

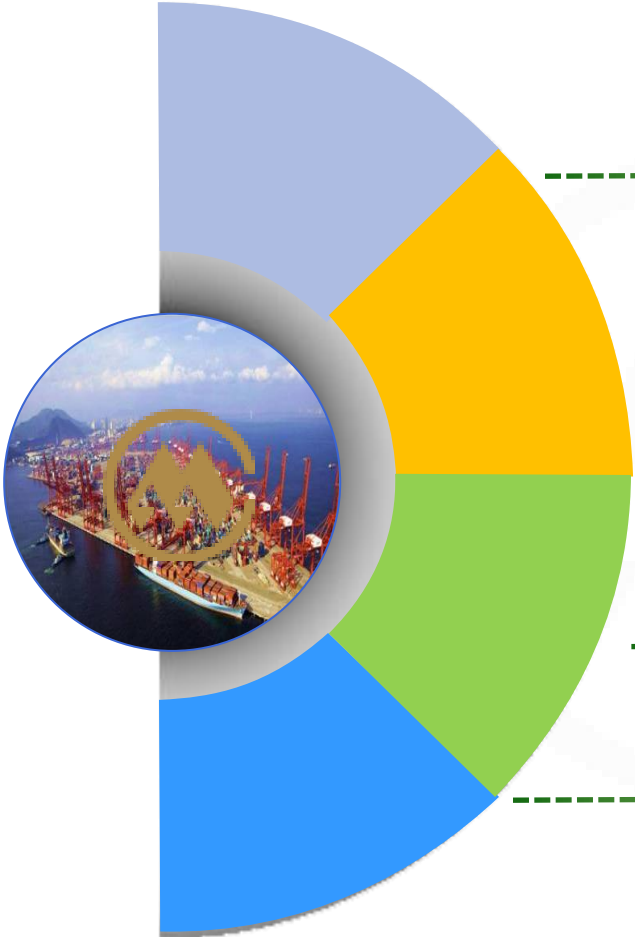
WE CONNECT THE

China Merchants Holdings (International) Co., Ltd.
2012 Interim Results Announcement

30 August 2012



招商局國際有限公司
CHINA MERCHANTS HOLDINGS (INTERNATIONAL) CO., LTD.



➡ **Financial Highlights**

Operations Analyses

Work Review

Business Outlook

Q & A

Financial Highlights

- ◆ Ports business performance meets expected goals, due to one-off non-recurrent gain in last year & decrease in investment income lead to profitability decline.

Items	1H2012(for comparison ³)	1H2011(restated)	Change
Container Throughput(million TEU)	29.18	27.61	5.6%
Revenue ¹ (HK\$ million)	19,615	20,859	-6.0%
Revenue (Ports Operations)	7,662	7,227	6.0%
EBITDA ² (HK\$ million)	6,040	6,405	-5.7%
EBITDA(Ports Operations)	4,179	4,057	3.0%
EBITDA(Port-Related Manufacturing operations)	843	1,519	-44.5%
Profit Attributable to Shareholders(HK\$ million)	1,756	3,924	-55.2%
Recurrent profit(HK\$ million)	1,609	2,375	-32.3%
EPS(HK cents)	70.97	159.59	-55.5%
Interim dividends(HK cents)	22	30	-26.7%
Payout ratio	31.2%	18.8%	+12.4 percentage points

Notes :1.Revenue include revenue of the Company, its subsidiaries and share of revenue of its associates and jointly-controlled entities.

2. EBITDA include the EBITDA of the Company and its subsidiaries + share of EBITDA of its associates and jointly-controlled entities + cash returns of other companies.

3. Due to the change of accounting treatment in one of the Company's associates, 1H2012 revenue is adjusted to align with that for 1H2011 for comparison purposes. HK\$20,610 million represented 1H2012 revenue stated in the interim report, in which the ports operation revenue was HK\$8,657 million.

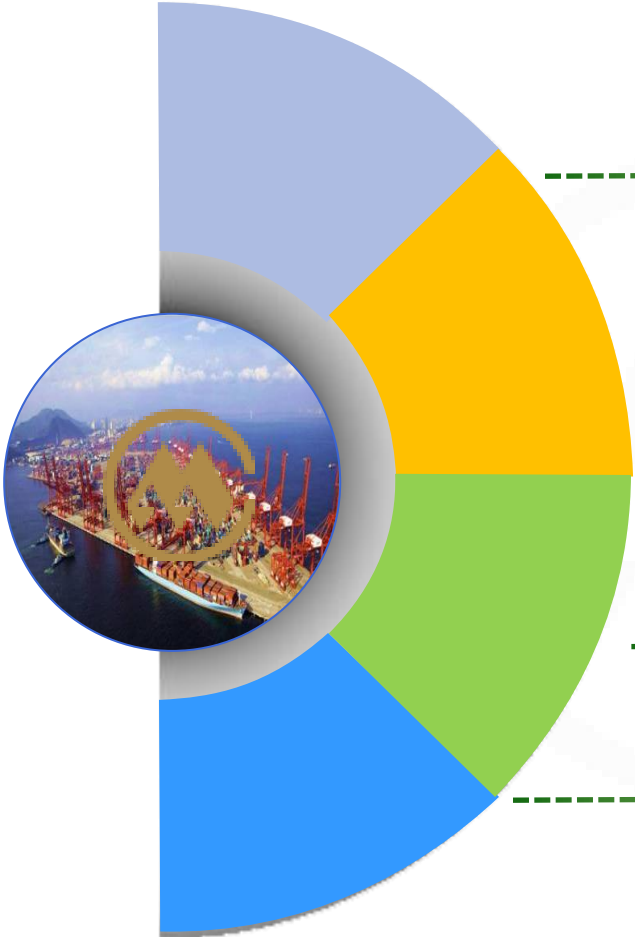
Financial Highlights

◆ Net debts declined, overall debt was maintained at a reasonable level.

HK\$ Million	30 June 2012	31 Dec.2011(restated)	Change
Total assets	94,031	87,086	8.0%
Net assets	43,414	43,452	-0.1%
NAV per share(HK\$)	17.5	17.6	-0.6%
Interest-bearing debts*	27,510	24,698	11.4%
Cash and cash-equivalents	12,220	6,811	79.4%
Net debts	15,290	17,887	-14.5%
Net gearing ratio**	35.2%	41.2%	-6.0 percentage point

* Interest-bearing debts include bank loans, notes payable and China Merchants Group loans

** Net Gearing Ratio is calculated by net debt divided by net assets attributable to the equity holders of the Company as at period end



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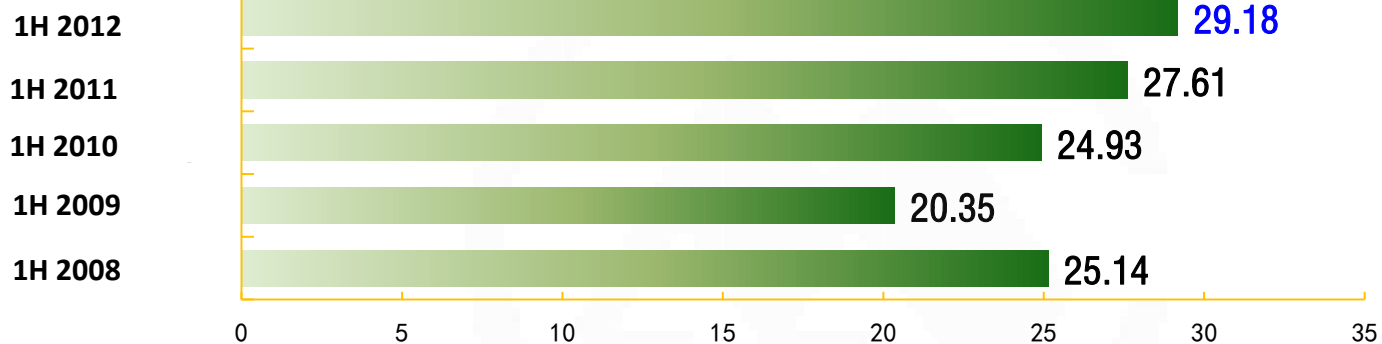
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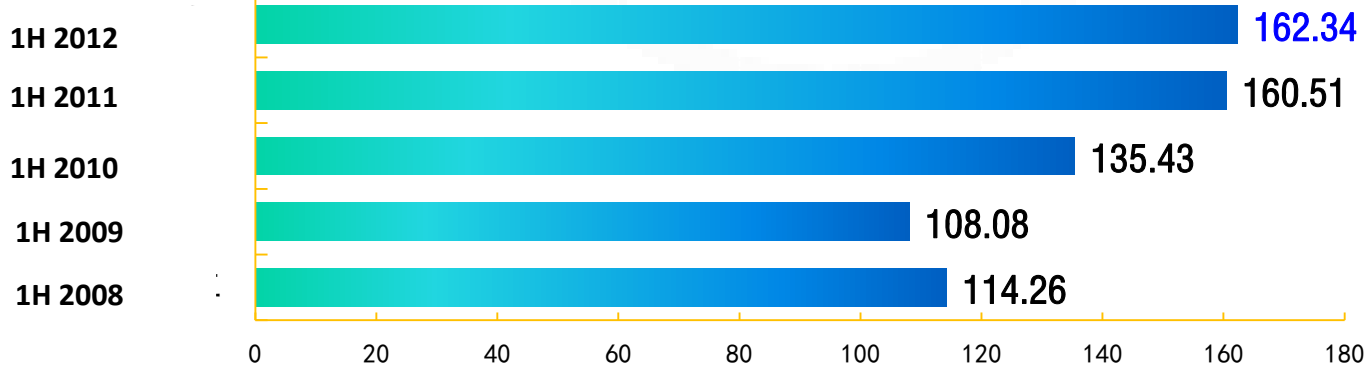
CMHI's Throughput

◆ Container and bulk & general cargo throughput handled in 1H2012 at historical peak.

Container throughput (million TEU)

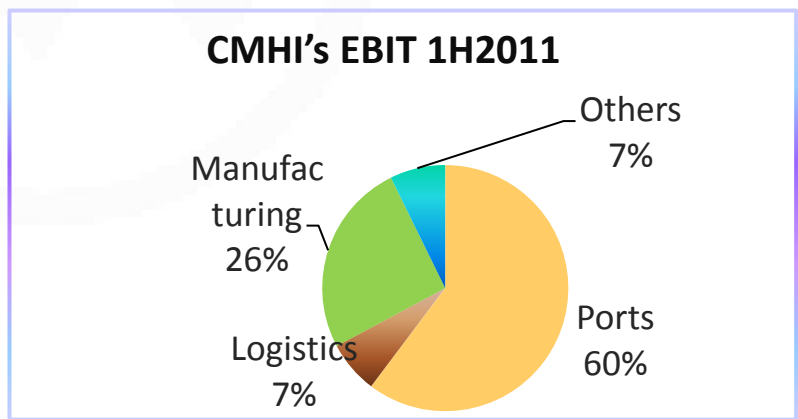
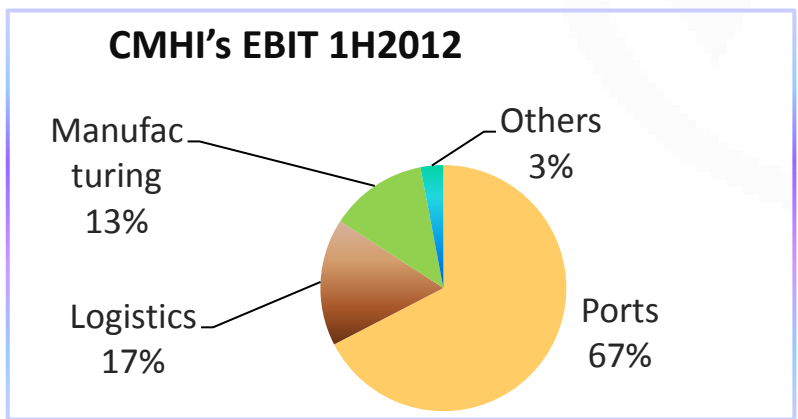
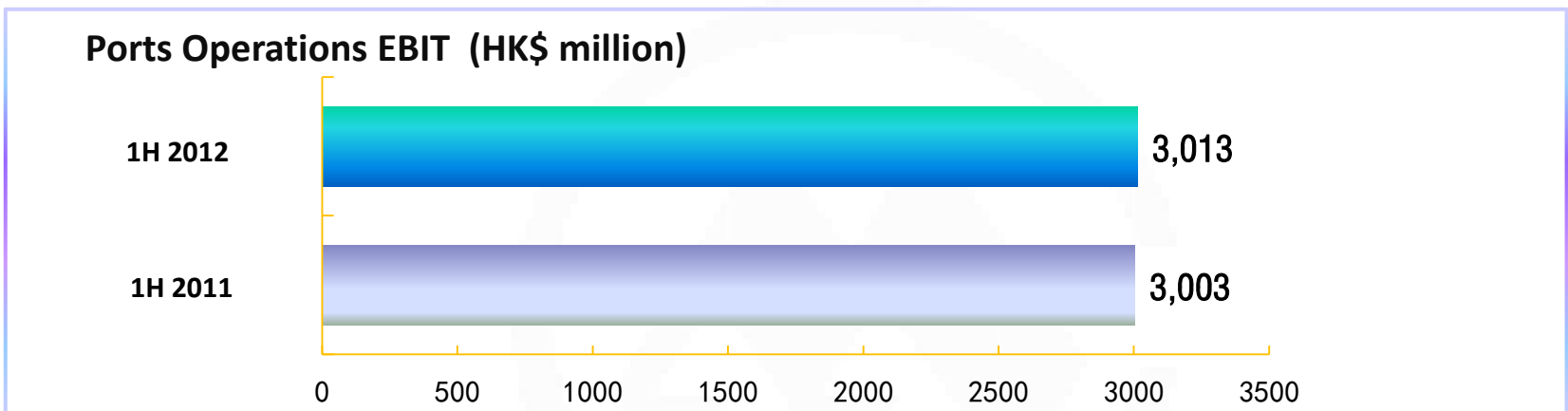


Bulk & general cargo throughput (million tonnes)



Profits from Ports Operations

◆ Proportional share of ports operations in EBIT experienced an increase.

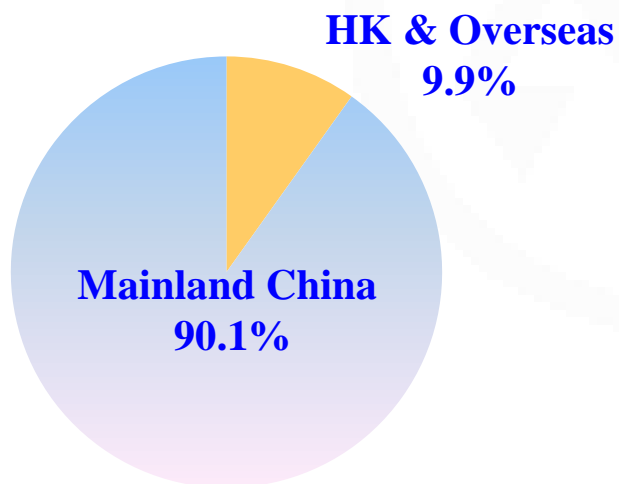


notes: EBIT include EBIT of the Company and its subsidiaries + share of EBIT of its associates and jointly-controlled entities + cash returns of the other companies.

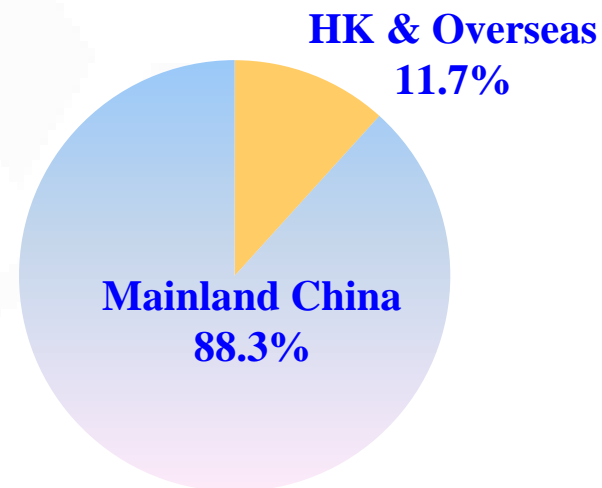
Container Ports Operations

- ◆ Throughput of CMHI's mainland container terminals increased by 7.9%, 2 points higher than the growth rate of mainland China.
- ◆ Proportional share of CMHI's mainland container throughput increased by 1.8 points .

**container throughput
1H2012**

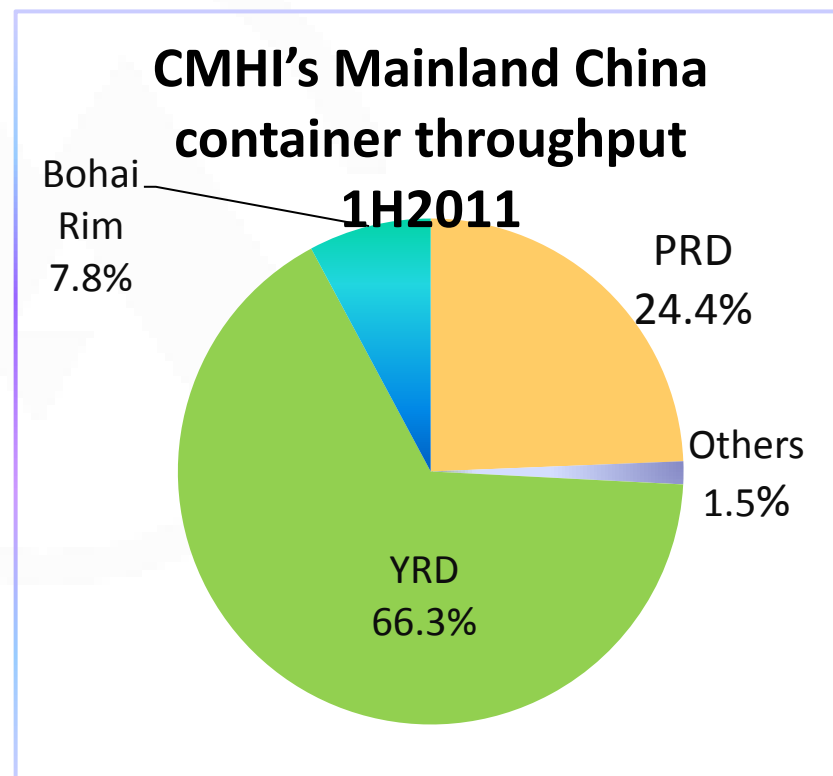
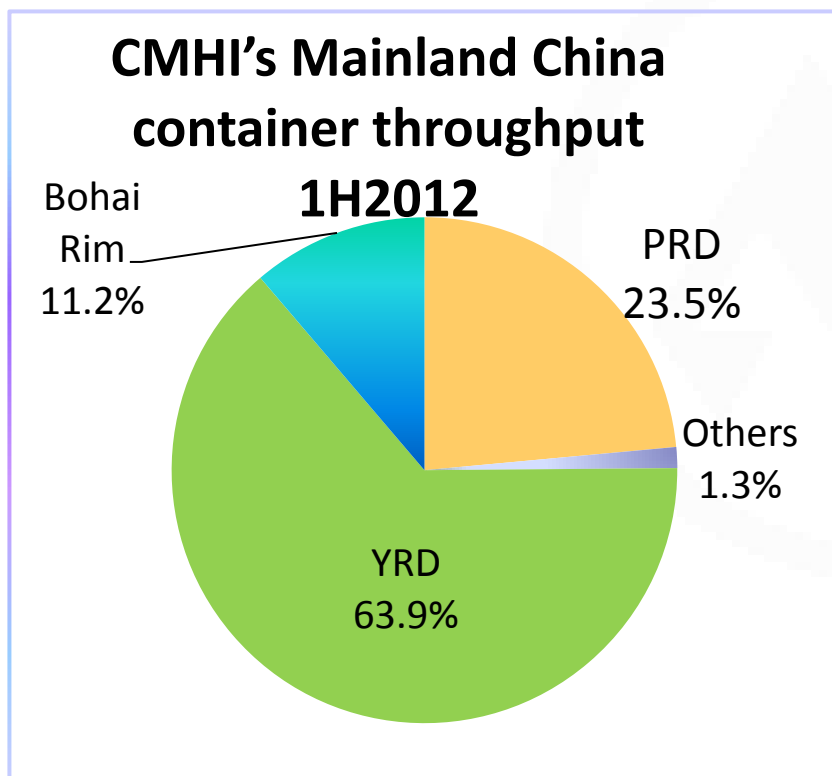


**container throughput
1H2011**



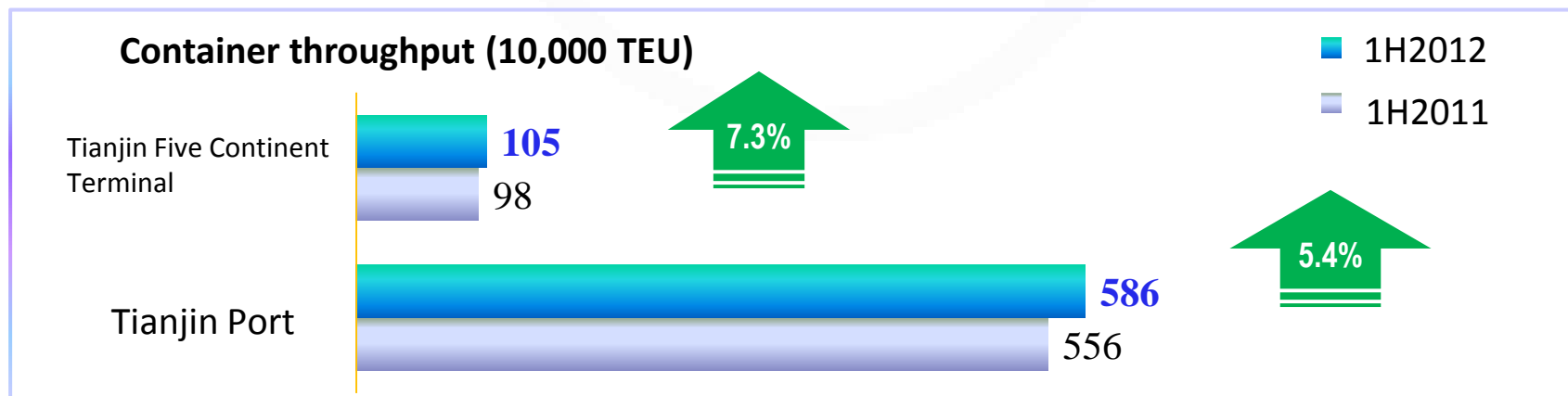
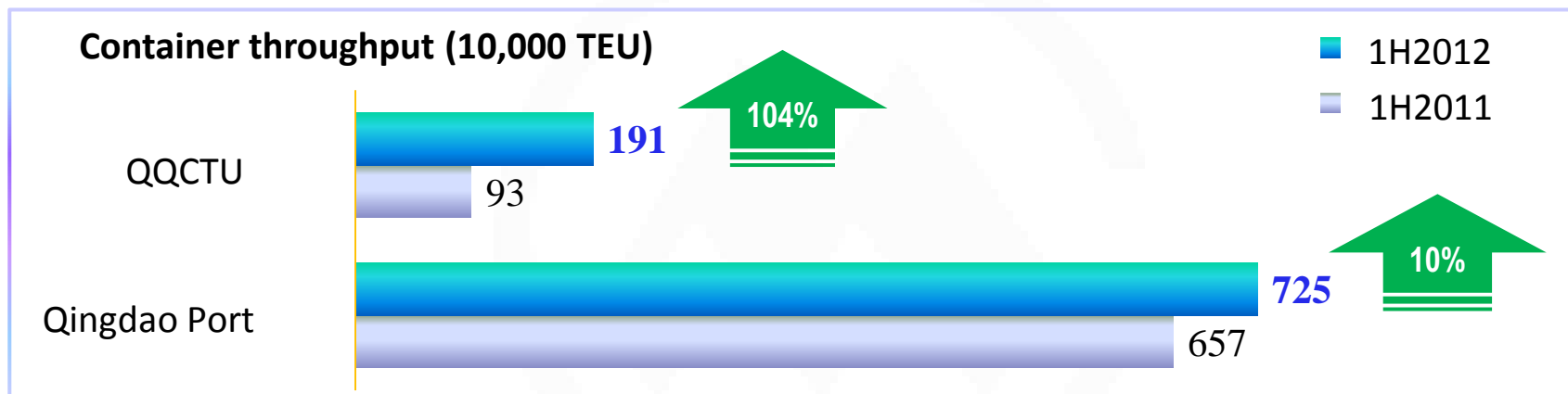
Container Ports Operations — Mainland China

- ◆ CMHI's container terminal business in Bohai Rim increased dramatically by 54.7%, contributing a rise of 3.4 points in proportional share to its region.



Container Ports Operations — Bohai Rim

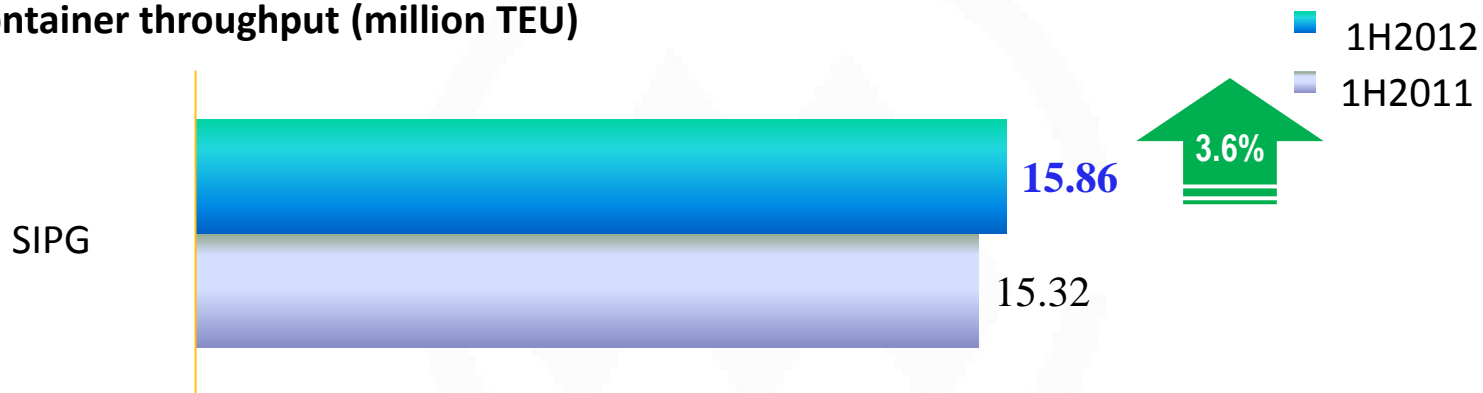
- ◆ Qingdao project maintained a leaping growth due to attracting regional supply increment.
- ◆ Tianjin five continent Terminal experienced a steady growth, its throughput is slightly better than the regional market



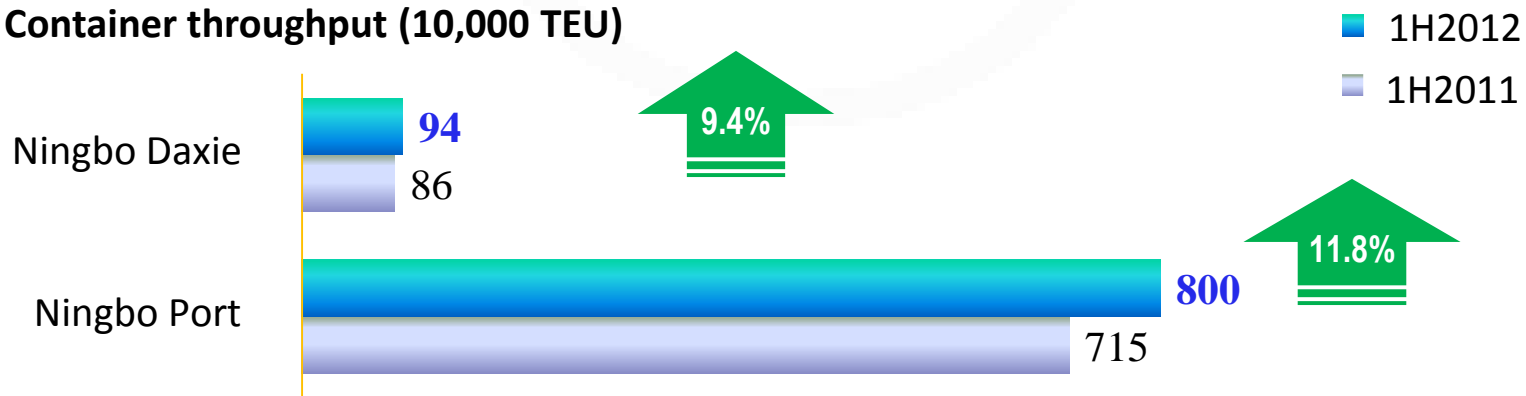
Container Ports Operations — Yangtze River Delta

- ◆ Shanghai Port continues to rank No. 1 among world container ports
- ◆ Ningbo Daxie's throughput maintained a steady growth.

Container throughput (million TEU)

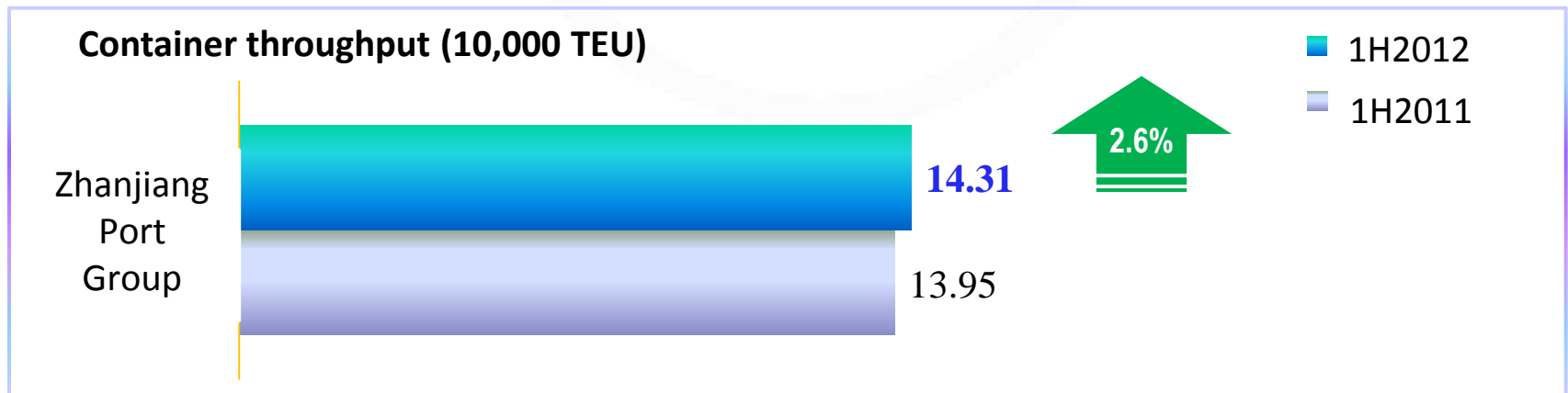
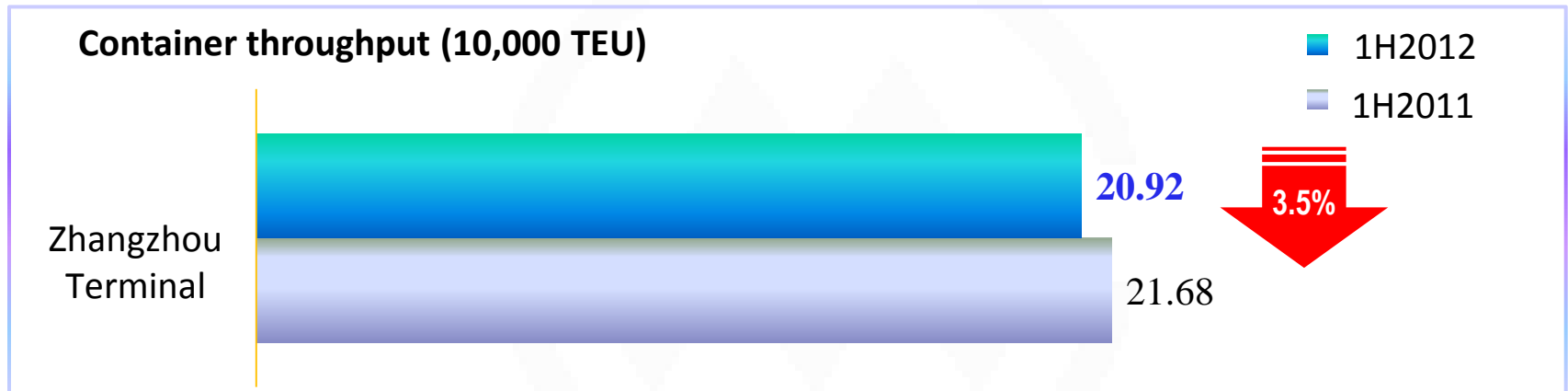


Container throughput (10,000 TEU)



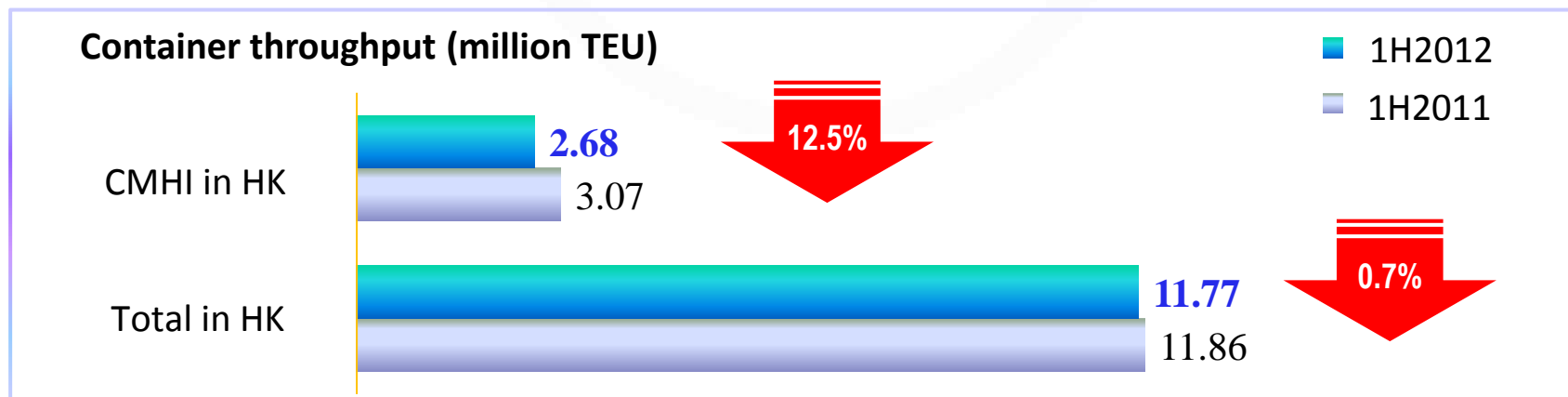
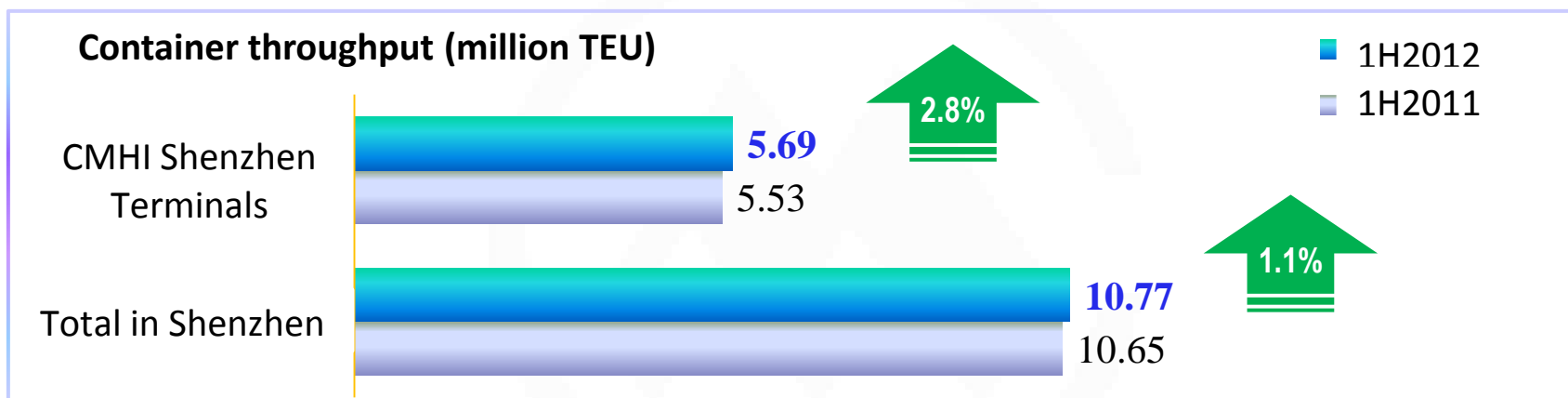
Container Ports Operations — Xiamen Bay & Southwest Coast

- ◆ Zhangzhou Terminal optimized its cargo structure.
- ◆ Zhanjiang Port Group maintained a slight growth.



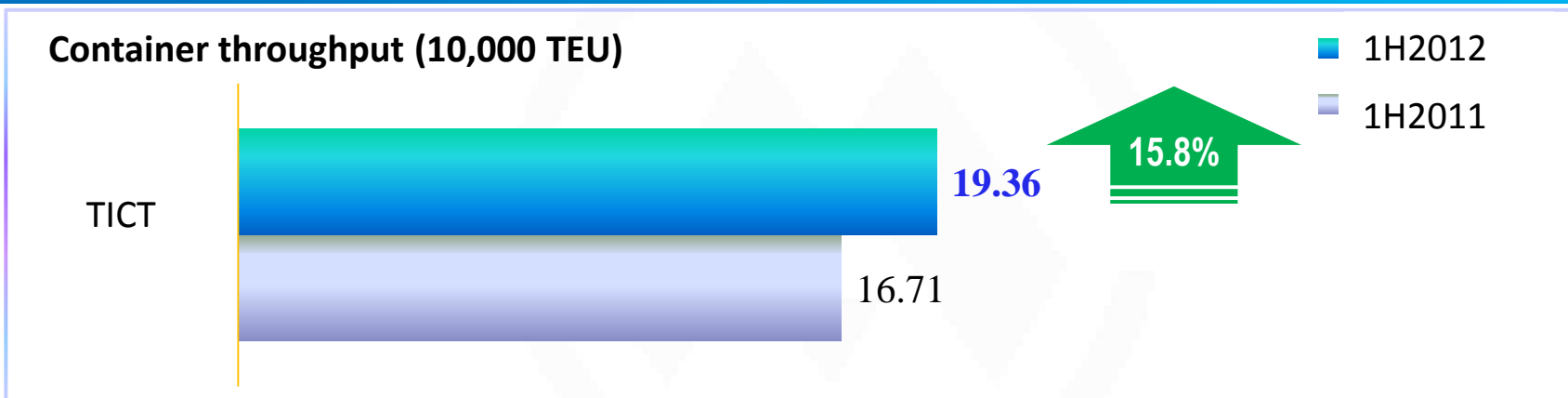
Container Ports Operations — Pearl River Delta

- ◆ Total container throughput of Shenzhen grew slightly, growth rate of CMHI's Shenzhen terminals is higher than the average.
- ◆ Total container throughput of Hong Kong declined due to weakened demand.



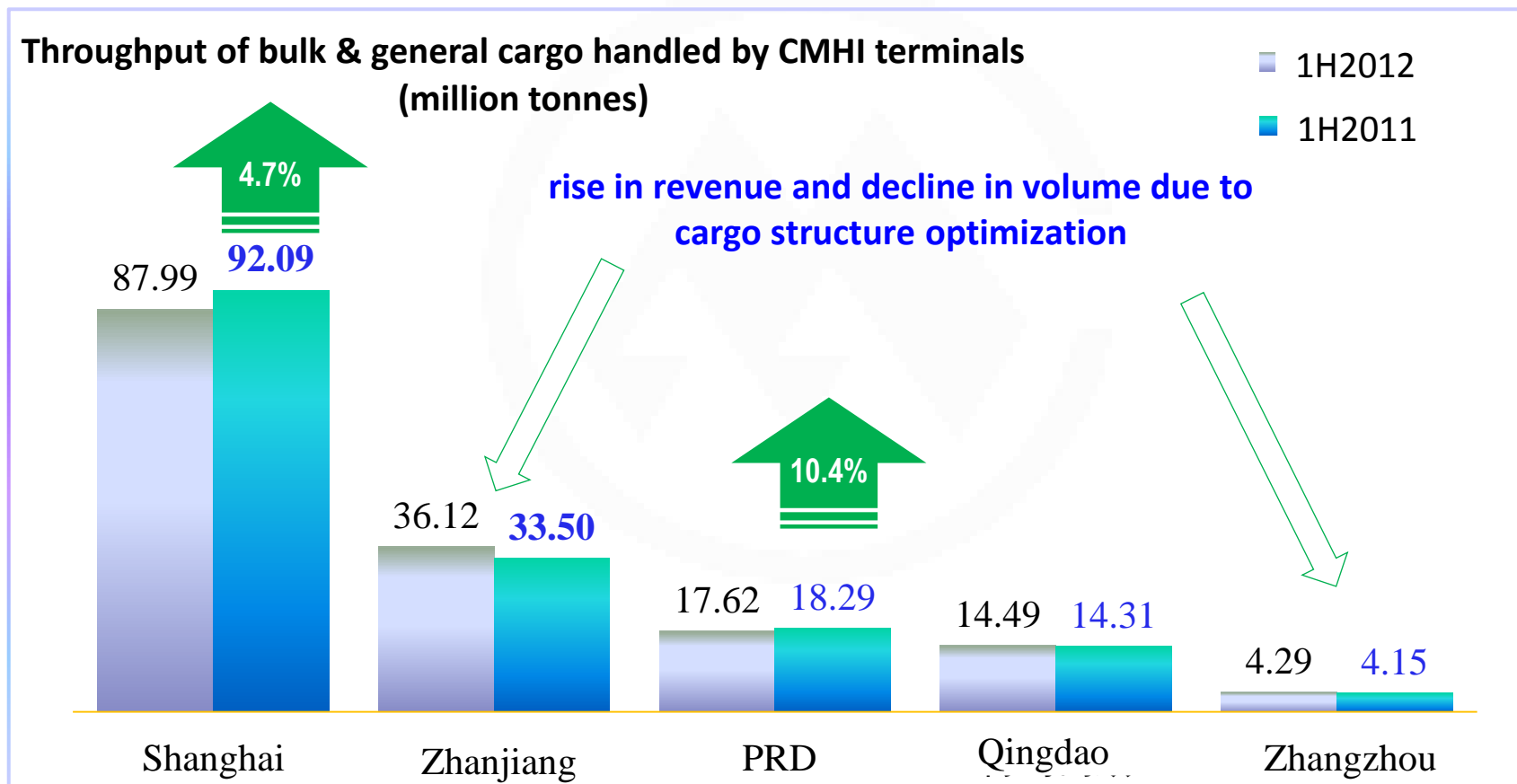
Container Ports Operations — Overseas

- ◆ Container throughput of TICT in Nigeria continued to grow rapidly.
- ◆ Construction of CICT in Colombo proceeds on schedule, phase 1 is expected to be put into use in mid 2013



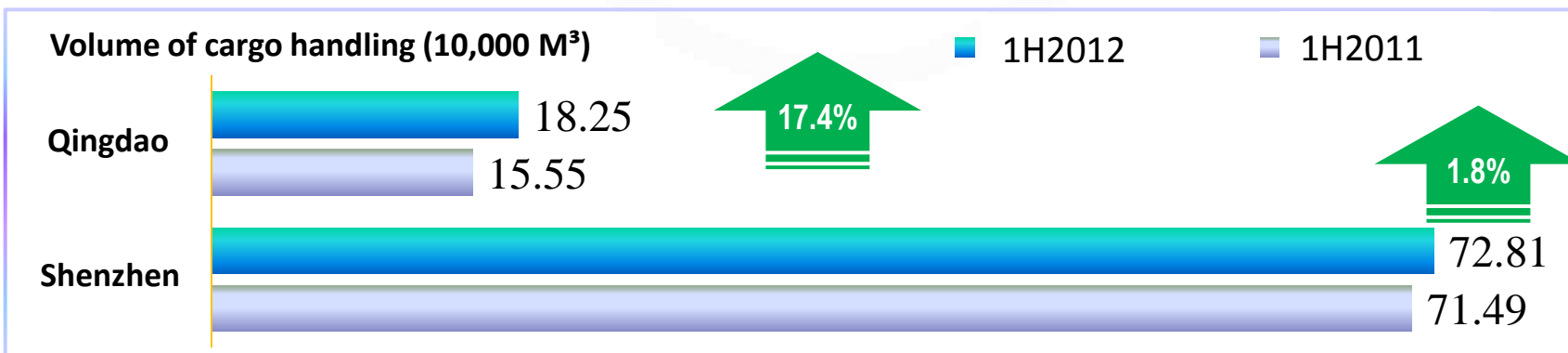
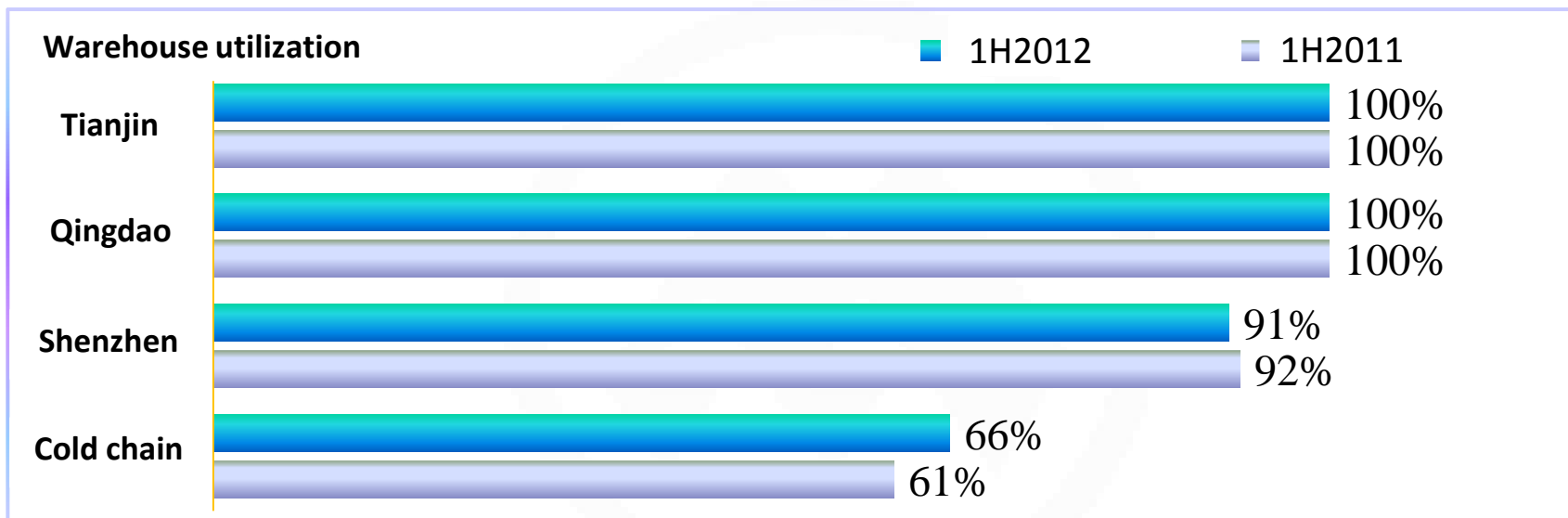
Bulk & General Cargo Ports Operations

◆ Total cargo volume grew slightly.



Bonded Logistics & Cold Chain Business

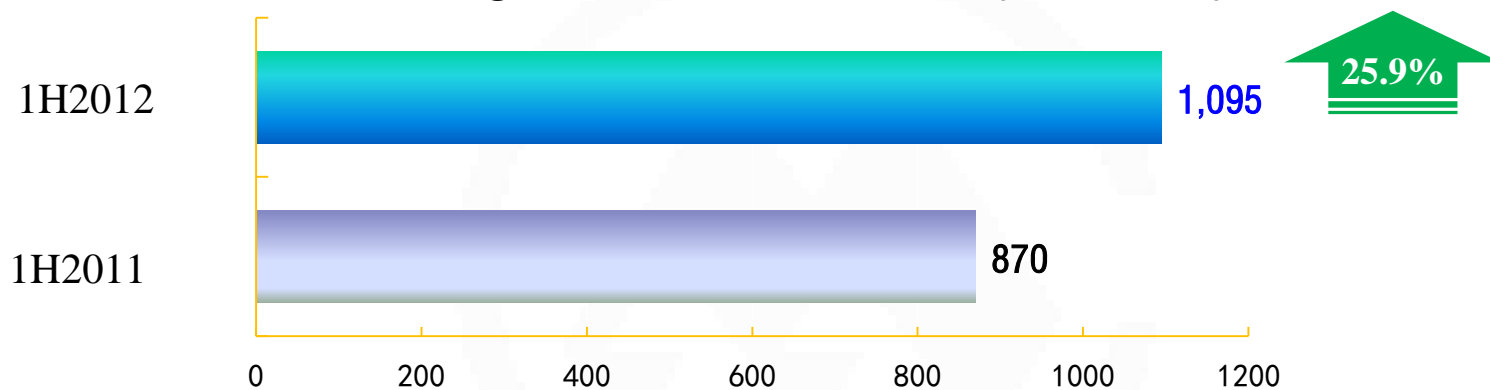
- ◆ CMHI's warehouse utilization is at a good stage, volume of cargo handling grew steadily.



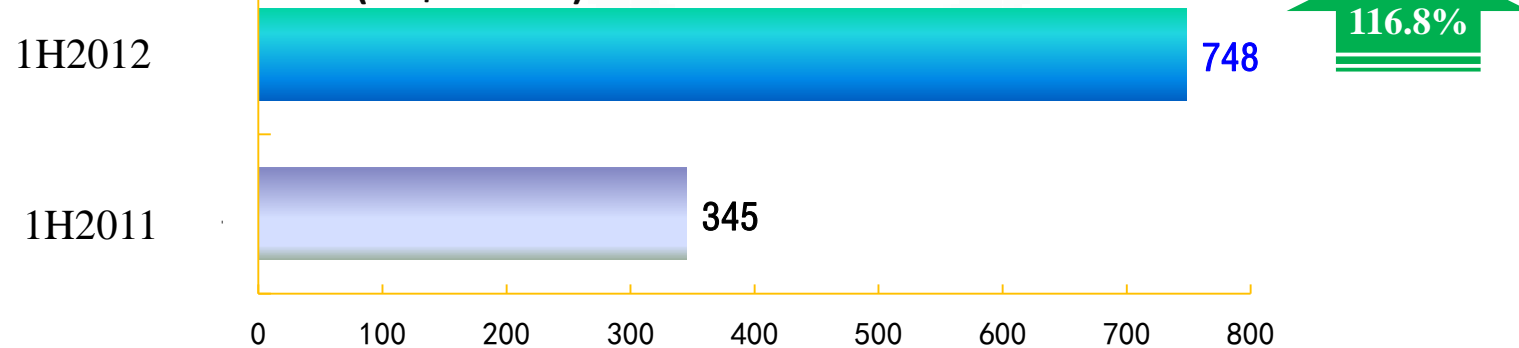
Bonded Logistics & Cold Chain Business

◆ Bonded logistics & cold chain business maintained a rapid growth.

Revenue of CMHI's Bonded logistics & cold chain business (HK\$ million)



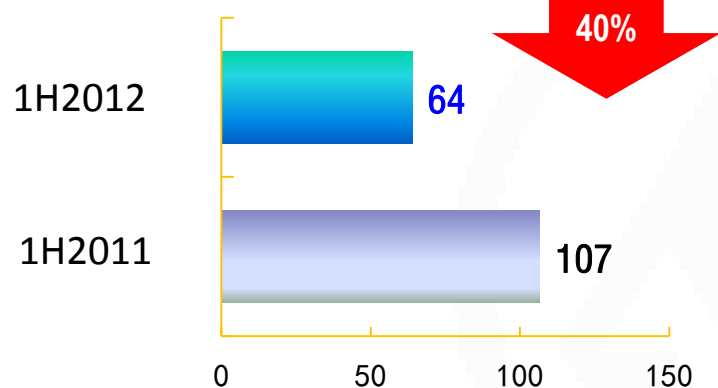
EBIT of CMHI's Bonded logistics & cold chain business (HK\$ million)



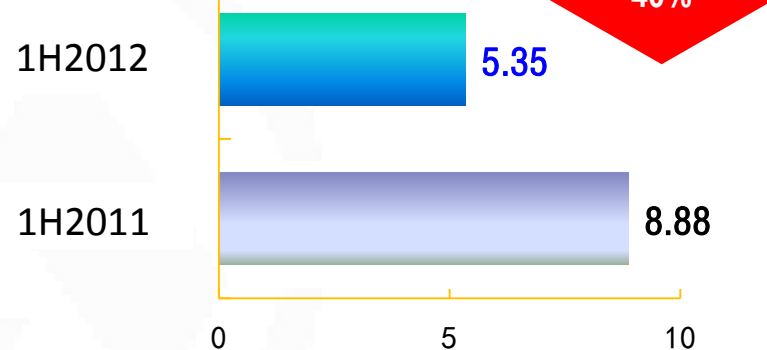
Port-related Manufacturing Operations

- ◆ Affected by weakened demand, sales volume of CIMC's container and transportation vehicle slowed down dramatically.

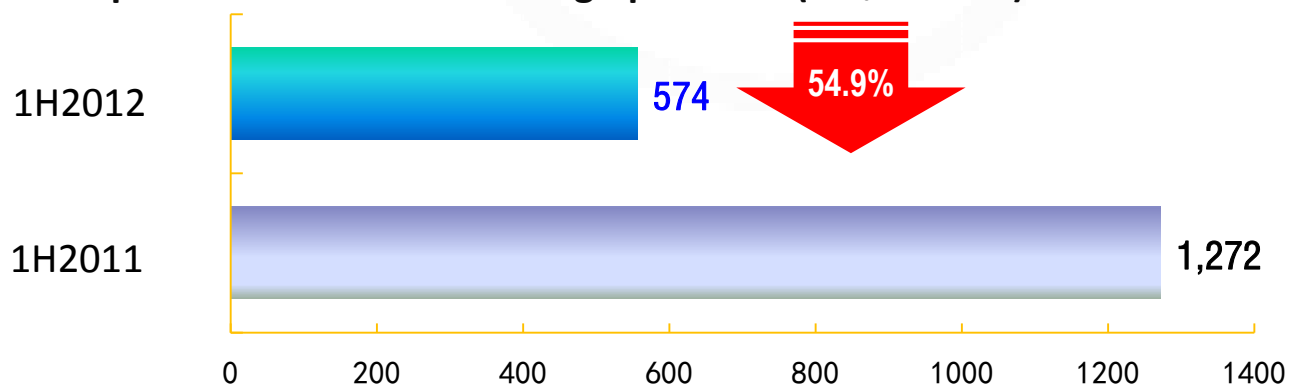
Sales volume of container(10,000TEU)

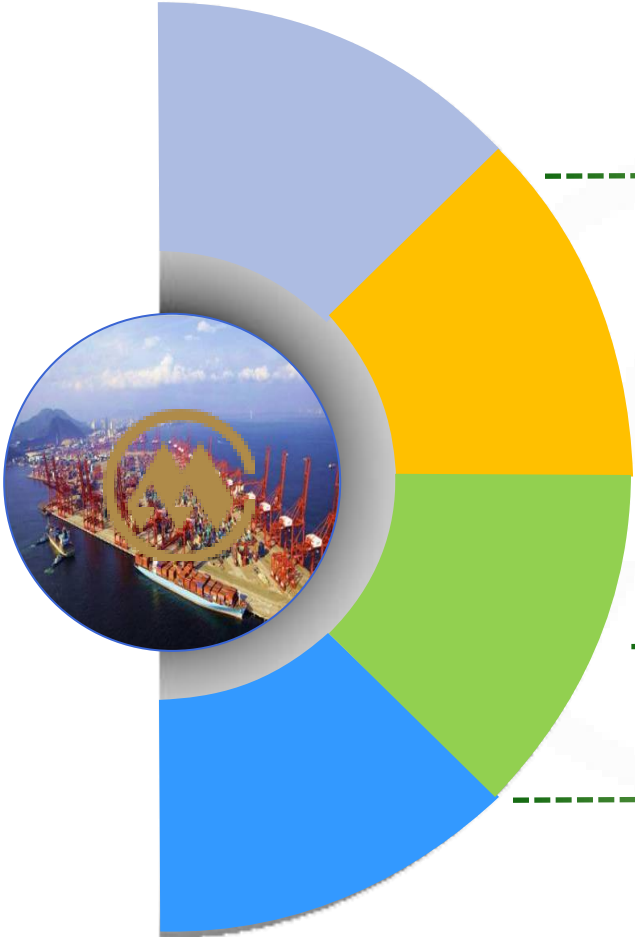


Sales volume of transportation vehicle(10,000)



EBIT of port-related manufacturing operations(HK\$ million)





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Overseas Project

- ◆ CMHI recently acquired a 50% stake in Lomé Container Terminal (LCT) in Togo.



LCT will be a 4-berth terminal located on a quay line of 1,050 meters with a planned maximum annual capacity of 2.2 million TEUs. The first 400m of quay line will be ready for operation by December 2013.

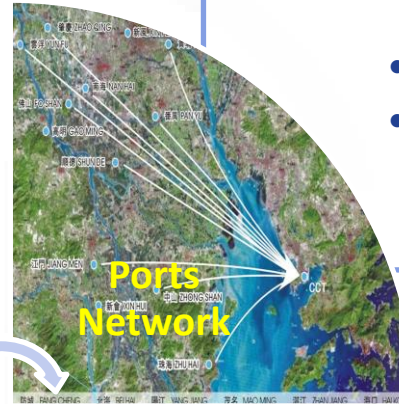
Home Port Development

◆ Home port development proceeds on schedule.

- Management integration
- CIMPORT
- Performance appraisal



- PRD network
- Inland ports layout



- Inter-ports allocation
- Port & zone coordination
- In-zone unloading

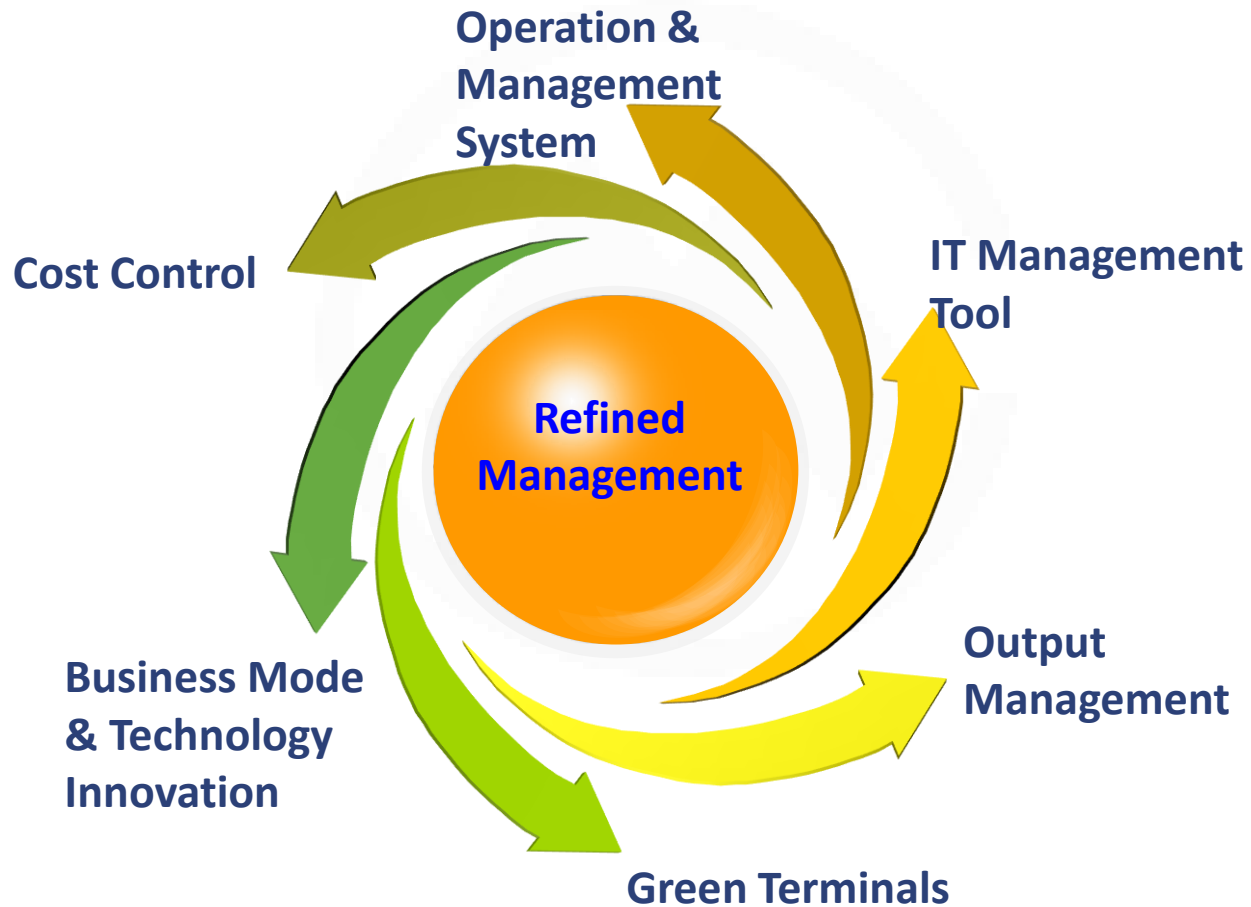


- Waterway construction
- Berths upgrade



Refined Management

- ◆ Refined management steps further to a new height. Effectively reduced a cost of over 40 million yuan.



Technology Renovation

◆ Technology renovation elevates efficiency and economic benefits.



Terminal Operation System

Successful implementation of self-developed container terminal operation System



RTG Remote Control

Major revolution in terminal operation efficiency & manning



Substation Reactive Power Compensation

Reduction in reactive transfer, elevates transfer efficiency by 30%



Lighting Remote Control

Remote control lighting by GPRS due to operational needs, saving container yard lighting cost by 10%.

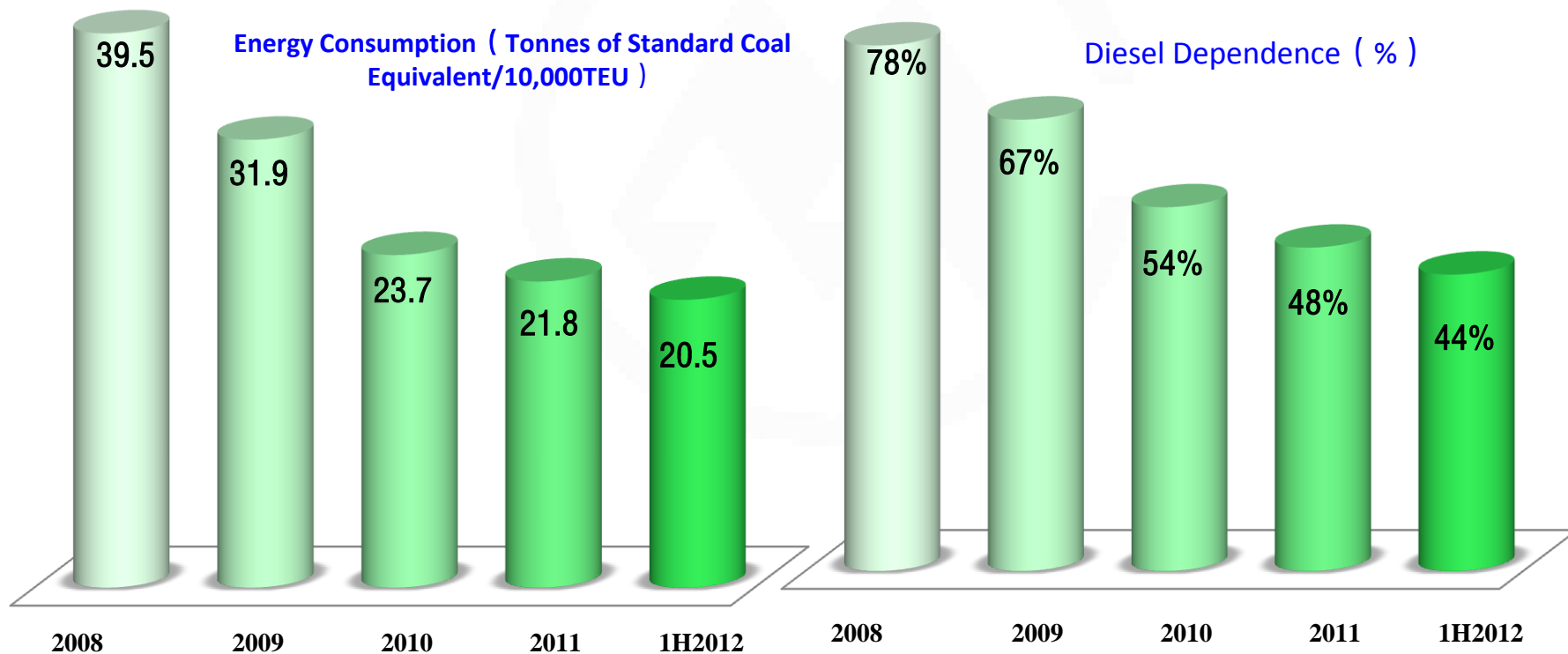


Automatic Warehouse

Application of double plough mobile discharger

Energy Conservation and Emission Reduction

- ◆ Remarkable achievement was made in energy conservation & emission reduction and green port development.
- ◆ In 1H2012, over 50 measures were taken on energy conservation and emission reduction.





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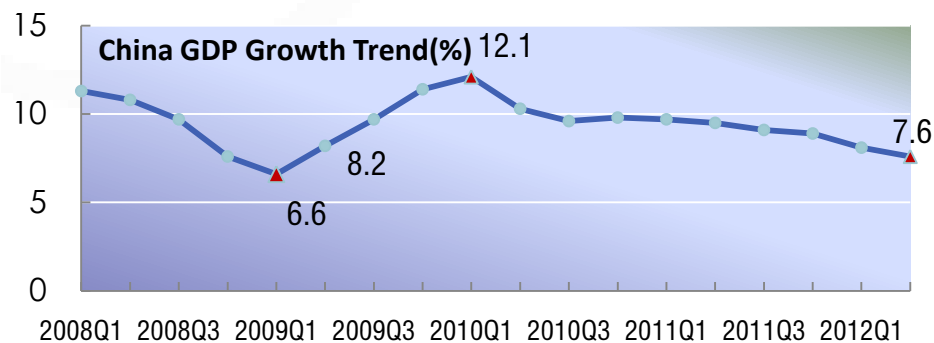
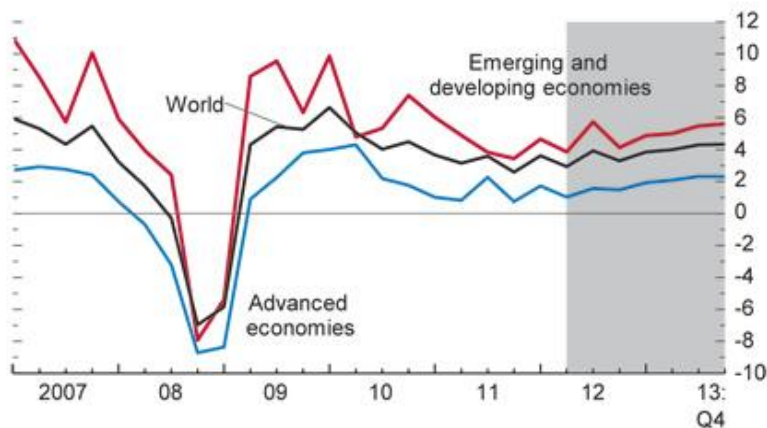
Global Economy Trend

- ◆ Slower Growth in Global Economy and International Trade.
- ◆ Negative Growth in European Economy.

IMF Forecast on Economy Growth in July 2012

Country/Region	Economic Growth Actual		Economic Growth Forecast		Change
	2010	2011	2012	2013	2012vs2011
World	5.3	3.9	3.5	3.9	(0.4)
Developed Countries	3.1	1.6	1.4	1.9	(0.2)
U.S.A	3.0	1.7	2.0	2.3	0.3
EURO zone	1.9	1.5	(0.3)	0.7	(1.8)
Japan	4.4	(0.7)	2.4	1.5	3.1
U. K.	2.1	0.7	0.2	1.4	(0.5)
Developing Countries	7.5	6.2	5.6	5.9	(0.6)
ASEAN	7.0	4.5	5.4	6.1	0.9
China	10.4	9.2	8.0	8.5	(1.2)
India	10.8	7.1	6.1	6.5	(1.0)
Brazil	7.5	2.7	2.5	4.6	(0.2)
Russia	4.3	4.3	4.0	3.9	(0.3)
World Trade Volume	12.8	5.9	3.8	5.1	(2.1)

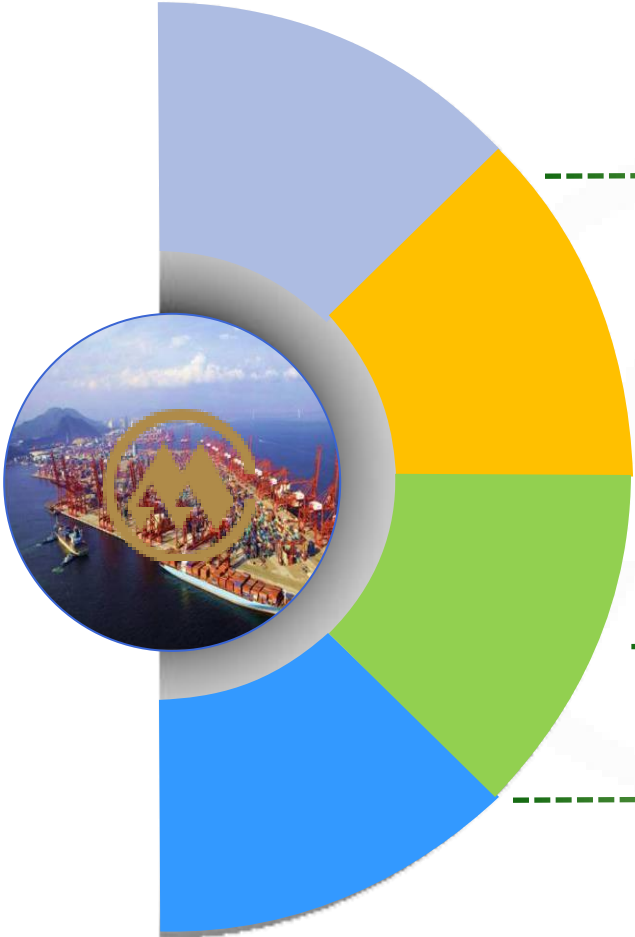
Figure 1. Global GDP Growth
(Percent; quarter over quarter, annualized)



Major Tasks for 2H2012

- ◆ Expanding overseas market, advancing domestic ports, continuing refined management, nurturing emerging & developing businesses.





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