



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

(Company Registration No. 198101278D)

China Merchants Holdings (Pacific) reports 4% increase in revenue to HK\$548.8 million for 3Q2015

SINGAPORE, 5 November 2015 – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today reported a 4% increase in Group revenue for the third quarter ended 30 September 2015. For the first nine months of 2015, Group revenue increased by 6% to HK\$1,579.9 million from HK\$1,487.2 million a year ago.

The increase in Group revenue for 3Q2015 was largely driven by the revenue growth from the Yongtaiwen Expressway and the consolidation of revenue from the Jiurui Expressway and Yangping Expressway which the Group acquired in September 2014 and September 2015 respectively. This was partially offset by lower revenue contribution from the Beilun Port Expressway.

Group net profit for 3Q2015 of HK\$266.9 million was 12% lower than that of the corresponding period in 2014 principally due to a lower profit contribution from the toll road operations, higher finance costs and exchange losses and the absence of negative goodwill recognised in 2014 in respect of the acquisition of the Jiurui Expressway. After taking into account non-controlling interests, net profit attributable to shareholders decreased 20% to HK\$168.4 million.

Contribution to net profit attributable to shareholders by the Group’s toll road assets for 3Q2015 (excluding mainly finance costs, exchange losses and other non-recurring expenses) remained stable at HK\$207.2 million. The Yongtaiwen Expressway and Jiurui Expressway both posted an increase in net profit contribution in the current quarter. The increase was offset by a lower profit contribution from the Beilun Port Expressway, Guiliu Expressway and Guihuang Highway. The toll roads performance

was affected by higher finance costs and exchange losses and the absence of negative goodwill recognised in 2014 in respect of the acquisition of the Jiurui Expressway. After taking into account these factors, the toll road operations reported a net profit attributable to shareholders of HK\$140.6 million, down 36% as compared to the HK\$220 million achieved in the corresponding period of last year.

Toll revenue recorded by the Yongtaiwen Expressway amounted to RMB339.5 million, representing an increase of 3% on the corresponding period last year driven by the continued growth in traffic volume as the economic growth in Zhejiang and Fujian provinces remained stable, partly offset by the negative impact due to severe weather conditions. The Yongtaiwen Expressway registered an increase in net profit contribution of 8% on the back of higher toll revenue achieved, improved gross profit margin and lower finance costs, partially offset by higher staff cost and amortisation of toll road operating rights.

Toll revenue registered by the Beilun Port Expressway remained stable at RMB82.4 million compared to RMB82.2 million recorded a year ago. Net profit contribution from the Beilun Port Expressway was down by 3% or HK\$843,000 mainly due to the absence of tax subsidy received in the previous year and higher amortisation of toll road operating rights, partially offset by lower repairs and maintenance expenses and staff costs.

Toll revenue reported by the Guiliu Expressway decreased 7% to RMB152 million compared to RMB163.5 million achieved a year ago mainly due to traffic diversion caused by the change in road network and high speed rail services. The toll revenue was further affected by upgrading works being carried out at certain sections of the expressway and severe weather conditions. Net profit contribution from the Guiliu Expressway decreased by 4% to HK\$38.4 million on the back of the decline in toll revenue which was partially offset by lower repairs and maintenance expenses.

The performance of the Guihuang Highway was affected by the decline in toll revenue of RMB7 million or 11% over the corresponding period last year. Toll revenue recorded by the Guihuang Highway continued to be negatively impacted by traffic diversion arising from the change in road network and the decrease in traffic volume of large

goods vehicles following the use of a large local road transportation centre and severe weather conditions. The Guihuang Highway posted a net profit contribution of HK\$30.5 million, down 19% from the HK\$37.6 million achieved in the previous corresponding period due to the lower toll revenue registered, higher staff costs and the absence of subsidy income from the local authority, partially offset by lower repairs and maintenance expenses.

For the nine months ended 30 September 2015, the Group recorded a revenue of HK\$1,579.9 million, an increase of 6% over the corresponding period of last year. Group net profit for the nine months to-date was down 1% to HK\$782 million due to a lower profit contribution from the toll road operations, higher finance costs and exchange losses and the absence of negative goodwill recognised last year from the acquisition of the Jiurui Expressway. After taking into account non-controlling interests, net profit attributable to shareholders for the year-to-date decreased 17% to HK\$505.7 million.

Chairman and CEO Mr Luo Hui Lai said, “The acquisitions of the Guixing Expressway, Guiyang Expressway and Yangping Expressway were completed in September and October 2015. These newly-acquired toll road assets are expected to have a positive impact on the Group’s toll road profits. Underpinned by the stable economic growth in the respective regions where the Group’s toll roads are located, we expect our toll road business to continue to be profitable”.

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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\$19 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.

Media and Analysts Contact:

Ms Selene Lim, Corporate Secretary

Tel: (+65) 6836-0200

DID: (+65) 6836 3245

Email: selene@cmhk.com.sg
