



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

(Company Registration No. 198101278D)

China Merchants Holdings (Pacific) posts 15% rise in net profit in 1Q2014

SINGAPORE, 24 April 2014 – Mainboard listed China Merchants Holdings (Pacific) Limited (“CMHP” or the “Group”) today announced a net profit attributable to shareholders of HK\$148 million for the first quarter ended 31 March 2014, up 15% from the corresponding period last year.

The Group posted a revenue of HK\$464.4 million, an increase of 6% from the same quarter a year ago, largely driven by the revenue growth from the Yongtaiwen Expressway which accounted for approximately 80% of total Group revenue.

At the pre-tax profit level, Group pre-tax profit increased 16% to HK\$292.9 million from HK\$252.4 million a year ago while at the after-tax profit level, Group net profit of HK\$222.7 million was 14% higher than that of the corresponding period in 2013. After taking into account non-controlling interests, net profit attributable to shareholders increased 15% to HK\$148 million.

Net profit contribution from toll road operations amounting to HK\$159.6 million was up 14% from a year ago, driven by higher profit contribution from the Group’s toll road assets and the recognition of deferred income and effective interest income on compensation receivable from the relocation of certain toll stations along the Guihuang Highway. This was partly offset by higher finance costs and withholding tax and lower exchange gain.

Traffic flow recorded by the Yongtaiwen Expressway increased 6%, a direct result of the economic growth in Wenzhou municipality of Zhejiang province and the increase in the traffic volume of goods vehicles following the opening of Jiashao Bridge to traffic. Driven by the higher traffic flow, toll revenue was up by 6%. Net profit contribution grew 11% from HK\$69.9 million in 1Q2013 to HK\$77.8 million in 1Q2014 on the back of the higher toll revenue registered and lower finance costs from the repayment of certain long term bank borrowings, partially offset by higher cost of sales.

Toll revenue registered by the Beilun Port Expressway registered a decline of 3% due to the change in road network arising from the opening of Jiaoshao Bridge and traffic diversion from a newly opened competing road. However, net profit contribution increased 20% or HK\$3.6 million due to savings in finance costs following the repayment of long term bank loans. This was partially offset by higher amortisation of toll road operating rights, higher staff costs and repair and maintenance expenses.

The Guiliu Expressway performed strongly in 1Q2014, registering an increase in net profit contribution of 20% or HK\$7.3 million on the back of higher toll revenue achieved. Toll revenue reported by this road increased 13% due to the growth in traffic volume, improvement in the road network and the continued increase in vehicle ownership.

The Guihuang Highway posted a net profit of HK\$39.6 million, up 3% from the HK\$38.6 million achieved in the previous corresponding period. The profit growth was lower than the toll revenue increase of 13% as the performance of Guihuang Highway was affected by higher amortisation of toll road operating rights, higher staff costs and repairs and maintenance expenses, partially offset by higher subsidy income recorded.

The disposal of the Group's property development business was completed on 16 April 2014. This business segment achieved a revenue of HK\$32.2 million in the current quarter, down 38% due to a decrease in the number of settlements over the previous corresponding period. It posted a net loss of HK\$4.2 million compared to a net profit of HK\$1.4 million registered for the same quarter last year due to lower gross profit from sales of development properties and an increase in administrative and interest expenses.

Executive Chairman and CEO Mr Luo Hui Lai said, "The Group delivered strong results in 1Q2014, continuing the good momentum from FY2013. We expect our toll road business to continue to deliver positive results in light of the economic growth in the provinces where they are located and the continued growth in vehicle ownership."

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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\$13 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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