



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

(Company Registration No. 198101278D)

## **China Merchants Holdings (Pacific) posts net profit of HK\$195.1 million in 2Q2015**

### **Company declares interim dividend of 3.50 cents**

**SINGAPORE, 30 July 2015** – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today announced a net profit after tax (excluding exceptional items) of HK\$290.4 million for the second quarter ended 30 June 2015, up 10% from the HK\$263.5 million recorded in the previous corresponding quarter. After taking into consideration the exceptional gain of HK\$68.3 million from the disposal of the Group’s property development business recognised in 2Q2014, net profit after tax registered a decline of 12% to HK\$290.4 million compared to HK\$331.8 million attained a year ago.

Group revenue for 2Q2015 rose to HK\$536.8 million, an increase of 9% from the same quarter a year ago, largely driven by the revenue growth from the Yongtaiwen Expressway and the consolidation of revenue from the Jiurui Expressway which the Group acquired in September last year, partially offset by lower revenue contribution from the Beilun Port Expressway.

At the pre-tax profit level, Group pre-tax profit increased 14% to HK\$379.5 million from HK\$333.9 million a year ago while at the after-tax profit level, Group net profit (excluding exceptional item) of HK\$290.4 million was 10% higher on the previous corresponding period boosted by higher profit contribution from the toll road business. After taking into account the exceptional item and non-controlling interests, net profit attributable to shareholders decreased 22% to HK\$195.1 million.

Contribution to net profit attributable to shareholders by the Group's toll road operations for 2Q2015 amounted to HK\$194.5 million, an increase of 6% from the HK\$183.2 million achieved a year ago. This was principally due to a higher profit contribution from the Yongtaiwen Expressway and Beilun Port Expressway as well as the consolidation of profit contribution from the Jiurui Expressway and higher interest income. This was partially offset by a lower profit contribution from the Guihuang Highway, lower exchange gain, higher finance costs and income tax expenses.

The Yongtaiwen Expressway continued to perform strongly in the second quarter of 2015. It registered an increase in net profit contribution of 15% from HK\$85.9 million in 2Q2014 to HK\$99.1 million in 2Q2015 on the back of higher toll revenue registered, improved gross profit margin and lower finance costs. Toll revenue recorded by the Yongtaiwen Expressway increased 6% from a year ago driven by the continued growth in traffic volume.

Toll revenue registered by the Beilun Port Expressway was down 5% due to a decline in traffic volume arising from a change in road network and road closures at certain sections of the expressway for major upgrading works. Net profit contribution from the Beilun Port Expressway improved 54% or HK\$10.6 million due to lower accrual of repair and maintenance costs, lower staff costs incurred and tax subsidy received, partially offset by higher amortisation of toll road operating rights and lower interest income.

Toll revenue reported by the Guiliu Expressway decreased 2% over the corresponding period last year principally 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 as well as severe weather conditions. Net profit contribution from the Guiliu Expressway remained stable at HK\$39.5 million despite the decline in toll revenue mainly due to lower repair and maintenance costs incurred.

The performance of the Guihuang Highway was affected by the decline in toll revenue of about 7% over the corresponding period last year. Toll revenue recorded by the

Guihuang Highway was 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. Toll revenue was also affected by traffic diversion from a neighbouring toll road after the completion of its major upgrading works and adverse weather conditions. The Guihuang Highway posted a net profit contribution of HK\$29.6 million, down 20% from the HK\$37.2 million achieved in the previous corresponding period.

For the six months ended 30 June 2015, the Group recorded a revenue of HK\$1,031.1 million, an increase of 8% over the corresponding period of last year. Group net profit (excluding exceptional items) for the six months to-date was up 5% to HK\$515.1 million, boosted by a higher profit contribution from the toll road operations. After taking into account the exceptional item and non-controlling interests, net profit attributable to shareholders for the year-to-date decreased 15% to HK\$337.3 million.

Taking into consideration the Group's future development needs, the Board has proposed an interim dividend of 3.50 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 profits.

On 23 June 2015, CMHP announced that the Company's direct wholly-owned subsidiaries have entered into agreements in relation to the proposed acquisitions of three expressways located in Guangxi Zhuang Autonomous Region, the People's Republic of China. The acquisitions when concluded, will mark a major step forward in CMHP's development and will allow it to accelerate growth and further strengthen its position in the toll road industry in 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."

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**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\$16 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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