



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



GAINING MOMENTUM

FY2015 Results Briefing

25 February 2016



Agenda

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



Financial Highlights

Revenue

HK\$2,208 million  **9%**

Net Profit for the Year

HK\$958 million  **10%**

Net Profit Attributable to Shareholders

HK\$597 million  **19%**

Free Cash flow

HK\$1,516 million  **11%**

Proposed Final Dividend

3.5 Singapore cents



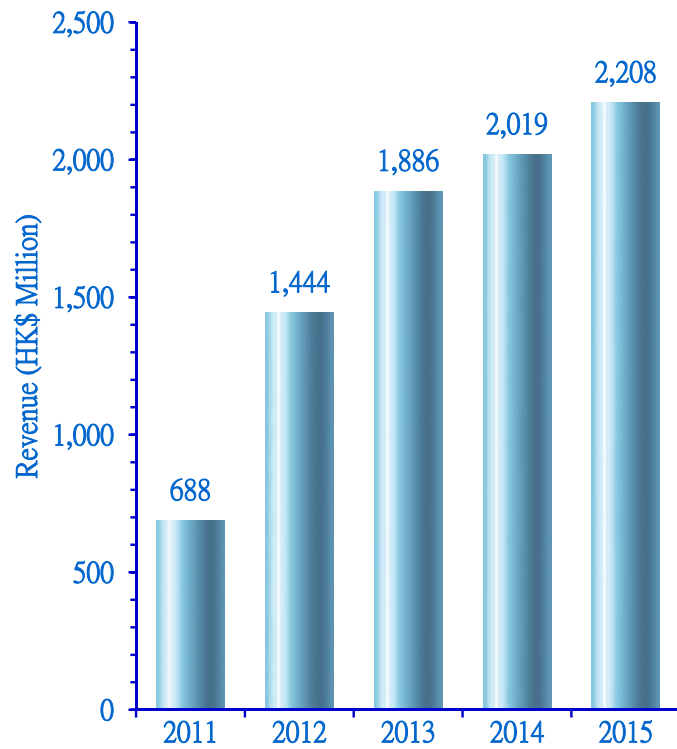
Profit & Loss Statement

	FY2015 (HK\$ million)	FY2014 (HK\$ million)	Change (%)
Revenue	2,208	2,019	▲ 9
Operating Profit	1,209	1,121	▲8
Finance Costs	(168)	(125)	▲34
Subsidy Income	22	24	▼ 7
Share of Results of Joint Ventures	233	264	▼12
Profit from Discontinued Operations	-	64	n.m.
Tax & Non-controlling Interest	(699)	(609)	▲15
Net Profit Attributable to Shareholders	597	739	▼19

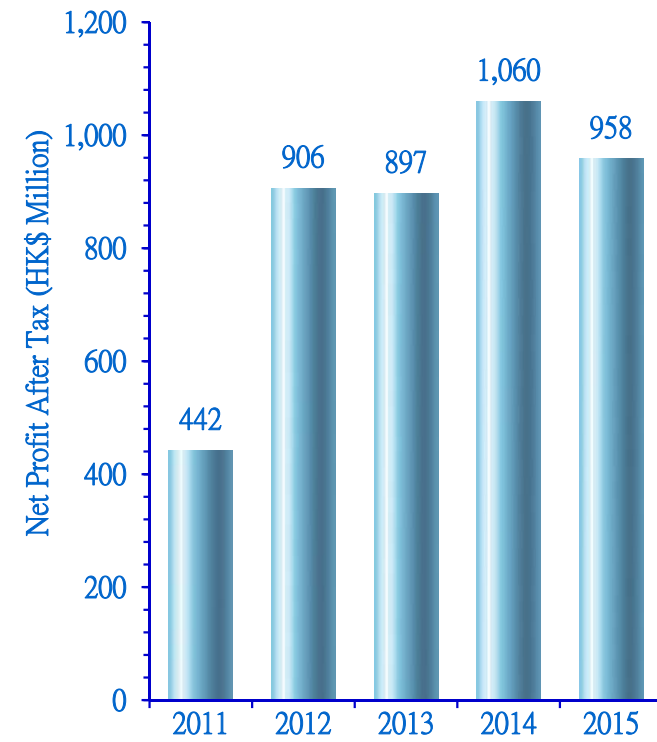


Financial Highlights

Group Revenue



Group Net Profit After Tax





Segmental Analysis

REVENUE

Business Segment	FY2015 (HK\$ million)	FY2014 (HK\$ million)	Change (%)
Toll Road Operations	2,198	2,014	▲ 9
Others/corporate	10	5	▲83
Total	2,208	2,019	▲ 9

PROFIT AFTER TAX

Business Segment	FY2015 (HK\$ million)	FY2014 (HK\$ million)	Change (%)
Toll Road Operations	971	1,022	▼ 5
Property Development (discontinued)	-	64	n.m.
Others/corporate	(13)	(26)	▲ 49
Total	958	1,060	▼ 10



Balance Sheet Highlights

	FY2015 (HK\$ million)	FY2014 (HK\$ million)
Current Assets	2,382	1,250
Non-current Assets	22,811	14,341
Current Liabilities	6,064	1,695
Non-current Liabilities	6,972	4,966
Net Assets	12,157	8,930
Shareholders' Funds	9,546	6,374
Minority Interests	2,611	2,556
Total Equity	12,157	8,930



Total Borrowings

	FY2015 (HK\$ million)	FY2014 (HK\$ million)
Current	3,556	402
Non-current	5,757	3,845
Total Borrowings	9,313	4,247
Cash and Cash Equivalents	(2,144)	(1,049)
Net borrowings	7,169	3,198
Net gearing (times)	0.59	0.36



Key Financial Indicators

	FY2015	FY2014 ¹
Basic EPS ²	45.43 HK cents	85.26 HK cents
Fully Diluted EPS ³	43.76 HK cents	67.31 HK cents
NAV per share ⁴	HK\$5.32	HK\$5.86
Return on Assets ⁵ (%)	3.8	6.8
Return on Equity ⁶ (%)	6.3	11.6
Net gearing ratio ⁷ (times)	0.59	0.36

¹ Comparative figures for EPS and NAV have been adjusted retrospectively for the bonus issue of shares

² Based on weighted average no. of ordinary shares of 1,314 million (FY2014 : 878 million)

³ Based on weighted average no. of ordinary shares of 1,380 million (FY2014 : 1,170 million)

⁴ Net assets/ no. of ordinary shares in issue of 1,795 million (FY2014: 1,098 million)

⁵ Net profit/Total assets

⁶ Net profit attributable to shareholders/ Shareholders' funds

⁷ Total borrowings less cash and cash equivalents/Total equity



Free Cash Flow

	FY2015 (HK\$ million)	FY2014 (HK\$ million)
Profit Before Tax	1,296	1,348
Depreciation, amortisation & other items	460	179
Working capital changes	2	88
Tax Paid	(216)	(337)
Operating Cash Flow	1,542	1,278
<i>Add</i>		
Dividends received from toll road joint ventures	170	373
Proceeds from repayment of loans granted to toll road joint ventures	50	104
<i>Less Capex</i>	(246)	(50)
Free Cash Flow	1,516	1,705



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Annual Traffic Volume & Revenue By Toll Road

	Traffic Volume per road			Toll Revenue per road		
	FY2015	FY2014	Change	FY2015	FY2014	Change
	'000 Vehicles			RMB million		
Yongtaiwen Expressway	11,429	10,827	↑ 6%	1,296	1,239	↑ 5%
Beilun Port Expressway	9,894	9,934	-	306	308	↓ 1%
Jiurui Expressway	1,389	1,400	↓ 1%	66	77	↓ 14%
Guiliu Expressway	4,240	4,321	↓ 2%	605	628	↓ 4%
Guihuang Highway	7,820	7,710	↑ 1%	205	223	↓ 8%
Total	34,772	34,192	↑ 2%	2,478	2,475	-



Net Profit by Toll Road

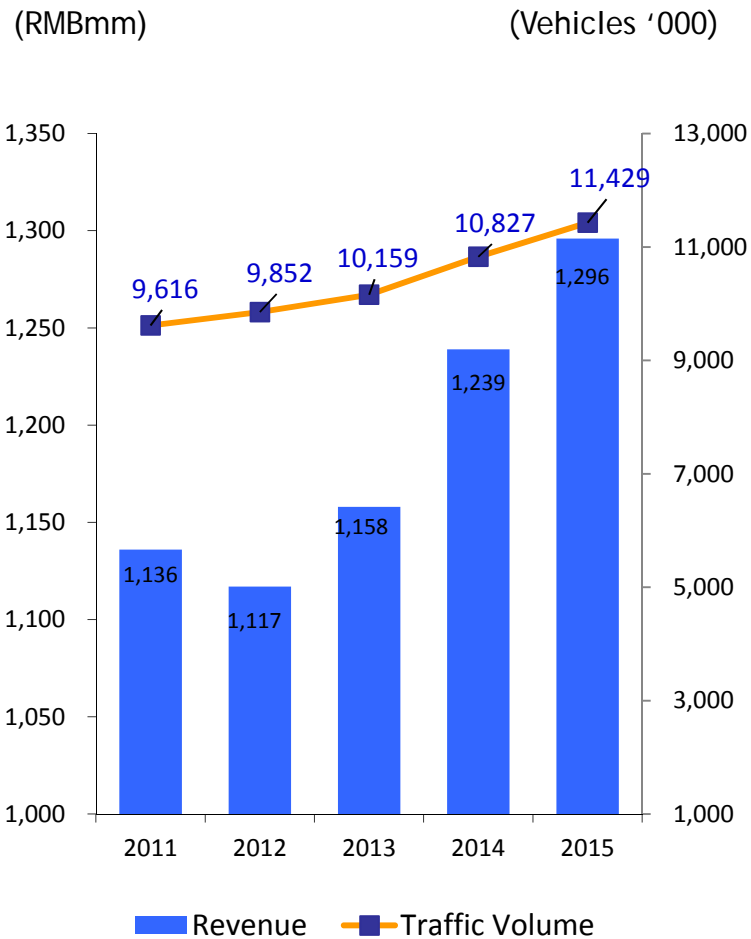
HK'000	FY2015			FY2014			Change %
	Share of Results	Subsidy Income	Total	Share of Results	Subsidy Income	Total	
JOINT VENTURES ("JV")							
Guiliu Expressway	150,656	-	150,656	153,914	-	153,914	▼ 2.1
Guihuang Highway	81,921	22,042	103,963	110,503	23,652	134,155	▼ 22.5
<i>Net profit from JV</i>			254,619			288,069	▼ 11.6
SUBSIDIARIES							
Yongtaiwen Expressway			375,474			333,269	▲ 12.7
Beilun Port Expressway			116,367			102,973	▲ 13.0
Jiurui Expressway ⁽¹⁾			19,429			12,287	n.m.
Guixing Expressway ⁽³⁾			4,387			-	n.m.
Guiyang Expressway ⁽³⁾			3,794			-	n.m.
Yangping Expressway ⁽²⁾			956			-	n.m.
<i>Net profit from Subsidiaries</i>			520,407			448,529	▲ 16.0
TOTAL			775,026			736,598	▲ 5.2
Other Revenue & Expenses ⁽⁴⁾			(164,308)			(34,815)	▲ 371.9
Net Profit from Toll Road Operations			610,718			701,783	▼ 13.0

1. The financial results of Jiurui Expressway was consolidated with effect from 9 September 2014.
2. The financial results of Yangping Expressway was consolidated with effect from 23 September 2015.
3. The financial results of Guiyang Expressway and Guixing Expressway were consolidated with effect from 16 October 2015.
4. These comprise deferred income, effective interest, administrative expenses, finance costs, foreign exchange difference, withholding and income tax and bargain purchase gain arising from acquisition of subsidiaries.

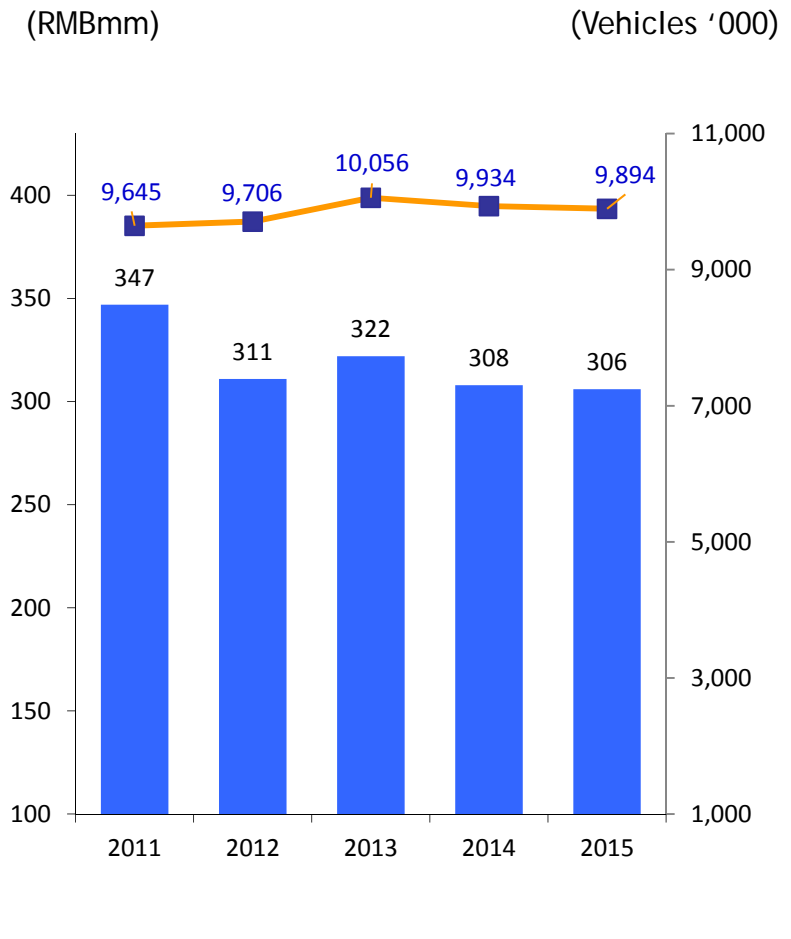


Toll Revenue & Traffic Volume

Yongtaiwen Expressway



Beilun Port Expressway



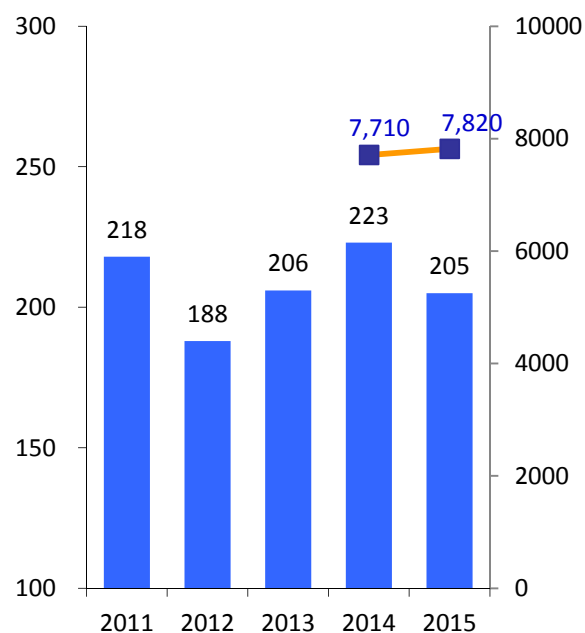


Toll Revenue & Traffic Volume

Guihuang Highway⁽¹⁾

(RMBmm)

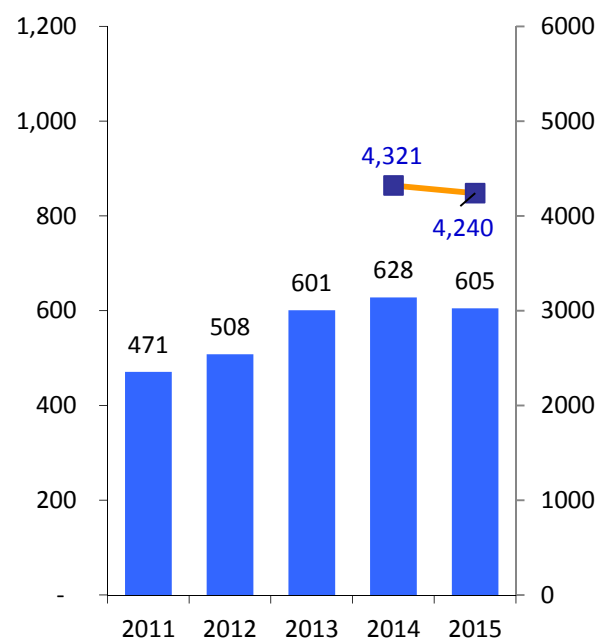
(Vehicles '000)



Guiliu Expressway⁽²⁾

(RMBmm)

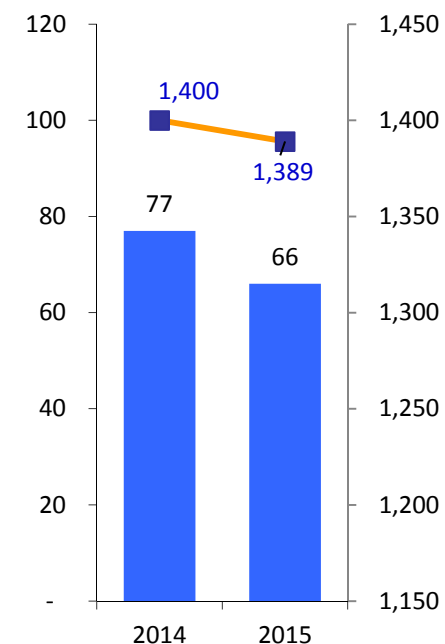
(Vehicles '000)



Jiurui Expressway⁽³⁾

(RMBmm)

(Vehicles '000)



1. With effect from 1 January 2015, the traffic volume for Guihuang Highway has been changed from "Per Entry Traffic Volume" to "Full Trip Equivalent Traffic Volume". Traffic volume for 2014 has been adjusted accordingly for comparison purpose.
2. With effect from 1 January 2015, the traffic volume for Guiliu Expressway has been changed from "Full Trip Equivalent Passenger Car Unit (PCU)" to "Full Trip Equivalent Traffic Volume". Traffic volume for 2014 has been adjusted accordingly for comparison purpose.
3. The acquisition of Jiurui Expressway was completed on 9 September 2014.



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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



FY2016 Outlook



- ◆ The operating environment in China is expected to remain challenging but we believe the fundamentals of the toll road industry in China remain strong.
- ◆ China's slower economic growth is expected to have an impact on our toll roads' traffic volume and toll revenue.
- ◆ Barring unforeseen circumstances, we expect the Group to remain profitable in the forthcoming year.



Dividend Payout

	Historical Dividend Payout (Singapore cents)	% of Dividend Payout ⁽¹⁾
FINANCIAL YEAR 2015	- Interim Dividend 3.50 - Final Dividend 3.50	96%
FINANCIAL YEAR 2014	- Interim Dividend 3.50 - Final Dividend 3.50	63%
FINANCIAL YEAR 2013	- Interim Dividend 2.75 - Final Dividend 4.25	54%
FINANCIAL YEAR 2012	- Interim Dividend 2.75 - Final Dividend 2.75	89%
FINANCIAL YEAR 2011	- Interim Dividend 2.50 - Final Dividend 3.00	73%

(1) Excludes exceptional items

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



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Thank you

Question & Answer

Panel:

1. Luo Hui Lai, Chairman & CEO
2. Jiang Yan Fei, Vice Chairman, General Manager & COO
3. Shi Xiu Li, Chief Financial Officer
4. Selene Lim, Company Secretary





Disclaimer

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.