



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

(Company Registration No. 198101278D)

**China Merchants Holdings (Pacific)'s revenue
rose 9% to HK\$2,207.8 million with net profit of
HK\$597.2 million for FY2015**

**Directors propose final dividend of 3.5 cents per share, making total
of 7.0 cents per share for the year**

**Company recognises maiden contribution of HK\$9.1 million from
newly acquired expressways in Guangxi**

SINGAPORE, 25 February 2016 – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today announced its results for the year ended 31 December 2015. Revenue rose 9% to HK\$2,207.8 million with net profit attributable to shareholders of the Company of HK\$597.2 million.

The increase in revenue was due to revenue growth from the Yongtaiwen Expressway and the consolidation of full year revenue from the Jiurui Expressway and contributions from the newly acquired expressways in Guangxi. This was partially offset by lower revenue contribution from the Beilun Port Expressway.

The Group completed the acquisitions of three expressways in Guangxi in 2015. The acquisition of the Yanping Expressway was completed on 23 September 2015 while the acquisitions of the Guixing Expressway and Guiyang Expressway were completed on 16 October 2015. These three newly acquired expressways delivered total revenue and net profit of HK\$100.8 million and HK\$9.1 million respectively in FY2015.

At the pre-tax profit level, Group pre-tax profit increased 1% to HK\$1,296.1 million from HK\$1,284 million a year ago while at the after-tax profit level, Group net profit of HK\$958 million was 10% lower than that of the corresponding period in FY2014. After taking into

account non-controlling interests, net profit attributable to shareholders decreased 19% to HK\$597.2 million.

The FY2014 results included a profit from the disposal of the Group's property development business of HK\$64.1 million and a negative goodwill of HK\$22.7 million from the acquisition of the Jiurui expressway. In FY2015, the Group recorded a negative goodwill of HK\$8.4 million from acquisitions. Excluding the impact from the above exceptional items, net profit attributable to shareholders for FY2015 would have registered a decline of 10%.

Contribution to net profit attributable to shareholders by the Group's toll road assets for FY2015 (excluding mainly finance costs, exchange losses and other non-recurring expenses) amounted to HK\$775 million, an increase of 5% from the HK\$736.6 million achieved a year ago.

The Yongtaiwen Expressway and Beilun Port Expressway both posted an increase in net profit contribution in FY2015. The toll roads profits were further boosted by the full year contribution from the Jiurui Expressway and contributions from the three new expressways in Guangxi. The increase was offset by a lower profit contribution from the Guiliu Expressway and Guihuang Highway. The toll roads performance was also affected by higher finance costs and exchange losses and a lower negative goodwill recognised in 2015 in respect of acquisitions. After taking into account these factors, the toll road operations reported a net profit attributable to shareholders of HK\$610.7 million, down 13% as compared to the HK\$701.8 million achieved last year.

Toll revenue recorded by the Yongtaiwen Expressway amounted to RMB1,295.9 million, representing an increase of 5% on the corresponding period last year driven by the continued growth in traffic volume as the economic growth in Zhejiang province remained stable. The Yongtaiwen Expressway registered an increase in net profit contribution of 13% on the back of higher toll revenue achieved and lower finance costs and repairs and maintenance expenses, partially offset by higher amortisation of toll road operating rights.

The Beilun Port Expressway registered a marginal decline in toll revenue to RMB306.1 million compared to RMB307.8 million recorded a year ago. Net profit contribution from the Beilun Port Expressway was up by 13% mainly due to lower repairs and maintenance

expenses and administrative costs partially offset by higher amortisation of toll road operating rights.

Toll revenue reported by the Guiliu Expressway decreased 4% to RMB604.6 million compared to RMB628.5 million achieved a year ago mainly due to traffic diversion caused by the change in road network and high speed rail services as well as upgrading works at certain sections of the expressway. Net profit contribution from the Guiliu Expressway decreased by 2% to HK\$150.7 million on the back of the decline in toll revenue, higher amortisation of toll road operating rights and depreciation of RMB against HKD, partially offset by lower repairs and maintenance expenses.

The performance of the Guihuang Highway was affected by the decline in toll revenue of 8% 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. The Guihuang Highway posted a net profit contribution of HK\$104 million, down 23% from the HK\$134.2 million achieved in the previous corresponding period due to the lower toll revenue registered, depreciation of RMB against HKD and the absence of one-off compensation of RMB13 million (approximately HK\$16.5 million) received in FY2014.

The Board has proposed a final dividend of 3.5 Singapore cents per share. Together with the interim dividend of 3.5 Singapore cents per share paid last year, this will bring the total dividend for the year to 7.0 Singapore cents per share, unchanged from the previous year. The Board has a long-term commitment to an annual dividend payout ratio of at least 50% of underlying net profit.

Chairman and CEO Mr Luo Hui Lai said, "The operating environment in China is expected to remain challenging but we believe the fundamentals of the toll road industry in China remain strong. Although China's slower economic growth is expected to have an impact on our toll roads' traffic volume and toll revenue, we expect the Group to remain profitable in the new financial year. Nonetheless, the Group will remain vigilant of the uncertainties and volatilities in the global economy and currency movements".

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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\$25 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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