui Lai said, "We remain positive on the outlook of the overall toll road industry in China and expect our toll road assets to continue to deliver positive results."

"The disposal of our property development business which was completed in April this year is in line with our overall growth strategy to divest our non-core asset and focus on our core business of toll road business. The acquisition of the Jiurui Expressway continues our strategic focus on acquiring quality expressways in key regions in China to develop our toll road business to a sizable scale. Now that this focus on the toll road

business is set in motion, we expect its growth to gain momentum steadily over the years to come through further acquisitions of quality expressways in China.” Mr Luo added.

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About China Merchants Holdings (Pacific) Limited (www.cmhp.com.sg)

China Merchants Holdings (Pacific) Limited (“CMHP”) is a significant toll road operator listed on the Main Board of the SGX-ST. It has total assets in excess of HK\$13.0 billion and is well-positioned to ride on growth prospects of the PRC’s economic growth. As a subsidiary of China Merchants Group Limited, it is able to capitalise on the strong track record, reputation and network of the China Merchants Group to expand its toll road business and seek attractive investment opportunities overseas.

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