



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

(Company Registration No. 198101278D)

## **China Merchants Holdings (Pacific) to acquire three expressways in China**

**The acquisitions will significantly expand the scale of its toll road operations and extend its presence in Guangxi Zhuang Autonomous Region and the People’s Republic of China**

**SINGAPORE, 23 June 2015** – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today announced that the Company’s direct wholly-owned subsidiaries have entered into the following agreements in relation to the proposed acquisitions of three expressways located in Guangxi Zhuang Autonomous Region (“Guangxi”), the People’s Republic of China (“PRC”):

- (a) A conditional share purchase agreement to purchase all the issued shares of Guangxi Guixing Expressway Investment and Construction Co., Ltd. (广西桂兴高速公路投资建设有限公司) which owns the rights to operate the Guilin – Xing’an Expressway (桂林至兴安高速公路) (the “Guixing Expressway”), a 53.4 km long expressway located in Guangxi (the “Guixing Acquisition”);
- (b) A conditional share purchase agreement to purchase all the issued shares of Guangxi Guiwu Expressway Guiyang Section Investment and Construction Co., Ltd. (广西桂梧高速公路桂阳段投资建设有限公司) which owns the rights to operate the Guilin – Yangshuo Expressway (桂林至阳朔高速公路) (the “Guiyang Expressway”), a 67 km long expressway located in Guangxi (the “Guiyang Acquisition”); and

- (c) A conditional share purchase agreement to purchase all the issued shares of Guangxi Huatong Expressway Co., Ltd. (广西华通高速公路有限责任公司) which owns the rights to operate the Yangshuo – Pingle Expressway (阳朔至平乐高速公路) (the “Yangping Expressway”), a 39.5 km long expressway located in Guangxi (the “Yangping Acquisition”).

The completion of each of the Guixing Acquisition, the Guiyang Acquisition and the Yangping Acquisition (collectively, the “Acquisitions”) is subject to and conditional upon various pre-conditions and conditions precedent, including obtaining all necessary regulatory approvals in Singapore and the PRC.

The total purchase consideration of approximately RMB3.04 billion (approximately HK\$3.83 billion) for the Acquisitions was arrived at on a willing buyer willing seller basis after taking into consideration the market value of the Acquisitions as at 31 December 2014, the results of the independent traffic and revenue study conducted by an independent traffic consultant and the rationale for the Acquisitions.

CMHP intends to finance the Acquisitions using external financing including external bank borrowings and/or the issuance of new securities, the terms of any such issuance to be determined and subject to various factors, including market conditions.

CMHP currently manages and operates five toll roads in China. The five toll roads totalled approximately 415 km and are located in Guangxi, Guizhou province, Zhejiang province and Jiangxi province. The acquisition of the Guixing Expressway, Guiyang Expressway and Yangping Expressway, which are all located in Guangxi, will further enlarge CMHP’s toll road portfolio as well as extend its presence in one of the fastest-growing regions in the PRC. CMHP has a 40% equity interest in the 138 km Guilin Expressway which runs between Guilin and Liuzhou, the two major cities in Guangxi.

“The acquisition of an additional three expressways will elevate CMHP’s scale of operations and marks a significant step forward in our vision to be a leading toll road operator in China. Our toll road portfolio will now comprise 8 expressways and the total length of expressways operated by CMHP will be expanded to about 575 km from the current 415 km. The average remaining concession period will increase by about 24%

from approximately 13.6 years to approximately 16.9 years. Together with the 138 km Guiliu Expressway, we have brought our expressway network in Guangxi to a total length of about 298 km. This will enable us to derive an additional synergy from an expanded network in Guangxi and extend our leadership position both in Guangxi and the PRC,” said General Manager and Chief Operating Officer Mr Jiang Yan Fei.

The Guixing Expressway connects Guilin Municipality (a popular tourist destination famous for its scenic landscapes and attracting more than 30 million visitors annually) with Xing’an County, and links up to the expressway network that extends to Quanzhou Municipality in Fujian province and Nanning Municipality (the provincial capital of Guangxi).

The Guiyang Expressway connects Guilin Municipality with Yangshuo County (another popular tourist destination famous for its beautiful scenery), and links up to the expressway network that extends to Baotou Municipality (the provincial capital of Inner Mongolia) and Maoming Municipality in Guangdong province.

The Yangping Expressway connects Yangshuo County with Pingle County, and links up to the expressway network that extends to Baotou Municipality and Maoming Municipality.

The Guixing Expressway, Guiyang Expressway and Yangping Expressway are sited on the main routes of Guangxi connecting destinations that provide traffic growth opportunities. Together with the Guiliu Expressway, they form a mutually open and linked corridor with a total length of 298 km, thus achieving a synergistic effect from an expanded and linked network.

Commenting on the acquisition, Executive Chairman and CEO Mr Luo Hui Lai said, “The Acquisitions are in line with the Group’s growth strategy of further expanding its toll road network in the PRC through strategic acquisitions of quality toll road assets. The Acquisitions, when concluded, will mark a major step forward in our development and will allow us to accelerate growth and further strengthen our position in the toll road industry.”

“Looking ahead, we will continue to pursue growth from within our toll road portfolio as well as through external growth by way of acquisitions. We remain committed to our strategy of acquiring quality toll road assets and extending our presence in the toll road sector in the PRC,” Mr Luo added.

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***About Guixing Expressway***

- 53.4 km four-lane carriageway (dual-2) located at the northern area of Guilin Municipality, connecting Guilin urban area with Xing’an County in the north-east of Guangxi
- Part of the G72 National Expressway System of China connecting Quanzhou Municipality of Fujian Province and Nanning Municipality of Guangxi, serving the north-south traffic demand
- Tolling rights for the expressway expire on 1 April 2042 (26 years 8 months remaining)

***About Guiyang Expressway***

- 67 km four-lane carriageway (dual-2) located at the southern area of Guilin Municipality, connecting Guilin urban area with Yangshuo County in the north-east of Guangxi
- Part of the G65 National Expressway System of China connecting Baotao Municipality of Inner Mongolia and Maoming Municipality of Guangdong Province, serving the north-south traffic demand
- Tolling rights for the expressway expire on 31 July 2037 (22 years 1 month remaining)

## About Yangping Expressway

- 39.5 km four-lane carriageway (dual-2) located at the eastern area of Guilin Municipality, connecting Yangshuo County with Pingle County in the north-east of Guangxi
- Part of the G65 National Expressway System of China connecting Baotao Municipality of Inner Mongolia and Maoming Municipality of Guangdong Province, serving the north-south traffic demand
- Tolling rights for the expressway expire on 17 June 2037 (22 years remaining)

## Location of the Guixing Expressway, Guiyang Expressway, Yangping Expressway and Guilu Expressway



**About China Merchants Holdings (Pacific) Limited ([www.cmhp.com.sg](http://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\$15 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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