

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1.(a) **An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Income Statement

		Group					
		Third quarter ended 30 September			Nine-month period ended 30 September		
		2014	2013	Change	2014	2013	Change
		HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Revenue	(i)	528,681	486,586	9	1,487,235	1,402,704	6
Cost of sales		(218,877)	(211,968)	3	(646,076)	(602,614)	7
Gross profit	(i)	309,804	274,618	13	841,159	800,090	5
Other operating income	(ii)	48,218	9,044	433	93,880	43,715	115
Administrative expenses		(22,397)	(27,067)	(17)	(68,863)	(77,823)	(12)
Other operating expenses		(14)	(16)	(13)	(738)	(410)	80
Finance costs	(iii)	(28,156)	(36,201)	(22)	(90,666)	(121,855)	(26)
Subsidy income	(iv)	5,921	4,433	34	17,742	13,243	34
Share of results of jointly controlled entities (net of tax)	(v)	71,582	68,675	4	219,281	207,821	6
Profit before tax from continuing operations		384,958	293,486	31	1,011,795	864,781	17
Income tax expense		(82,455)	(69,385)	19	(218,909)	(193,528)	13
Profit from continuing operations, net of tax		302,503	224,101	35	792,886	671,253	18
Profit from discontinued operation, net of tax		-	(218)	N.M.	64,092	1,279	N.M.
Profit for the period		302,503	223,883	35	856,978	672,532	27
Attributable							
Owners of the Company		210,923	145,796	45	608,175	449,963	35
Non-controlling interest		91,580	78,087	17	248,803	222,569	12
		302,503	223,883	35	856,978	672,532	27

N.M.: Not Meaningful

Consolidated Statement Of Comprehensive Income

	Group					
	Third quarter ended 30 September			Nine-month period ended 30 September		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Profit for the period	302,503	223,883	35	856,978	672,532	27
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Translation differences arising on consolidation	6,464	67,035	(90)	(181,458)	188,126	N.M.
Total items that may be reclassified to profit or loss, representing other comprehensive income for the period, net of tax	6,464	67,035	(90)	(181,458)	188,126	N.M.
Total comprehensive income for the period	308,967	290,918	6	675,520	860,658	(22)
Attributable						
Owners of the Company	213,452	201,051	6	450,354	581,265	(23)
Non-controlling interest	95,515	89,867	6	225,166	279,393	(19)
	308,967	290,918	6	675,520	860,658	(22)

Disposal of a 100% interest in China Merchants Pacific (NZ) Limited ("CMPNZ")

On 27 September 2013, the Company entered into a conditional sale and purchase agreement with China Merchants Properties Development Limited, an indirect wholly-owned subsidiary of China Merchants Group, to dispose of its entire interests in CMPNZ. (Please refer to the Company's announcement dated 27 September 2013 for further details.) The property business in New Zealand has been accounted for as disposal group classified as held for sale since 2012. The disposal was completed on 16 April 2014.

Acquisition of a 100% interest in Honest Queen International (Jiangxi) Jiurui Expressway Development Co Ltd ("Jiurui Expressway")

On 21 July 2014, the Company entered into a conditional sale and purchase agreement to indirectly acquire a 100 per cent. equity interest in Honest Queen International (Jiangxi) Jiurui Expressway Development Co., Ltd through Hong Kong Honest Queen International Investment Limited, a company incorporated in Hong Kong. Honest Queen International (Jiangxi) Jiurui Expressway Development Co., Ltd owns the rights to operate the Jiurui Expressway (Jiujiang-Ruichang Section), an expressway located in Jiangxi Province, People's Republic of China.

Pursuant to the sale and purchase agreement, the acquisition of Jiurui Expressway was completed on 9 September 2014 and the financial results of Jiurui Expressway have been consolidated to the Group's accounts as a subsidiary since then.

Notes to Income Statement

The Group comprises two operating segments: a) Toll road operations; and b) Property development (discontinued operation).

The Group currently operates five toll roads. They are Yongtaiwen Expressway, Beilun Port Expressway, Jiurui Expressway, Gui Liu Expressway and Gui Huang Highway. Yongtaiwen Expressway, Beilun Port Expressway and Jiurui Expressway are accounted for as subsidiaries and contribute most of the Group revenue. The other two toll road investments are accounted for as jointly controlled entities using the equity method. Toll revenue from these jointly controlled entities is not included in Group revenue and contribution from them is mainly recognized below the operating level.

(i). Group revenue for 3Q2014 grew 9% year-on-year to HK\$528.7 million. The increase in Group revenue was largely attributable to the revenue growth of Yongtaiwen Expressway, the consolidation of Jiurui Expressway and the increase in bank interest income. Group gross profit increased 13% due to higher gross profit margin registered by Yongtaiwen Expressway, consolidation of Jiurui Expressway and higher bank interest income.

(ii). Other operating income increased mainly due to recognition of deferred income and effective interest on other receivables relating to compensation granted by local governmental authorities as a result of the relocation and remove of certain toll stations along Gui Huang Highway (Please refer to the Company's announcement dated 23 January 2014 for details). In addition, the increase in other operating income was due to higher exchange gain recorded and a negative goodwill of HK\$22.7 million arising from the acquisition of Jiurui Expressway.

(iii). Finance costs decreased for the third quarter and 9-month period ended 30 September 2014 largely due to lower average bank borrowings.

(iv). Subsidy income is granted by the Sino joint venture partner of Gui Huang joint ventures from 1 January 2001 to 31 December 2014 in accordance to the original joint venture agreement and is extended to 31 October 2017 subsequently according to the supplemental contract signed in December 2013 in view of the reduction of concession period by six years for Gui Huang Class 1 Highway. (Please refer to the Company's announcement dated 20 December 2013 for further details.) Subsidy income, calculated based on 40% of the non-cash expenses (mainly depreciation and amortisation charges) of the joint ventures, increased as a result of the increase in amortisation of toll road operating rights in the current period following the change in the concession period.

(v). Share of results of jointly controlled entities relates to the contributions from the Group's two toll roads, namely Gui Liu Expressway and Gui Huang Expressway. The details are set out in item 8.

(vi). Income tax expense increased as a result of higher income tax expense registered by Yongtaiwen Expressway and Beilun Port Expressway and the consolidation of results of Jiurui Expressway.

(vii) Additional disclosures

	Group					
	Third quarter ended 30 September			Nine-month period ended 30 September		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
*Interest income	7,594	4,957	53	18,751	11,174	68
Amortisation of intangible assets	(119,581)	(113,264)	6	(354,478)	(337,528)	5
Depreciation of property, plant and equipment	(6,258)	(6,149)	2	(18,897)	(18,355)	3
Loss on disposal of property, plant and equipment	2	1	100	(61)	(312)	(80)
Intangible assets written off	(6)	-	N.M.	(182)	-	N.M.
Gain on disposal of discontinued operation	-	-	-	66,319	-	N.M.
**Foreign exchange gain	3,655	2,227	64	25,987	32,203	(19)

*Interest income increased as a result of the increase in bank fixed deposits.

**Foreign exchange gain arose from the appreciation of RMB against Hong Kong dollar.

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

		Group		Company	
		As at 30/09/2014	As at 31/12/2013	As at 30/09/2014	As at 31/12/2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS					
Current assets					
Cash and cash equivalents		1,038,410	1,448,299	214,138	338,279
Trade and other receivables	(i),(v)	237,172	70,827	260,632	111,276
Inventories		1,321	832	-	-
Assets classified as held-for-sale	(ii)	-	512,218	-	-
Total current assets		1,276,903	2,032,176	474,770	449,555
Non-current assets					
Property, plant and equipment		177,603	187,938	1,783	1,976
Intangible assets	(iii)	12,478,163	9,284,508	-	-
Interests in subsidiaries	(iv)	-	-	7,805,674	5,754,077
Interests in jointly controlled entities		1,649,517	1,926,772	-	-
Club membership		376	376	376	376
Total non-current assets		14,305,659	11,399,594	7,807,833	5,756,429
Total assets		15,582,562	13,431,770	8,282,603	6,205,984
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	(v)	644,496	482,212	202,673	140,447
Interest-bearing liabilities	(ix)	256,521	248,748	248,491	248,748
Dividend payable	(vi)	345,402	439,954	345,402	439,954
Income tax payable	(vii)	339,277	211,274	-	-
Liabilities classified as held-for-sale	(ii)	-	156,166	-	-
Total current liabilities		1,585,696	1,538,354	796,566	829,149
Non-Current liabilities					
Interest-bearing liabilities	(ix)	4,053,672	3,419,457	3,664,808	2,478,251
Deferred income	(viii)	166,620	-	-	-
Deferred tax liabilities		953,775	713,162	-	-
Total non-current liabilities		5,174,067	4,132,619	3,664,808	2,478,251
Capital, reserves and non-controlling interest					
Share capital		3,734,459	2,730,406	3,734,459	2,730,406
Share option reserve		2,019	5,507	2,019	5,507
Statutory reserve		156,281	141,250	-	-
Currency translation reserve		438,141	595,962	-	-
Reserve on consolidation		(78,930)	(78,930)	-	-
Capital reserve		59,425	78,535	59,425	78,535
Accumulated profits		2,038,515	1,635,874	25,326	84,136
Equity attributable to owners of the company		6,349,910	5,108,604	3,821,229	2,898,584
Non-controlling interest		2,472,889	2,652,193	-	-
Total equity		8,822,799	7,760,797	3,821,229	2,898,584
Total liabilities and equity		15,582,562	13,431,770	8,282,603	6,205,984

Notes to the balance sheet

- (i) Trade and other receivables increased mainly due to higher accrual of toll revenue receivable from the centralised toll collection centre, and recognition of compensation receivable in respect of the relocation of toll stations along Gui Huang Highway .
- (ii) The property development segment was presented as a disposal group held-for-sale as at 31 December 2013. The decrease in assets and liabilities classified as held-for-sale was due to the completion of disposal of the property development business in April 2014.
- (iii) The increase in intangible assets was due to the acquisition of Jiurui Expressway, partially offset by amortisation during the reporting period.
- (iv) The increase in interests in subsidiaries for the Company was mainly due to the acquisition of Jiurui Expressway and the injection of shareholder's loan to Jiurui Expressway through its holding company Hong Kong Honest Queen International Investment Limited, partially offset by the disposal of the property development business.
- (v) Trade and other payables increased mainly due to consolidation of Jiurui Expressway, higher accrual of repair and maintenance expenses by the toll road subsidiaries and deposit received by Beilun Port Expressway for major maintenance contract.
- (vi) Dividend payable refers to dividends payable to the substantial shareholder - Eastern Overseas Limited.
- (vii) Income tax payable increased due to higher provision for income tax by Yongtaiwen Expressway.
- (viii) Deferred income refers to compensation paid or payable by the Transportation Bureau of Guiyang City for the losses to be incurred by the Group as a result of the toll station relocations along the Gui Huang Highway.
- (ix) The increase in interest bearing liabilities was due to additional long term bank loan taken up by the Company to inject into Jiurui Expressway subsequent to the completion of the acquisition of Jiurui Expressway, partially offset by the repayment of certain long term bank loans by the Company and its subsidiaries.
- (x) As at 30 September 2014, total current assets of the Group amounted to HK\$1,276.9 million and total current liabilities of the Group amounted to HK\$1,585.7 million, which resulted in a negative working capital of HK\$308.8 million. This was due to the repayment of certain long term bank borrowings by a subsidiary and dividends paid to non-controlling interests during the period.

1.(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/09/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	256,521	-	248,748

Amount repayable after one year

As at 30/09/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	4,053,672	839,454	2,580,003

Details of any collateral

Not applicable.

1.(c) A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Third quarter ended 30 September		Nine-month period ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
OPERATING ACTIVITIES				
Profit before tax from continuing operations	384,958	293,486	1,011,795	864,781
Profit before tax from discontinued operation	-	(218)	64,092	1,279
Adjustments for:-				
Depreciation of property, plant and equipment	6,258	6,423	19,271	19,128
Amortisation of intangible assets	119,581	113,264	354,478	337,528
Loss/(gain) on disposal of property, plant and equipment, net	4	(1)	243	312
Gain on disposal of discontinued operation	-	-	(66,319)	-
Interest expense	16,269	23,723	54,232	85,328
Interest income	(7,594)	(4,963)	(18,751)	(11,212)
Allowance for inventories written back	-	(1,539)	-	(1,809)
Provision for warranties	-	2,311	1,917	3,996
Amortisation of loan arrangement fee	4,585	4,658	13,652	12,687
Interests on convertible bonds	7,302	8,474	24,049	24,959
Amortisation of deferred income	(6,583)	-	(19,688)	-
Effective interests on compensation receivable	(4,103)	-	(12,469)	-
Exchange differences	(5,352)	(20,797)	(24,770)	(51,778)
Share of results of jointly controlled entities	(71,582)	(68,675)	(219,281)	(207,821)
Negative goodwill arising from acquisition of subsidiaries	(22,783)	-	(22,783)	-
Operating cash flows before movements in working capital	420,960	356,146	1,159,668	1,077,378
Inventories	887	5,394	(56,381)	(27,396)
Trade and other receivables	(17,122)	(12,711)	36,009	(25,829)
Trade and other payables	21,290	27,686	93,320	79,436
Cash from operations	426,015	376,515	1,232,616	1,103,589
Income taxes paid	(58,555)	(24,237)	(93,083)	(18,099)
Net cash from operating activities	367,460	352,278	1,139,533	1,085,490
INVESTING ACTIVITIES				
Interest received	13,262	2,913	21,812	9,791
Purchase of property, plant and equipment	(2,551)	(5,862)	(8,210)	(7,620)
Proceeds from disposal of property, plant and equipment	10	6	32	8
Net cash outflow on acquisition of subsidiaries	(134,784)	-	(134,784)	-
Cash paid to a related party pursuant to the acquisition of subsidiaries	(916,177)	-	(916,177)	-
Repayment of loans by jointly controlled entities	98,207	-	103,523	76,019
Dividends received	111,982	-	372,964	234,104
Disposal of discontinued operation, net of cash disposed of	-	-	355,506	-
Net cash (used in)/from investing activities	(830,051)	(2,943)	(205,334)	312,302
FINANCING ACTIVITIES				
Interest paid	(25,487)	(18,387)	(71,181)	(89,042)
Issue of shares under share option scheme	12,160	-	21,651	-
Loan financing fee paid	(25,923)	(171)	(30,539)	(22,323)
Proceeds from bank loans	1,705,440	-	1,754,661	2,328,000
Repayment of bank loans	(2,275,537)	(263,339)	(2,318,848)	(3,094,055)
Dividends paid to owners of the Company	-	(100,000)	(285,055)	(121,406)
Dividends paid to non-controlling shareholders of a subsidiary	(225,458)	(49,078)	(404,470)	(159,876)
Net cash used in financing activities	(834,805)	(430,975)	(1,333,781)	(1,158,702)
Net (decrease)/increase in cash and cash equivalents	(1,297,396)	(81,640)	(399,582)	239,090
Cash and cash equivalents at beginning of the period	2,333,699	1,603,352	1,449,026	1,256,354
Net effect of exchange rate changes in the balance of cash held in foreign currencies	2,106	12,092	(11,035)	38,360
Cash and cash equivalents at end of the period	1,038,409	1,533,804	1,038,409	1,533,804

(i) Net cash outflow on acquisition of subsidiaries - Jiurui Expressway:-

	HK\$'000
Current assets	8,539
Property, plant and equipment	2,516
Intangible assets	3,626,513
Interest bearing liabilities	(1,509,285)
Deferred tax liabilities	(249,707)
Other liabilities	<u>(1,026,638)</u>
Net identifiable assets and liabilities acquired	851,938
Consideration payable	(841,040)
Negative goodwill	<u>(22,783)</u>
	<u>(11,885)</u>
Total consideration	841,040
Issue of ordinary shares	(693,552)
Cash acquired	(11,885)
Exchange difference	<u>(819)</u>
Net cash outflow	<u>134,784</u>

1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

The Group	Share capital HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000	Currency translation reserve HK\$'000	Reserve on consolidation HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Attributable to owners of the Company HK\$'000	Non- Controlling Interests HK\$'000	Total equity HK\$'000
At 1 January 2014	2,730,406	5,507	141,250	595,962	(78,930)	78,535	1,635,874	5,108,604	2,652,193	7,760,797
Total comprehensive income for the period	-	-	-	(44,812)	-	-	147,957	103,145	51,337	154,482
Transfer from accumulated profits	-	-	5,216	-	-	-	(5,216)	-	-	-
At 31 March 2014	2,730,406	5,507	146,466	551,150	(78,930)	78,535	1,778,615	5,211,749	2,703,530	7,915,279
Total comprehensive income for the period	-	-	-	(115,538)	-	-	249,295	133,757	78,314	212,071
Issue of ordinary shares under share option scheme	11,342	(1,851)	-	-	-	-	-	9,491	-	9,491
Issue of ordinary shares upon conversion of convertible bonds	59,278	-	-	-	-	(3,984)	-	55,294	-	55,294
Dividends	-	-	-	-	-	-	(190,503)	(190,503)	(179,012)	(369,515)
Transfer from accumulated profits	-	-	4,888	-	-	-	(4,888)	-	-	-
At 30 June 2014	2,801,026	3,656	151,354	435,612	(78,930)	74,551	1,832,519	5,219,788	2,602,832	7,822,620
Total comprehensive income for the period	-	-	-	2,529	-	-	210,923	213,452	95,515	308,967
Issue of ordinary shares under share option scheme	13,797	(1,637)	-	-	-	-	-	12,160	-	12,160
Issue of ordinary shares upon conversion of convertible bonds	226,084	-	-	-	-	(15,126)	-	210,958	-	210,958
Issue of ordinary shares in connection with the acquisition of subsidiaries	693,552	-	-	-	-	-	-	693,552	-	693,552
Dividends	-	-	-	-	-	-	-	-	(225,458)	(225,458)
Transfer from accumulated	-	-	4,927	-	-	-	(4,927)	-	-	-
At 30 September 2014	3,734,459	2,019	156,281	438,141	(78,930)	59,425	2,038,515	6,349,910	2,472,889	8,822,799

The Group	Share capital HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000	Currency translation reserve HK\$'000	Reserve on consolidation HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Attributable to owners of the Company HK\$'000	Non- Controlling Interests HK\$'000	Total equity HK\$'000
At 1 January 2013	2,730,210	5,507	102,614	410,118	(78,930)	78,535	1,312,208	4,560,262	2,519,021	7,079,283
Total comprehensive income for the period	-	-	-	15,265	-	-	128,429	143,694	75,205	218,899
Transfer from accumulated profits	-	-	2,284	-	-	-	(2,284)	-	-	-
At 31 March 2013	2,730,210	5,507	104,898	425,383	(78,930)	78,535	1,438,353	4,703,956	2,594,226	7,298,182
Total comprehensive income for the period	-	-	-	60,782	-	-	175,738	236,520	114,321	350,841
Dividends	-	-	-	-	-	-	(121,925)	(121,925)	(159,876)	(281,801)
Transfer from accumulated profits	-	-	2,068	-	-	-	(2,068)	-	-	-
At 30 June 2013	2,730,210	5,507	106,966	486,165	(78,930)	78,535	1,490,098	4,818,551	2,548,671	7,367,222
Total comprehensive income for the period	-	-	-	55,255	-	-	145,796	201,051	89,867	290,918
Transfer from accumulated profits	-	-	2,155	-	-	-	(2,155)	-	-	-
At 30 September 2013	2,730,210	5,507	109,121	541,420	(78,930)	78,535	1,633,739	5,019,602	2,638,538	7,658,140

The Company	Share capital HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 January 2014	2,730,406	5,507	78,535	84,136	2,898,584
Total comprehensive income for the period	-	-	-	(48,786)	(48,786)
At 31 March 2014	2,730,406	5,507	78,535	35,350	2,849,798
Total comprehensive income for the period	-	-	-	207,327	207,327
Issue of ordinary shares under share option scheme	11,342	(1,851)	-	-	9,491
Issue of ordinary shares upon conversion of convertible bonds	59,278	-	(3,984)	-	55,294
Dividends	-	-	-	(190,503)	(190,503)
At 30 June 2014	2,801,026	3,656	74,551	52,174	2,931,407
Total comprehensive income for the period	-	-	-	(26,848)	(26,848)
Issue of ordinary shares under share option scheme	13,797	(1,637)	-	-	12,160
Issue of ordinary shares upon conversion of convertible bonds	226,084	-	(15,126)	-	210,958
Issue of ordinary shares in connection with the acquisition of subsidiaries	693,552	-	-	-	693,552
At 30 September 2014	3,734,459	2,019	59,425	25,326	3,821,229

The Company	Share capital HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 January 2013	2,730,210	5,507	78,535	56,396	2,870,648
Total comprehensive income for the period	-	-	-	(23,952)	(23,952)
At 31 March 2013	2,730,210	5,507	78,535	32,444	2,846,696
Total comprehensive income for the period	-	-	-	209,039	209,039
Dividends	-	-	-	(121,925)	(121,925)
At 30 June 2013	2,730,210	5,507	78,535	119,558	2,933,810
Total comprehensive income for the period	-	-	-	(24,620)	(24,620)
At 30 September 2013	2,730,210	5,507	78,535	94,938	2,909,190

1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company's issued and paid-up share capital comprise ordinary shares and redeemable convertible preference shares ("RCPS").

On 9 September 2014, the Company issued 119,374,987 new ordinary shares at S\$0.945 per share, being the closing share price on the date of acquisition, as part of the purchase consideration to acquire Jiurui Expressway. (Please refer to part 1 1(a)). The new ordinary shares issued will rank pari passu in all material respects with the existing ordinary shares of the Company as at the date of issue.

On 9 September 2014, 135,781,000 RCPS were converted at the conversion rate of one ordinary share of the Company for every RCPS, resulted in 135,781,000 ordinary shares being issued.

During the three-month period ended 30 September 2014, a total of 2,500,000 new fully-paid ordinary shares were issued at an exercise price of S\$0.789 per share for cash upon the exercise of share options granted under the Company's share option scheme and a total of 42,806,954 new fully-paid ordinary shares were issued upon conversion of the Company's convertible bonds.

As at 30 September 2014, the total number of unexercised options under the share option scheme was 5,040,000 (30 September 2013: 9,528,000).

The Company has the following convertible bonds which remain outstanding as at 30 September 2014:

Principal Amount Outstanding	Maturity Date	Put Date	Conversion price per	Convertible by holders
HK\$880,000,000	6 November 2017	6 November 2015	S\$0.826	16 December 2012

As at 30 September 2014, assuming all the convertible bonds are fully converted based on the conversion price, the number of new ordinary shares to be issued would be 168,170,242 (31 December 2013: 218,548,058), representing approximately 16.29% (31 December 2013: 30.40%) of the issued share capital of the Company.

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

The total number of issued shares as at 30 September 2014 comprised 1,032,449,910 ordinary shares (31 December 2013: 718,856,290 ordinary shares and 135,781,000 RCPS).

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the audited financial statements for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted all the applicable new and revised Singapore Financial Reporting Standards ("FRS") including related Interpretations ("INT FRS"), that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of the new and revised FRS and INT FRS did not give rise to any adjustments to the opening balances of the accumulated profits of the Group and of the Company for the prior and current periods or to changes in comparatives.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Third quarter ended 30 September		Nine-month period ended 30 September	
	2014	2013	2014	2013
Earnings per ordinary share for the year after deducting any provision for preference share dividends:-				
(a) Based on weighted average number of ordinary shares in issue (in HK cents)	25.86	20.28	80.70	62.60
(b) On a fully diluted basis (in HK cents)	19.94	14.64	58.87	45.03

The Group's basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue of the Company as follows:

	Third quarter ended 30 September		Nine-month period ended 30 September	
	2014	2013	2014	2013
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares in issue, used in the calculation of basic earnings per share	815,679	718,816	753,613	718,816
Weighted average number of ordinary shares in issue, used in the calculation of diluted earnings per share	1,108,850	1,073,724	1,088,739	1,074,125

The weighted average number of ordinary shares used in the calculation of diluted earnings per share has been adjusted for the dilutive effect of conversion of all RCPS, share options and convertible bonds.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
Net asset value per ordinary share based on issued share capital as at the end of the period reported on (HK\$)	HK\$6.15	HK\$6.23	HK\$3.70	HK\$3.15
Net asset value per ordinary share based on issued share capital as at the end of the period reported on assuming all the RCPS had been converted (HK\$)	-	HK\$5.98	-	HK\$3.39

The net asset value per ordinary share of the Group and of the Company as at 30 September 2014 is calculated based on the net assets of the Group and of the Company as at 30 September 2014 respectively, and the number of ordinary shares in issue of 1,032,449,910 shares of the Company as at 30 September 2014.

The net asset value per ordinary share of the Group and of the Company as at 31 December 2013 is calculated based on the net assets of the Group and of the Company as at 31 December 2013 respectively less the redemption value of the RCPS of HK\$632,820,000, and the number of ordinary shares in issue of 718,856,290 shares of the Company as at 31 December 2013.

Based on the assumption that all the RCPS had been converted, the net asset value per ordinary share of the Group and of the Company as at 31 December 2013 is calculated based on the net assets of the Group and of the Company as at 31 December 2013 respectively and the number of ordinary shares in issue of 854,637,290 shares of the Company as at 31 December 2013.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Revenue

	Revenue					
	Third quarter ended 30 September			Nine-month period ended 30 September		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
CONTRIBUTION						
Toll road operations	527,818	484,111	9	1,482,291	1,395,829	6
Others/corporate	863	2,475	(65)	4,944	6,875	(28)
Total Group Revenue	528,681	486,586	9	1,487,235	1,402,704	6

Third quarter (3Q) 2014

Group revenue for the third quarter of 2014 rose to HK\$528.7 million, representing a 9% increase year-on-year. The increase in revenue was largely attributable to the revenue growth from Yongtaiwen Expressway, the consolidation of Jiurui Expressway and the increase in bank interest income. Yongtaiwen Expressway contributed 78.3% of the total Group revenue and Beilun Port Expressway contributed 19% of the total Group revenue.

Toll revenue generated by Yongtaiwen Expressway grew 9% to RMB413.8 million from RMB378.3 million recorded in the same period of last year. Traffic flow registered by Yongtaiwen Expressway grew 9.1% from 2.63 million vehicles in 3Q2013 to 2.87 million vehicles in 3Q2014. The growth in toll revenue and traffic flow was mainly due to the regional economic development in Zhejiang Wenzhou area. This was further boosted by the rise in traffic flow of goods vehicles resulted from the opening of Jiashao Bridge, the second cross-sea bridge spanning across the Hangzhou Bay.

Toll revenue generated by Beilun Port Expressway was down 3% from RMB103.3 million recorded in 3Q2013 to RMB100.7 million in 3Q2014. The decrease in toll revenue was mainly due to upgrading work carried out at certain parts of Beilun Port Expressway, the change in road network, in particular, the opening of Jiashao Bridge to passenger vehicles only in July 2013 and goods vehicles in November 2013 and the opening of a newly completed expressway in June 2013.

Nine-month period ended 30 September 2014

For the nine months ended 30 September 2014, the Group posted a 6% increase in revenue over the corresponding period of last year, due to higher revenue contribution from the Yongtaiwen Expressway, consolidation of contribution from Jiurui Expressway and higher interest income, partially offset by lower revenue contribution from the Beilun Port Expressway.

Profitability

	Profit after tax					
	Third quarter ended 30 September			Nine-month period ended 30 September		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
CONTRIBUTION						
Toll road operations	311,575	226,423	38	811,623	680,201	19
Property development (discontinued)	-	(218)	N.M.	64,092	1,279	N.M.
Others/corporate	(9,072)	(2,322)	291	(18,737)	(8,948)	109
Net profit for the period	302,503	223,883	35	856,978	672,532	27
Profit attributable to owners of the Company	210,923	145,796	45	608,175	449,963	35

N.M.: Not Meaningful

Third quarter (3Q) 2014

Group net profit for the third quarter of 2014 increased 35% to HK\$302.5 million. This was mainly due to higher profit contribution from the toll road operations. Profit attributable to equity holders of the Company was HK\$210.9 million, an increase of 45% over the previous corresponding period. EPS and diluted EPS were 25.86 HK cents and 19.94 HK cents respectively as compared to 20.28 HK cents and 14.64 HK cents in 3Q2013.

Performance of toll road operations improved by 38% in the current period with all toll roads reported higher profit contribution. In addition, the increase in profit contribution was due to the recognition of deferred income and effective interests on compensation receivable relating to the relocation of toll stations at Gui Huang Highway, higher interest income, higher exchange gain and negative goodwill arising from the acquisition of Jiurui Expressway.

For the current period under review, profit contribution from Yongtaiwen Expressway increased 17% mainly due to higher toll revenue achieved and lower finance costs, partially offset by higher cost of sales.

Profit contribution from Beilun Port Expressway increased 8% or HK\$2.4 million despite a decrease in toll revenue mainly due to tax subsidy received in the current period.

For the current reporting period, toll revenue registered by Gui Liu Expressway increased 5.9% from RMB153.9 million in 3Q2013 to RMB163 million in 3Q2014. Toll revenue registered by Gui Huang Highway increased 10.1% from RMB57.4 million in 3Q2013 to RMB63.2 million in 3Q2014. The increase in toll revenue was mainly due to the natural traffic growth as a result of the stable economic growth in the region, the improvement of the road network, and the continued increase in car ownership. The negative impact of the relocation of toll stations at Gui Huang Highway has been offset by the natural traffic growth. Share of results of Gui Liu joint ventures increased 9.6% over the same period of last year on the back of the higher toll revenue achieved. Profit contribution from Gui Huang joint ventures increased 2.5%, which was lower than the 10.1% increase in toll revenue. This was mainly due to higher amortisation of toll road operating right, partially offset by higher subsidy income.

Other businesses posted a loss of HK\$9.1 million, higher than the loss of HK\$2.3 million reported in 3Q 2013. This was mainly due to higher exchange losses and lower bank interests recorded in the current quarter.

Nine-month period ended 30 September 2014

For nine months ended 30 September 2014, Group net profit was up 27% to HK\$857 million driven by higher profit contribution from the toll road operations and the gain on disposal of property development business. EPS and diluted EPS for the nine months ended 30 September 2014 were 80.7 HK cents and 58.87 HK cents respectively as compared to 62.6 HK cents and 45.03 HK cents for the corresponding period of 2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There has been no significant variance in the operating performance of the Group as compared to previous statement.

10. A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group's toll road business is expected to continue to deliver positive results, in light of the economic development and the continued growth in car ownership in the respective regions where the Group's toll roads are located.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained by the Group.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	None.	Not applicable.

14. Confirmation by the Board

We, Luo Hui Lai and Jiang Yan Fei, being two directors of China Merchants Holdings (Pacific) Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the 3Q 2014 financial results to be false or misleading, in all material respects.

BY ORDER OF THE BOARD

Lim Lay Hoon
Lai Foon Kuen
Company Secretaries
06/11/2014