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China Merchants Holdings (International) Co., Ltd.

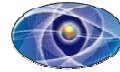
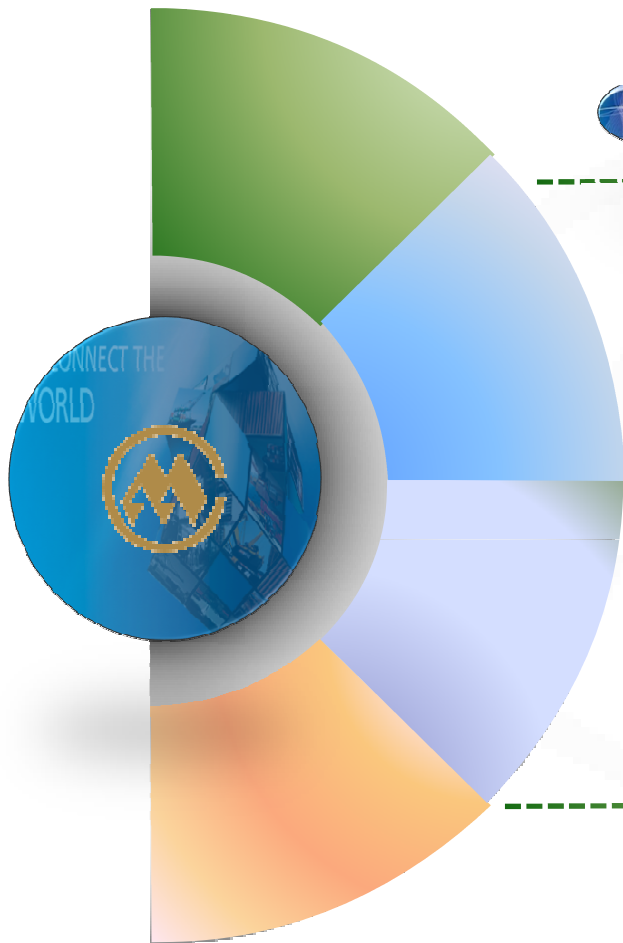
2012 Annual Results Announcement

27 March 2013



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

- ◆ A rise in profit from ports operation, core business of the company. While a fall in extraordinary gain & CMIC's performance leads to decline of profit attributable to shareholders.

Items	2012 (for comparison <sup>3</sup> )	2011 (restated)	y-o-y change
	HK\$ million	HK\$ million	%
Revenue <sup>1</sup>	<b>40,040</b>	<b>40,973</b>	-2.3%
<b>from Ports operation</b>	<b>15,395</b>	<b>15,006</b>	<b>2.6%</b>
EBITDA <sup>2</sup>	11,718	11,857	-1.2%
<b>from Ports operation</b>	<b>8,373</b>	<b>8,316</b>	<b>0.7%</b>
Profit attributable to shareholders	<b>3,818</b>	<b>5,589</b>	-31.7%
<b>from Ports operation</b>	<b>3,518</b>	<b>3,304</b>	<b>6.5%</b>
Extraordinary gain & profits from non-Ports operations <sup>4</sup>	300	2,285	-86.9%
EPS (HK cents)	<b>153.26</b>	<b>225.89</b>	-32.2%
Year-end dividends (HK cents)	<b>48</b>	<b>68</b>	-29.4%
Full-year dividends (HK cents) / Payout ratio	<b>70/45.7%</b>	<b>98/43.5%</b>	+ 2.2 percentage point

Notes: 1. Revenue include revenue of the Company and its subsidiaries + 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 the other companies.

3. Due to the change of accounting treatment in one of the Company's associates, 2012 revenue is adjusted to align with that for 2011 for comparison purposes. HK\$42,225 million represented 2012 revenue stated in the annual report, in which the ports operation revenue was HK\$17,580 million.

4. Profits from non-ports operations include profits from port-related manufacturing, bonded logistics & cold chain, other business and corporate function.

# Financial Highlights

◆ Sharp decline in interest-bearing debts leads to a healthier capital composition.

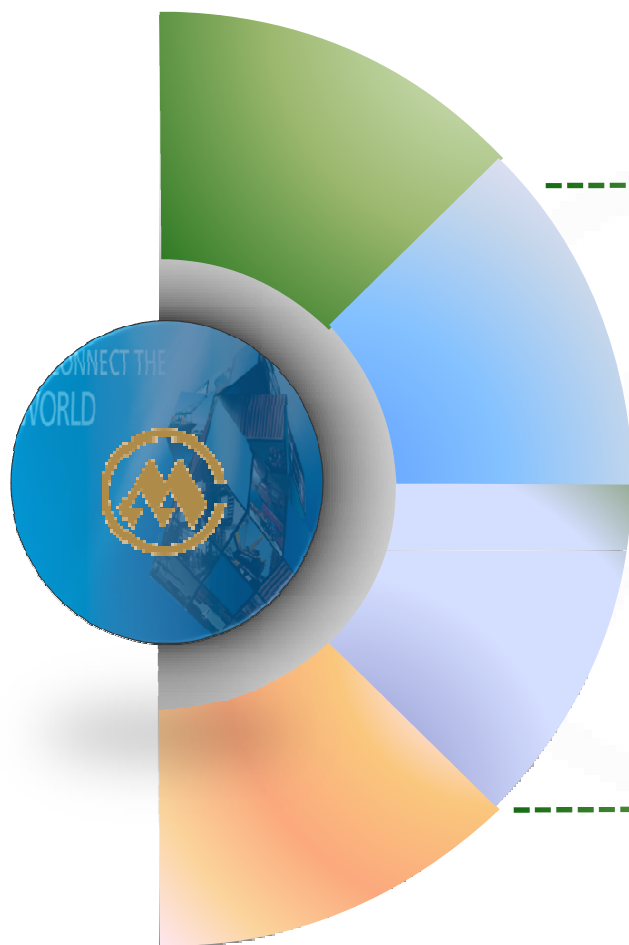
HK\$ million	31 Dec 2012	31 Dec 2011 (restated)	y-o-y change
Total assets	77,466	87,086	-11.0%
Net assets <sup>1</sup>	45,542	43,452	4.8%
NAV per share (HK\$)	18.3	17.6	4.0%
Interest-bearing debts <sup>2</sup>	18,822	24,698	-23.8%
Cash and cash-equivalents	4,192	6,811	-38.5%
<b>Net debts</b>	<b>14,630</b>	<b>17,887</b>	<b>-18.2%</b>
<b>Net gearing ratio<sup>3</sup></b>	<b>32.1%</b>	<b>41.2%</b>	<b>-9.1 percentage point</b>

<sup>1</sup> Non-controlling interests was not included

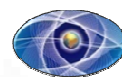
<sup>2</sup> Interest-bearing debts include bank loans, notes payable and China Merchants Group loans

<sup>3</sup> Net Gearing Ratio is calculated by net debts divided by net assets attributable to the equity holders of the Company as at year end

Note: Starting from 28 Dec 2012, Nanshan Group was no longer consolidated by the Company while Equity Method is adopted for profit sharing.



**Financial Highlights**



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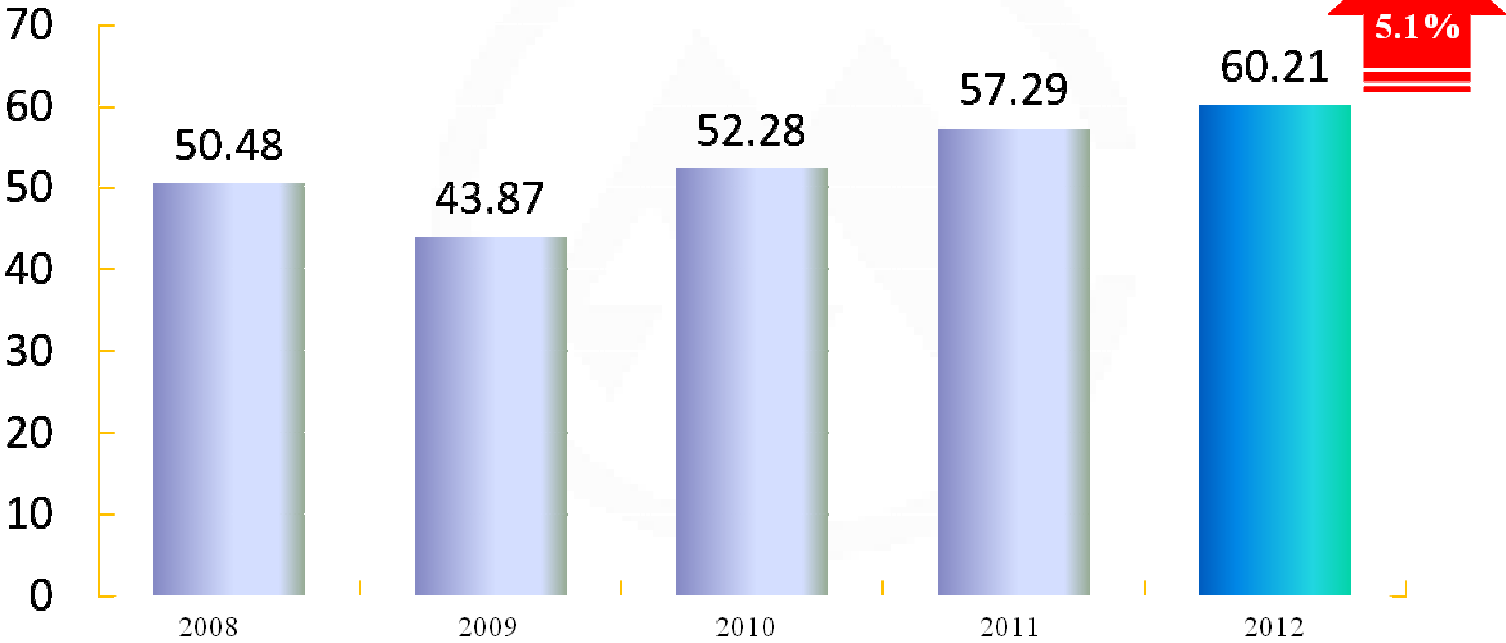
**Business Outlook**

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# Container Throughput

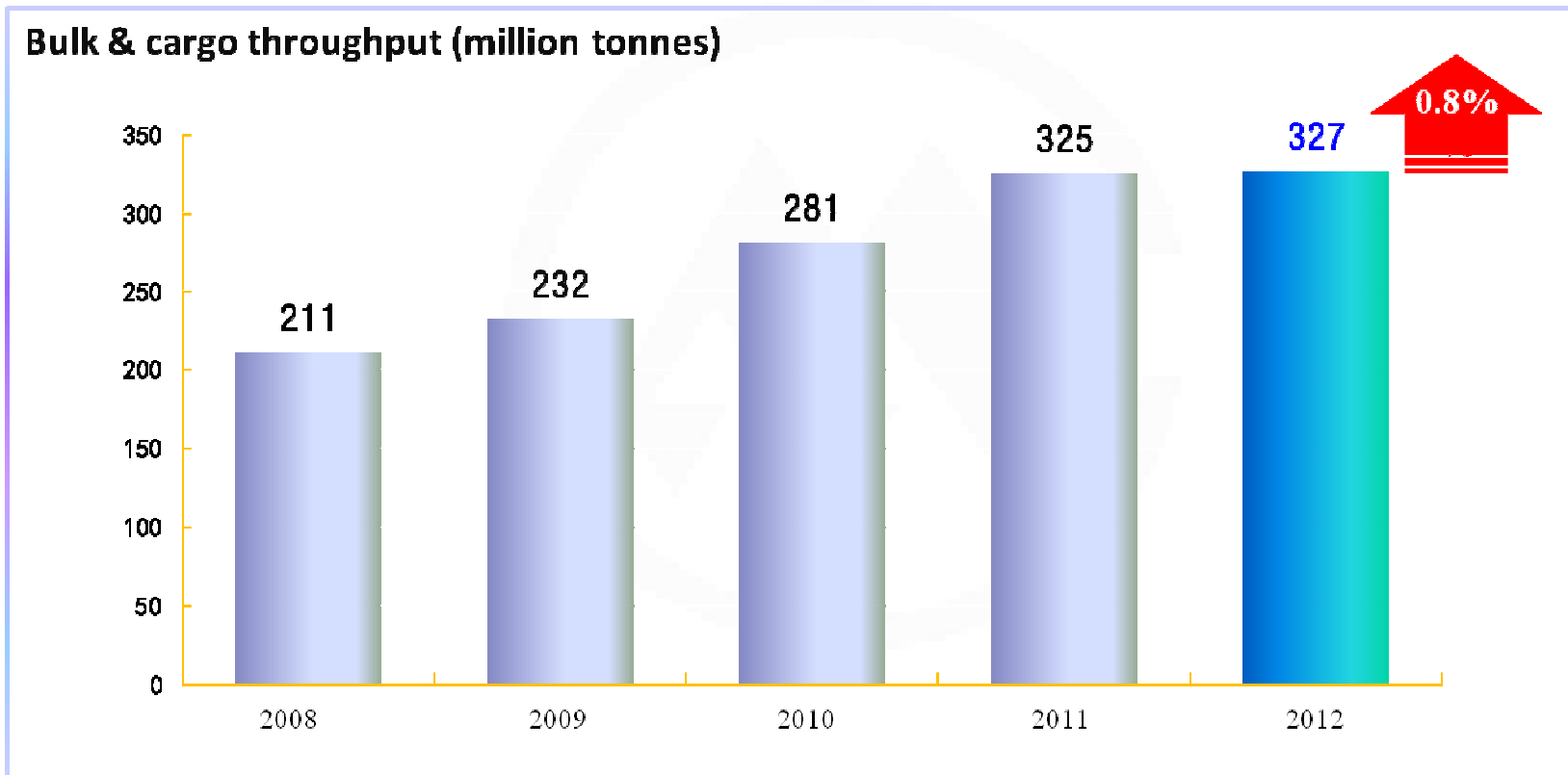
◆ Reached 60 million TEU, according with expectation.

Container throughput (million TEU)



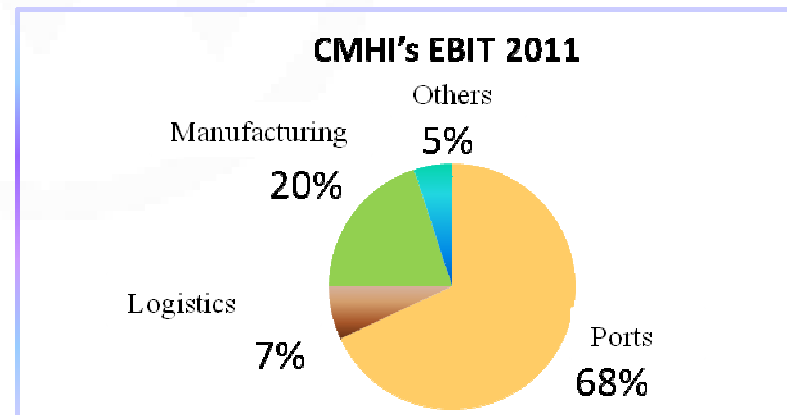
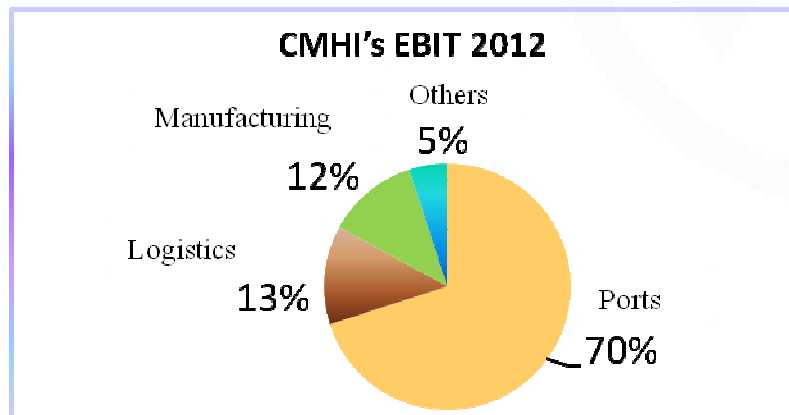
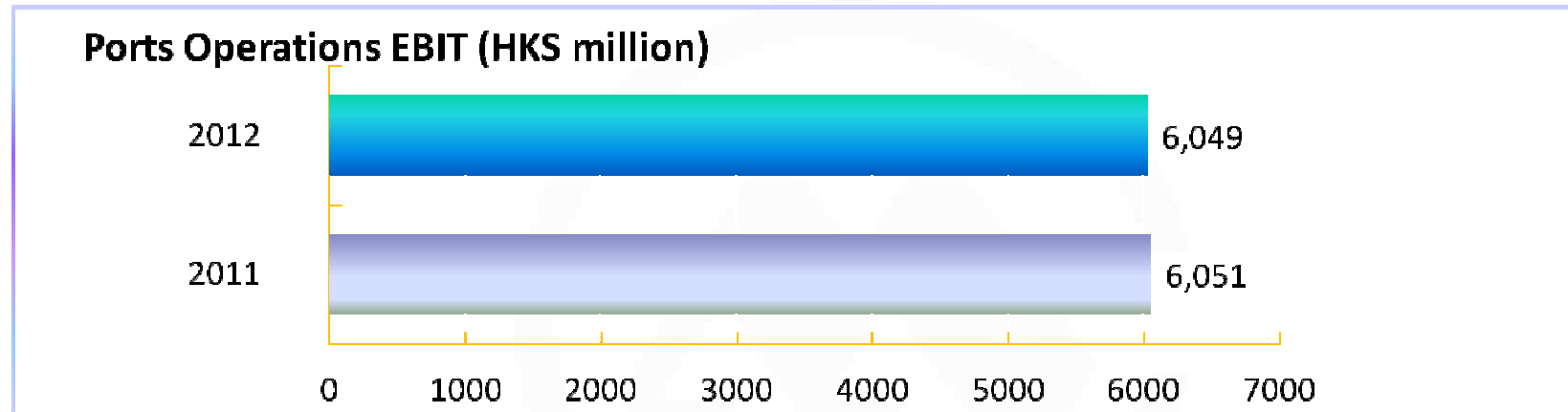
# Bulk & general cargo throughput

◆ Increased slightly over 2011.



# Ports Operations EBIT

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

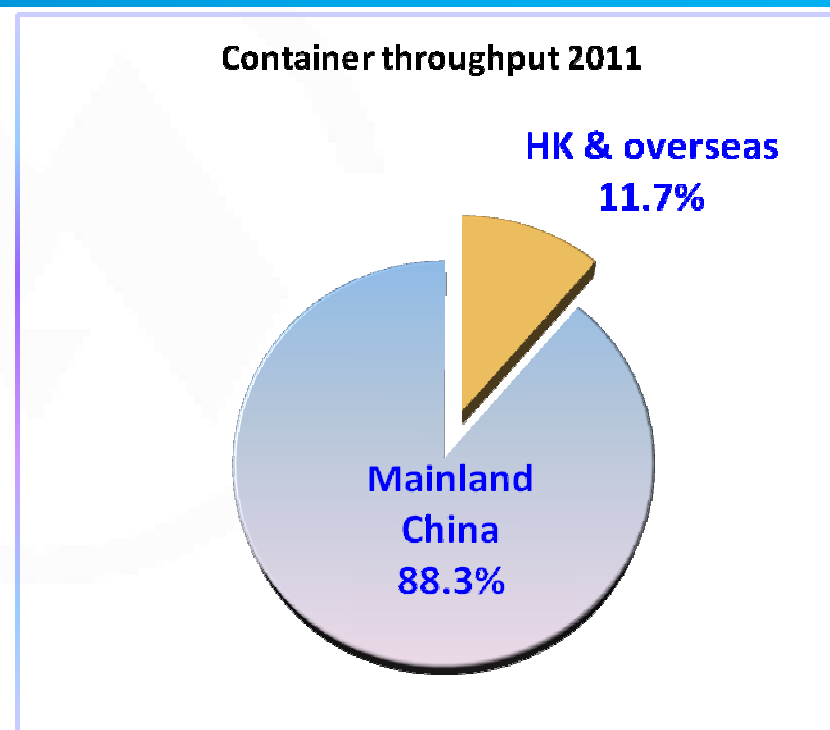
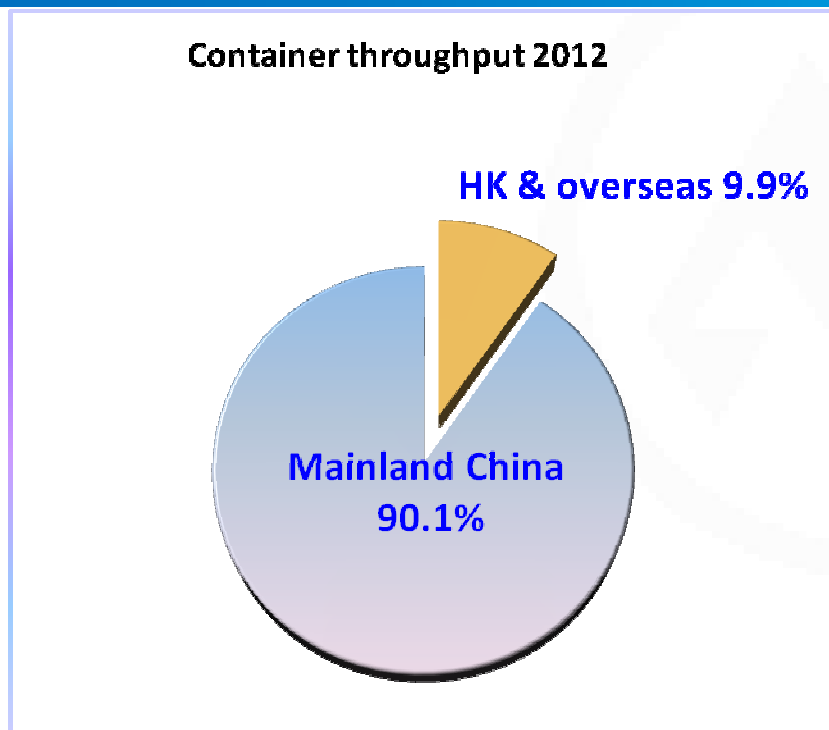


Note: EBIT includes the EBIT of the Company and its subsidiaries + share of EBIT of its associates and jointly-controlled entities + cash returns of the other companies.



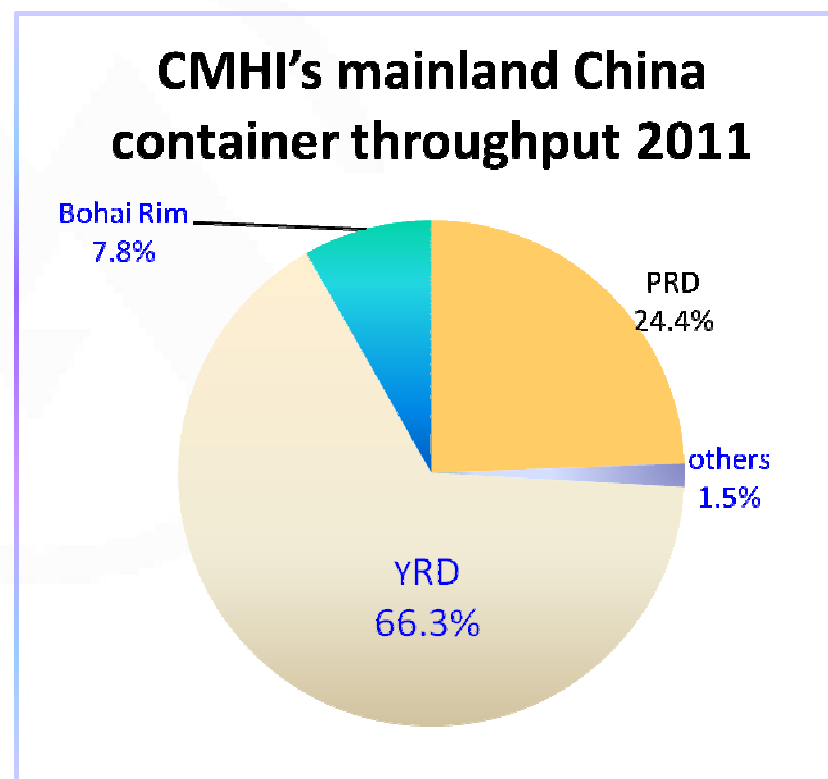
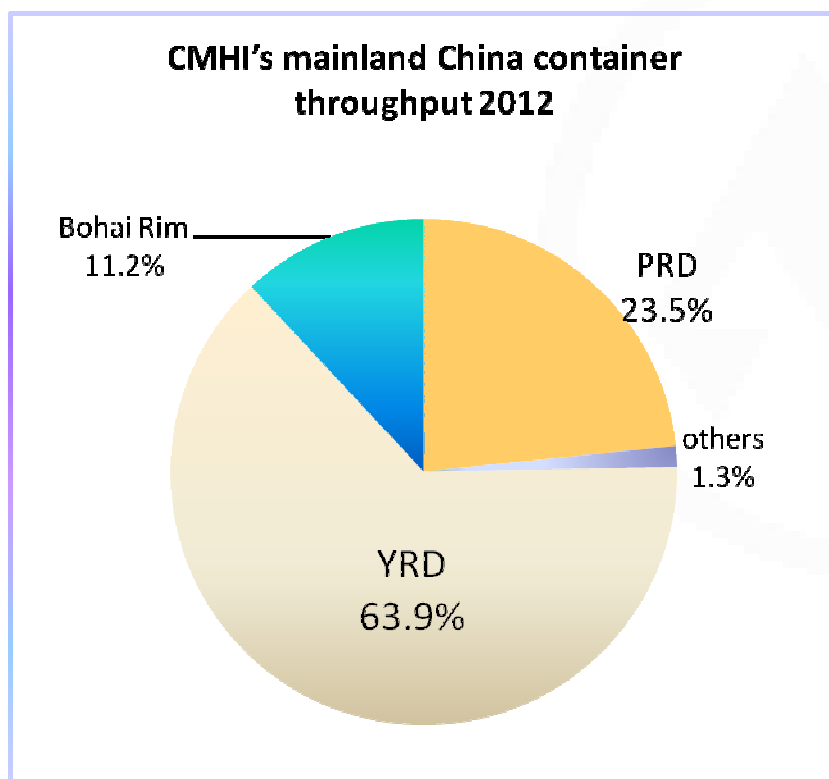
# Container Ports Operations

- ◆ Throughput of CMHI's mainland container terminals increased by 7%, 2.5 points higher than the growth rate of mainland China.
- ◆ Proportional share of CMHI's mainland container throughput increased by 1.8 points .



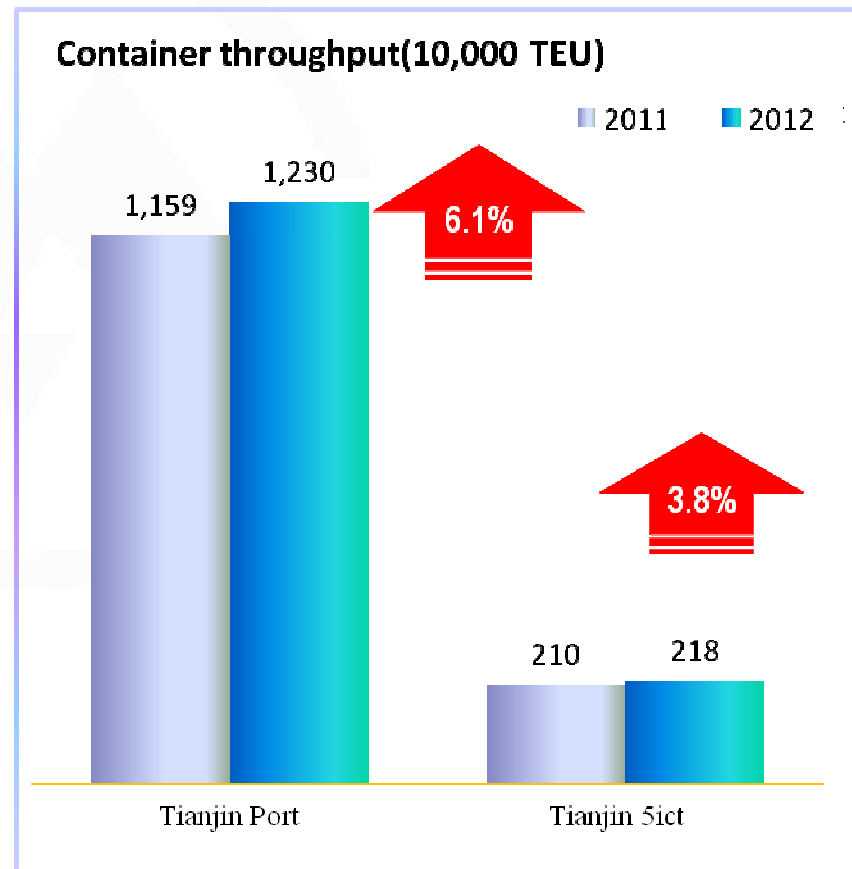
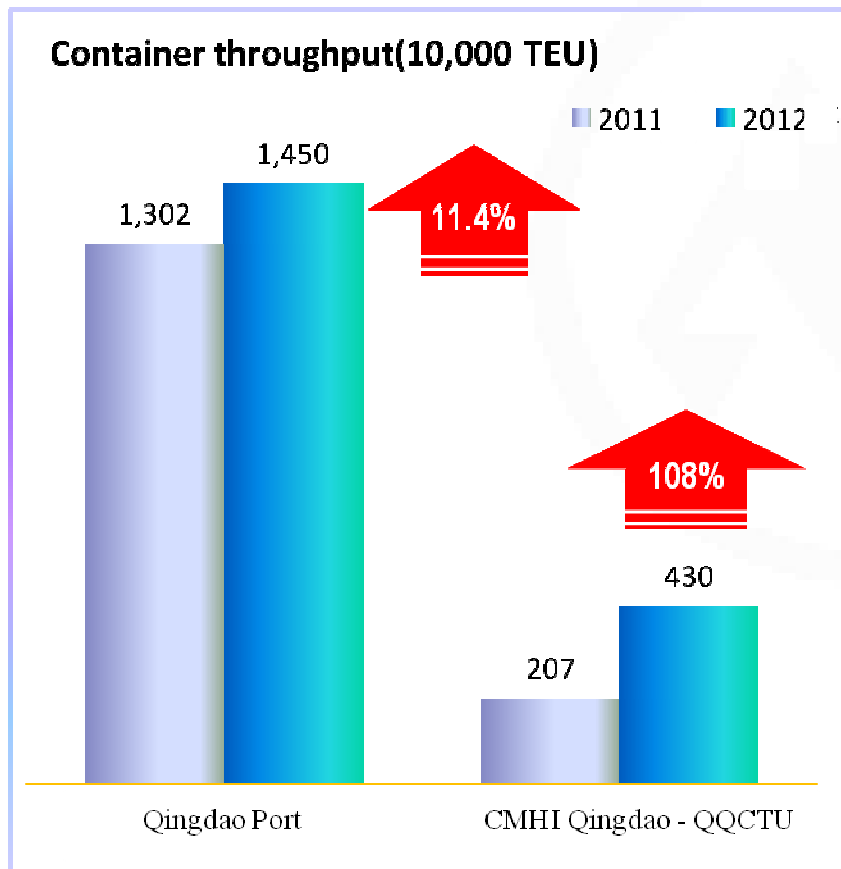
# Container Ports Operations — Mainland China

- ◆ CMHI's container terminal business in Bohai Rim increased dramatically by 55.3%, contributing a rise of 3.4 points in proportional share to its region.



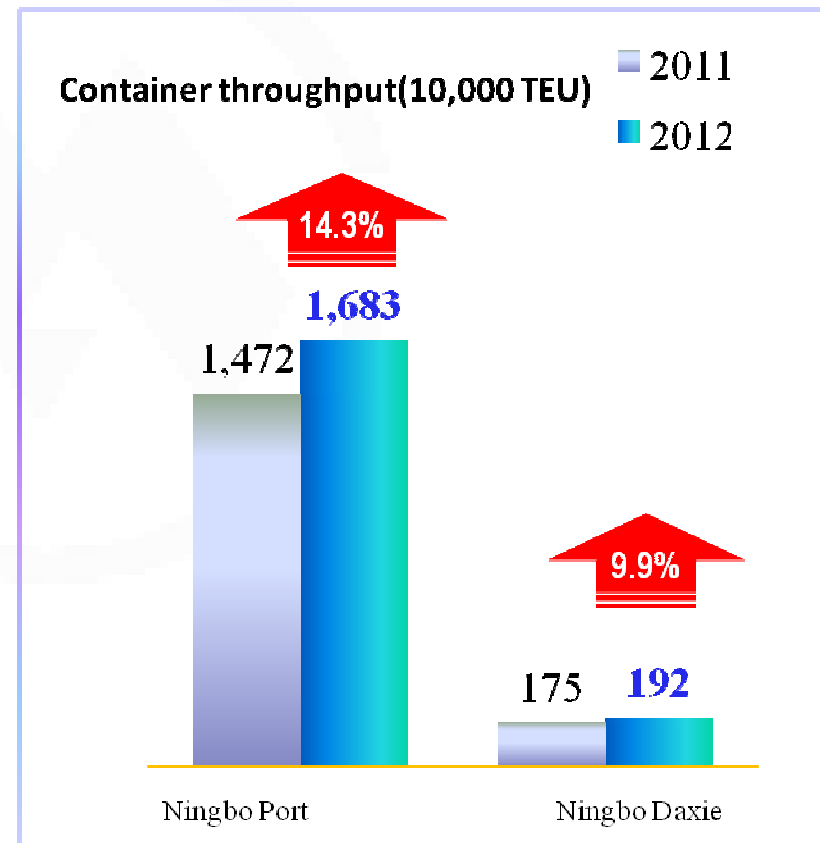
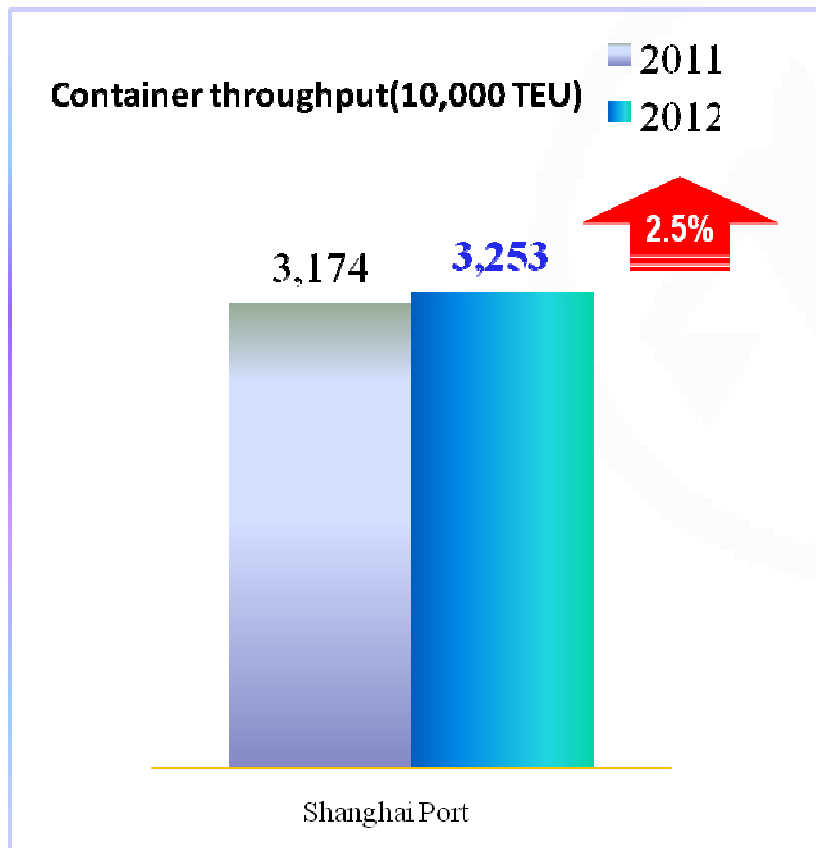
# Container Ports Operations — Bohai Rim

- ◆ Qingdao project maintained a leaping growth due to attracting regional supply increment.
- ◆ Tianjin five continent Terminal experienced a steady growth.



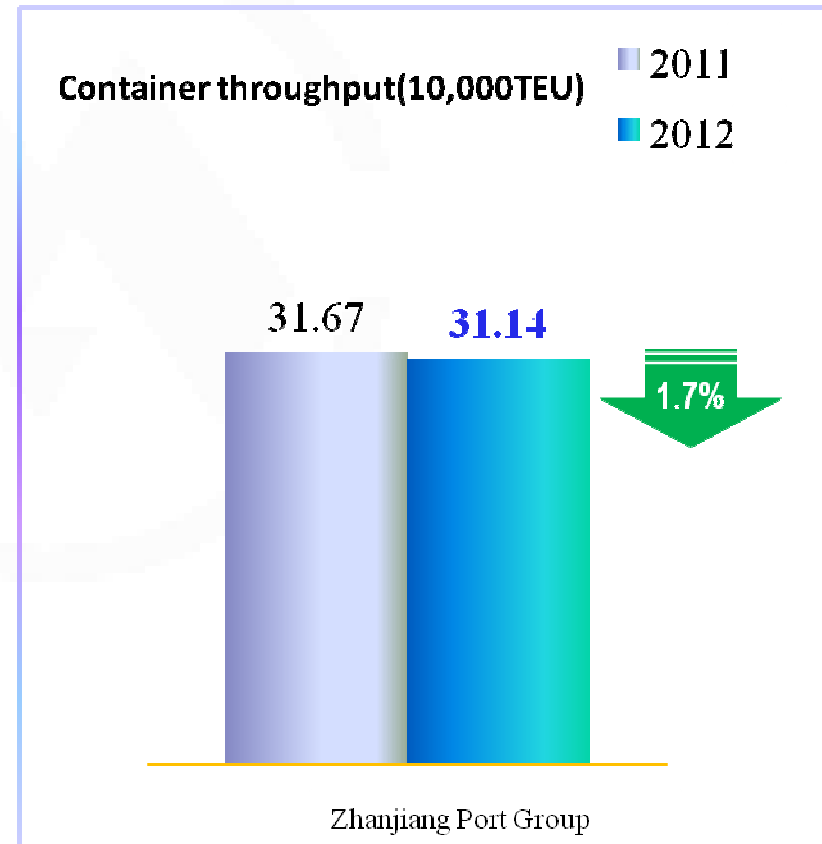
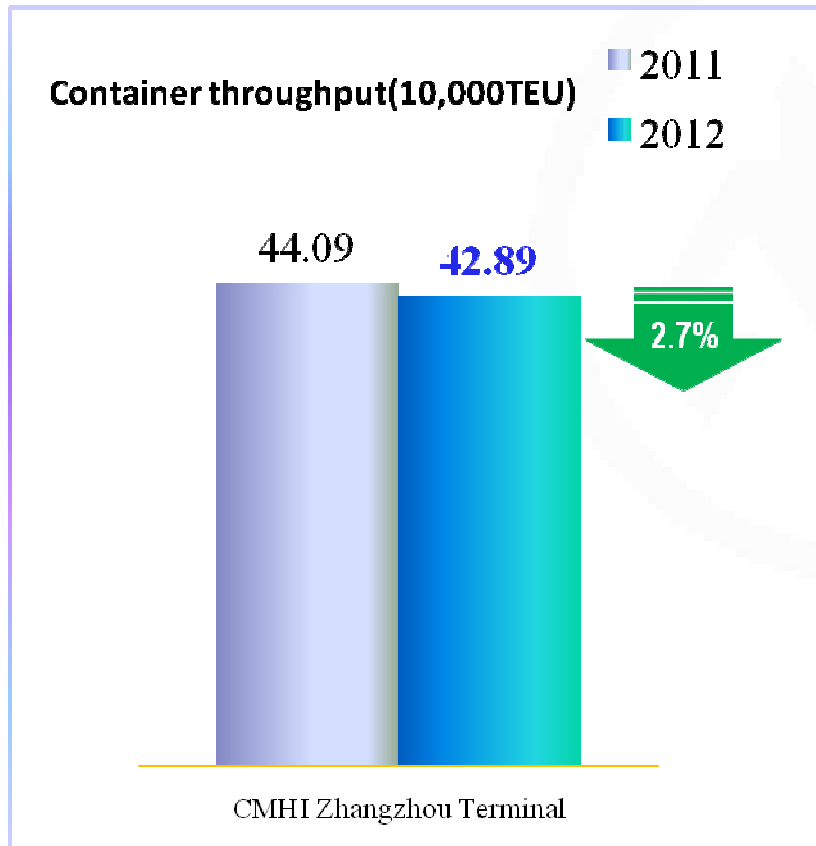
# Container Ports Operations — Yangtze River Delta

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



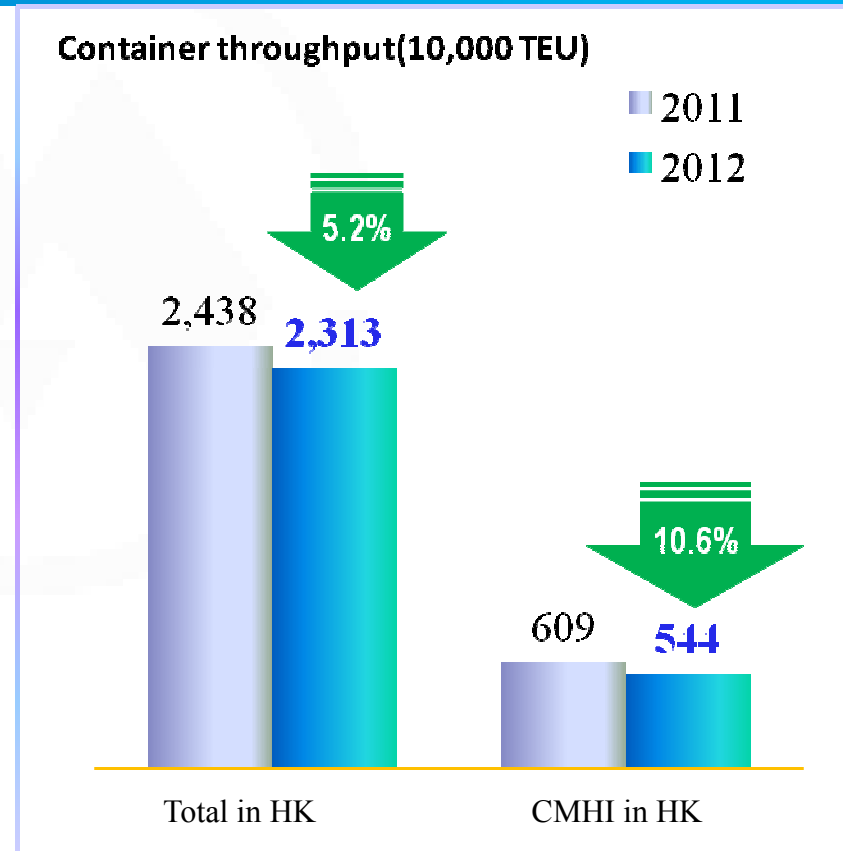
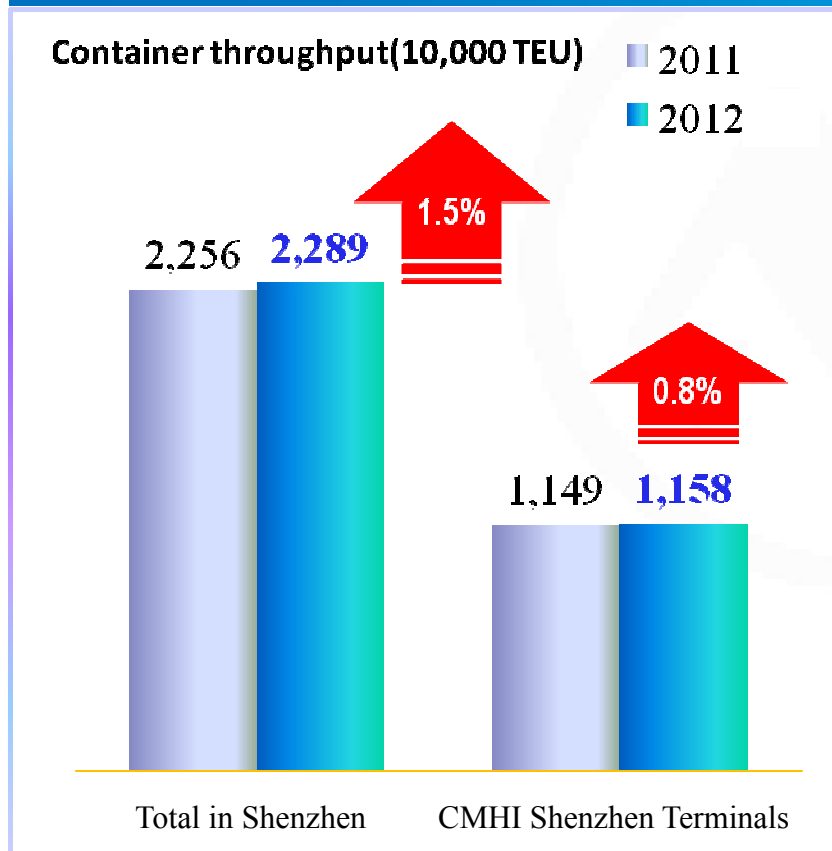
# Container Ports Operations — Xiamen Bay & Southwest Coast

- ◆ Zhangzhou Terminal optimized its cargo structure with rise of bulk & general cargo throughput.
- ◆ Zhanjiang Port Group remained steady.



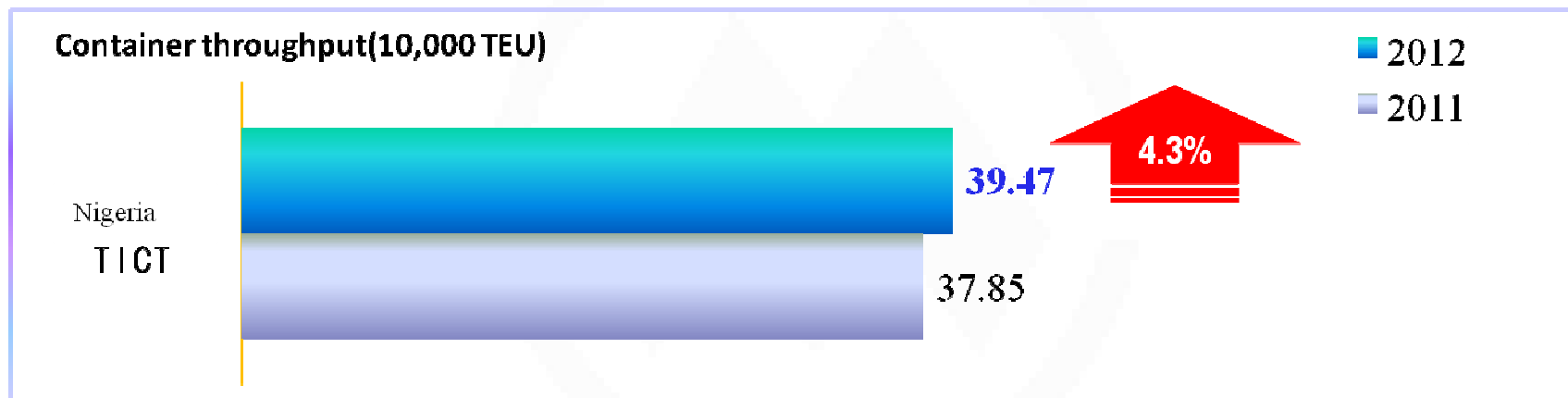
# Container Ports Operations—Pearl River Delta

- ◆ Total container throughput of Shenzhen grew slightly, CMHI's Shenzhen terminals maintained steady performance.
- ◆ Total container throughput of Hong Kong declined due to route adjustment of shipping lines.



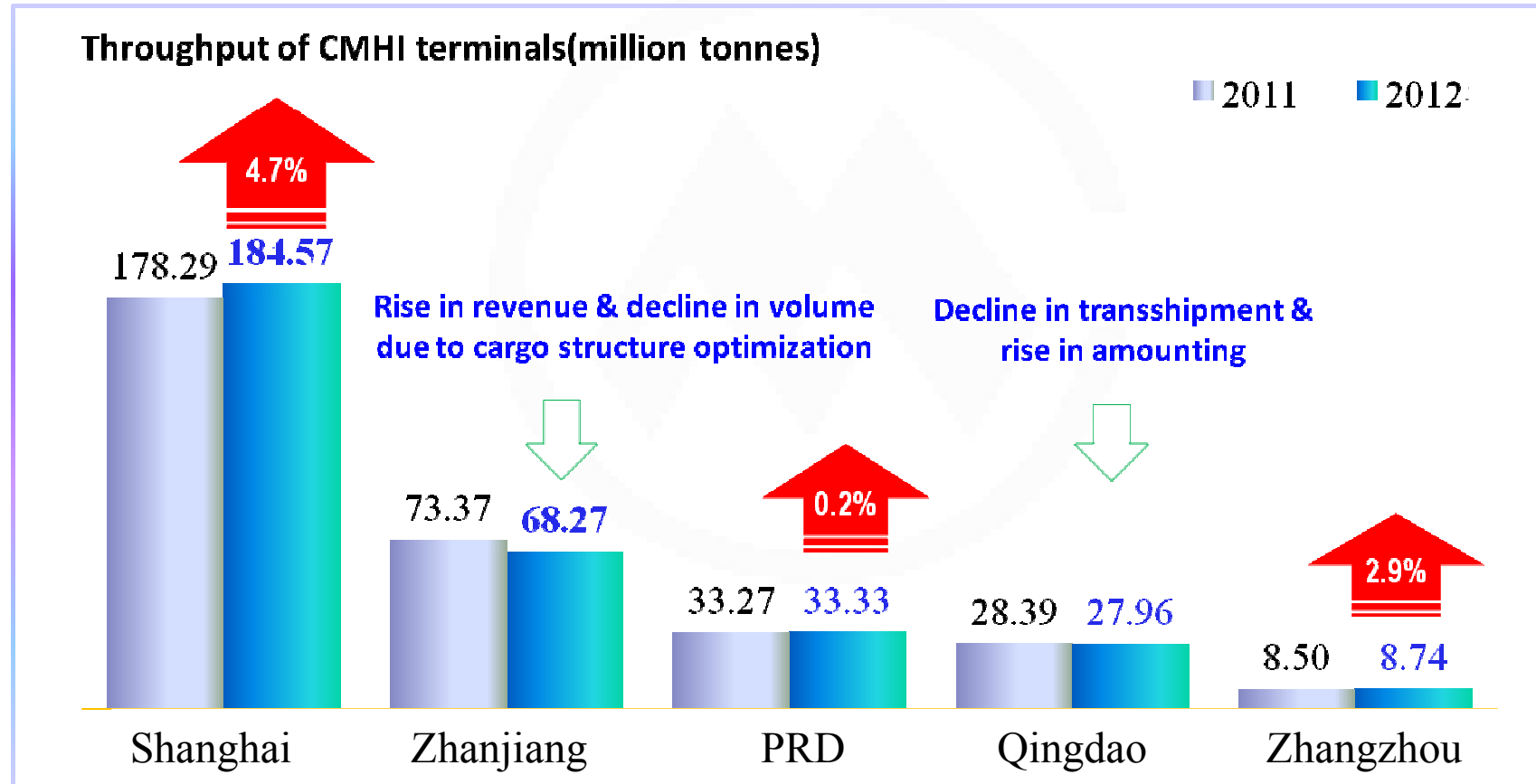
# Container Port Operations - Overseas

- ◆ Container throughput of TICT in Nigeria maintained steady growth.
- ◆ 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

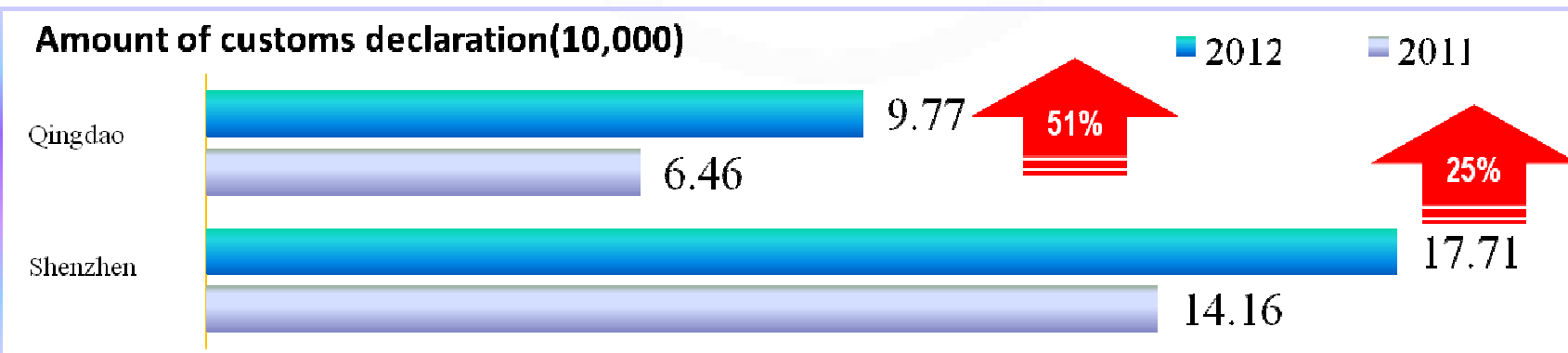
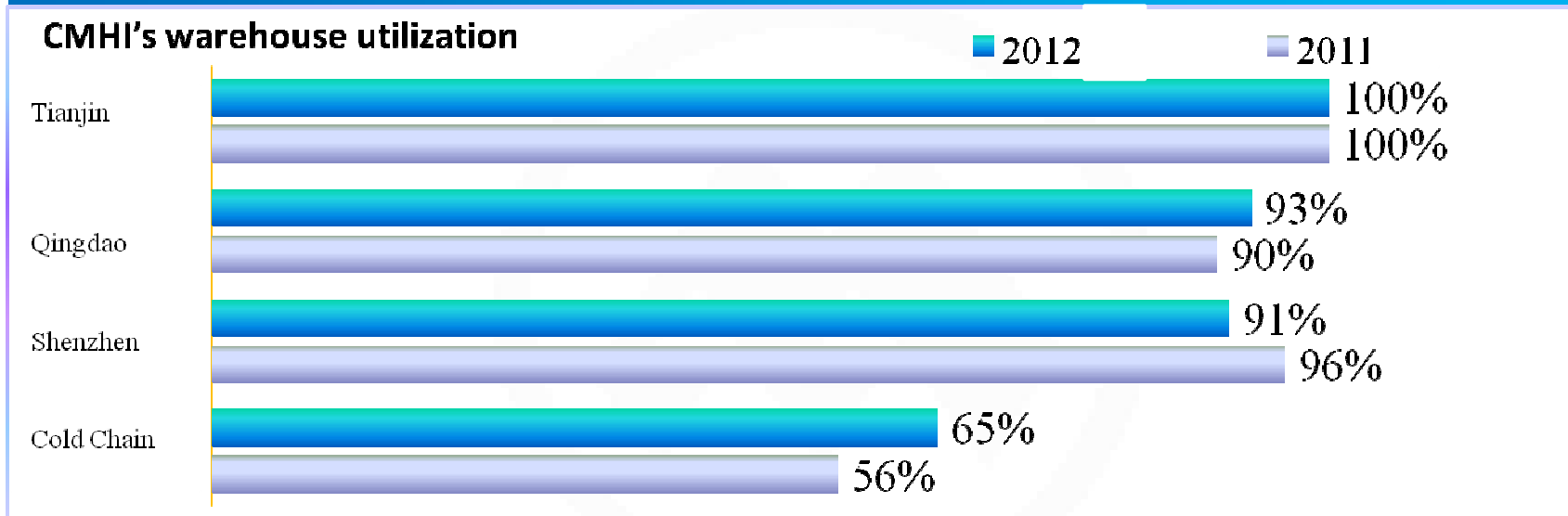
◆ Total cargo volume grew slightly.





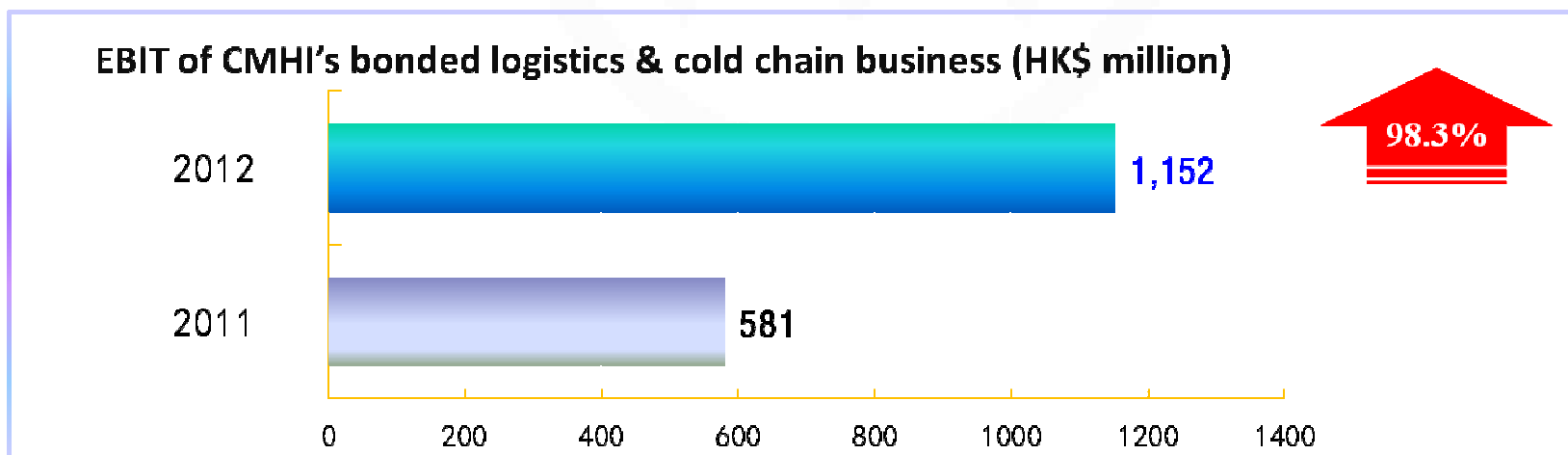
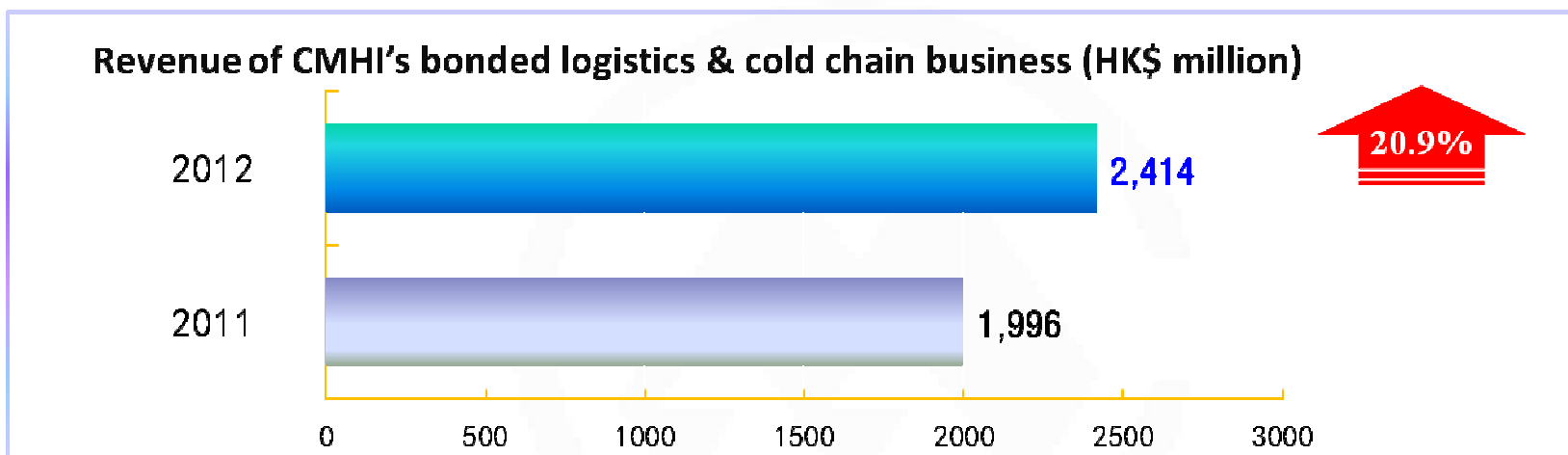
# Bonded Logistics & Cold Chain Business

- ◆ CMHI's warehouse utilization is at good stage, amount of customs declaration grew rapidly.



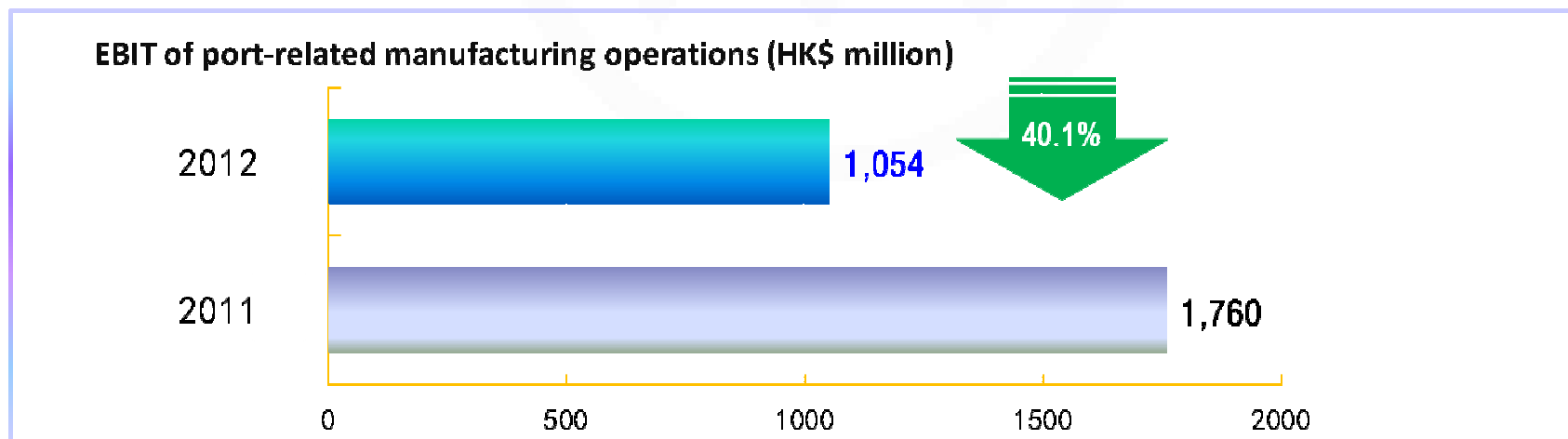
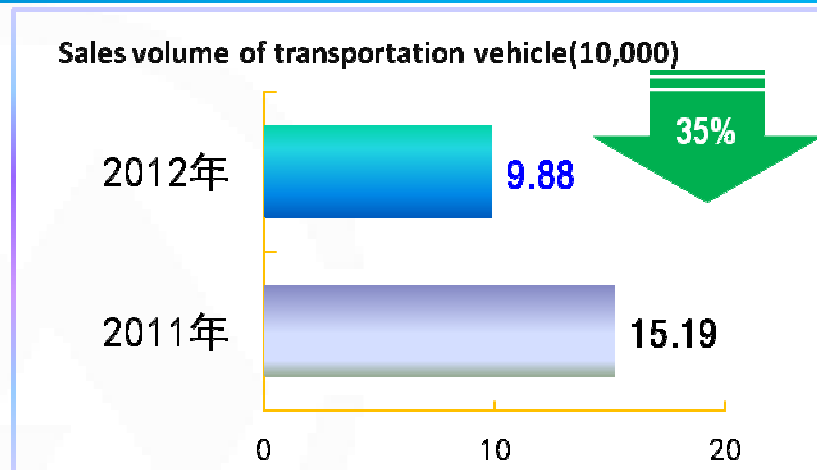
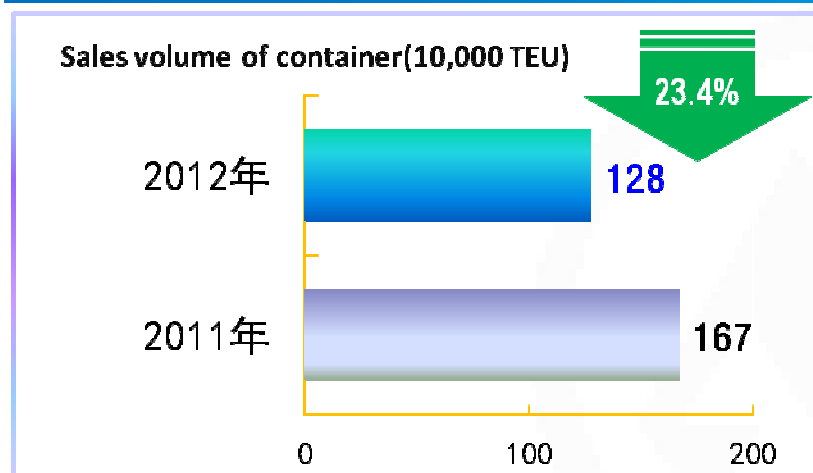
# Bonded Logistics & Cold Chain Business

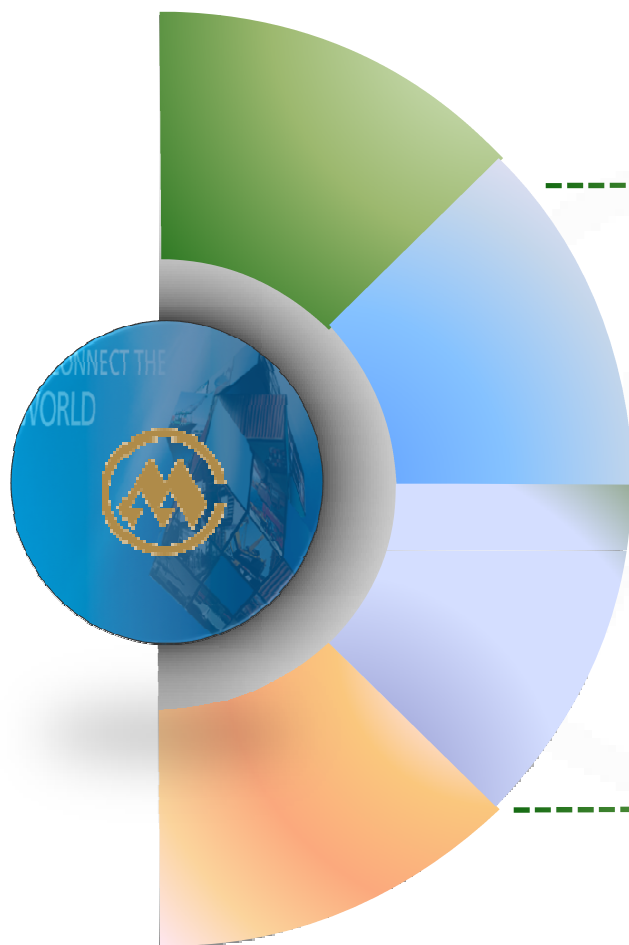
◆ Bonded logistics & cold chain business maintained a rapid growth.



# Port-related Manufacturing Operations

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





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# New Projects

- ◆ January, increased 30% stake in CICT
- ◆ August, acquired 50% stake of LCT
- ◆ December, acquired 10% stake in KMCT
- ◆ December, acquired 23.5% shares of PDSA via negotiated transaction

KMCT has 4 berths, a quay length of 1500m, capacity of 2.80 million TEU. 2 berths have been put into use, handled 1.08 million TEU in 2012, all construction will complete in 2014.



The planning of LCT includes 4 container berths, a quay length of 1050m and maximum capacity of 2.2 million TEU.

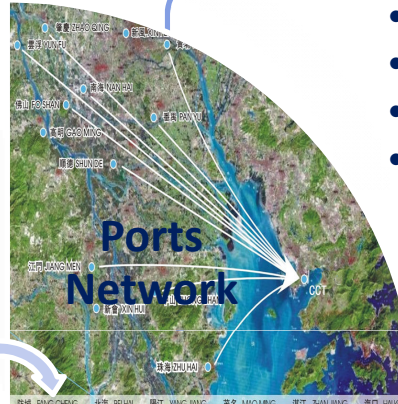


PDSA holds 66.67% shares of DCT, the container terminal, 100% shares of POD, the multi-functional terminal.

# Home Port Development

## ◆ Home port development proceeds on schedule.

- Increased stake in SZCWH while entrusted by Nanshan Group
- CMPORT system utilization
- Remarkable achievements in operation integration



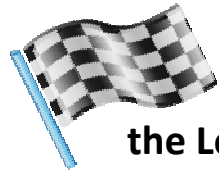
- PRD network
- Inland port in Shunde
- Inland ports layout
- Outer-zone transportation optimization

- Important customer settled in
- centralized declaration & Individual distribution
- Business mode innovation



- Established broadening project of Tonggu tunnel
- Berths upgrade
- Participated in west-to-east gas transmitting project
- High clearance of Tsing Ma Bridge

# Bonded Logistics and Cold Chain



**the Leading Bonded Port Zone Operation of the Industry**

- ◆ Influence enhanced with important customer settling in the zone in 2012.
- ◆ Leading service & efficiency in China.
- ◆ Significant improvement in profit & port-zone integration effectiveness.

- ◆ Formation of the cold chain network in 2012 surrounding the 4 economic rim.
- ◆ Recognition from customers and the industry.
- ◆ Ideals on business expansion.



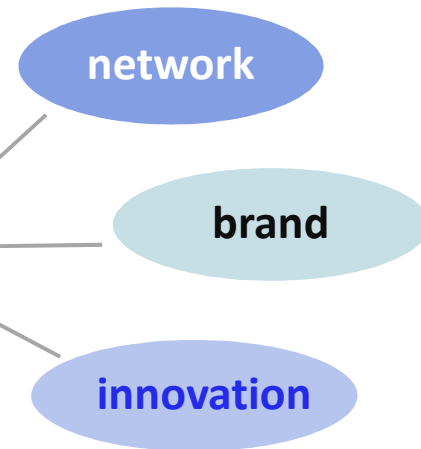
- Being awarded '2011-2012 top ten logistics operator'



- Being awarded 'YUM ! 2012 sincere cooperation partner'

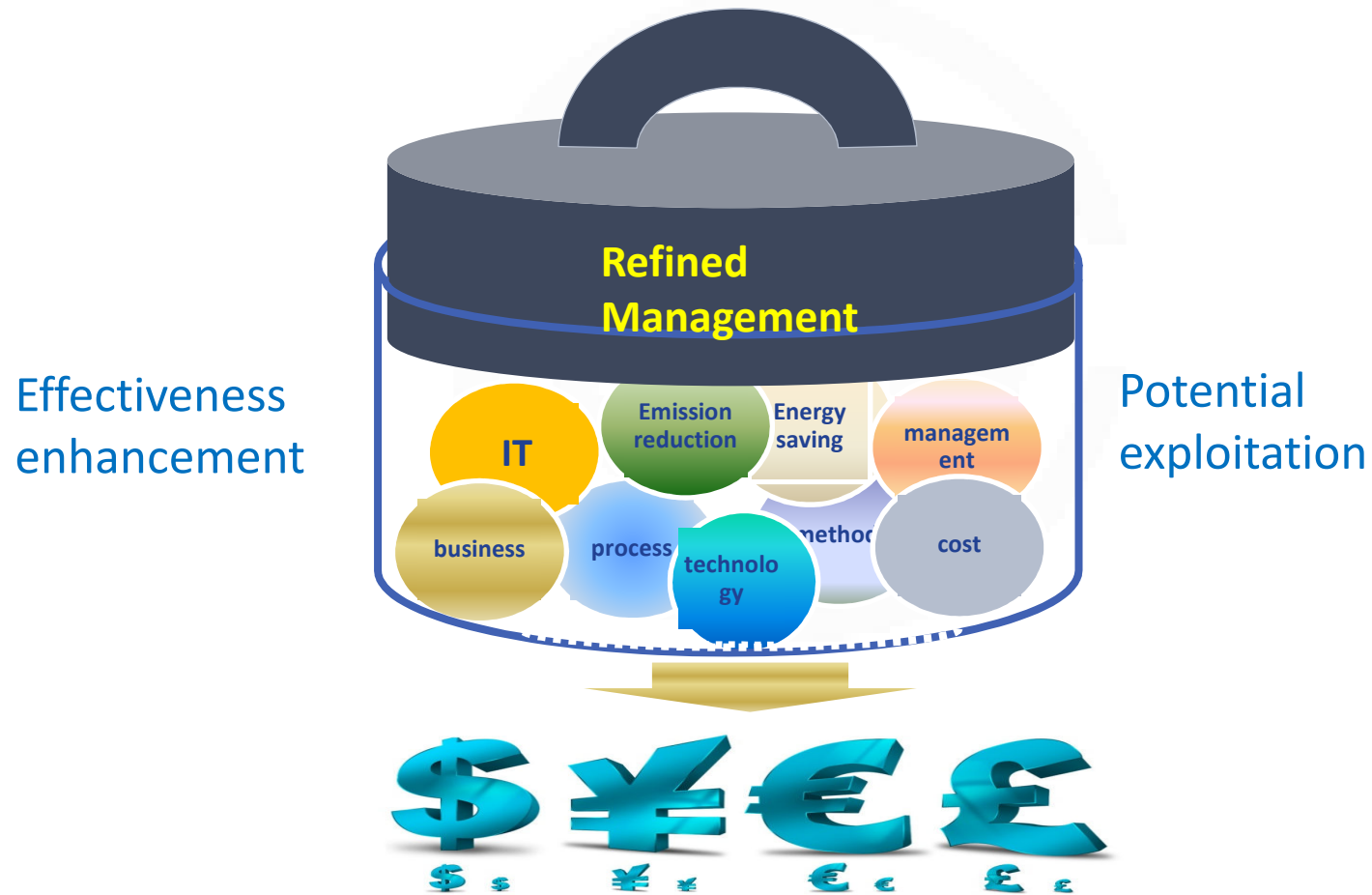


**the Leading Public cold Chain Operator in China**



# Refined Management

- ◆ Intensive promotion of refined management saved 0.16 HK\$ billion in 2012.





# Technology Innovation

◆ Technology innovation elevated the company's efficiency and economic benefits.



**CMPort**

## 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, saving HK\$ 300,000 per year



## Lighting remote control

remote control lighting by GPRS due to operational needs, saving HK\$ 520,000 per year



## Automatic warehouse

Application of double plough mobile discharger, pioneering in China



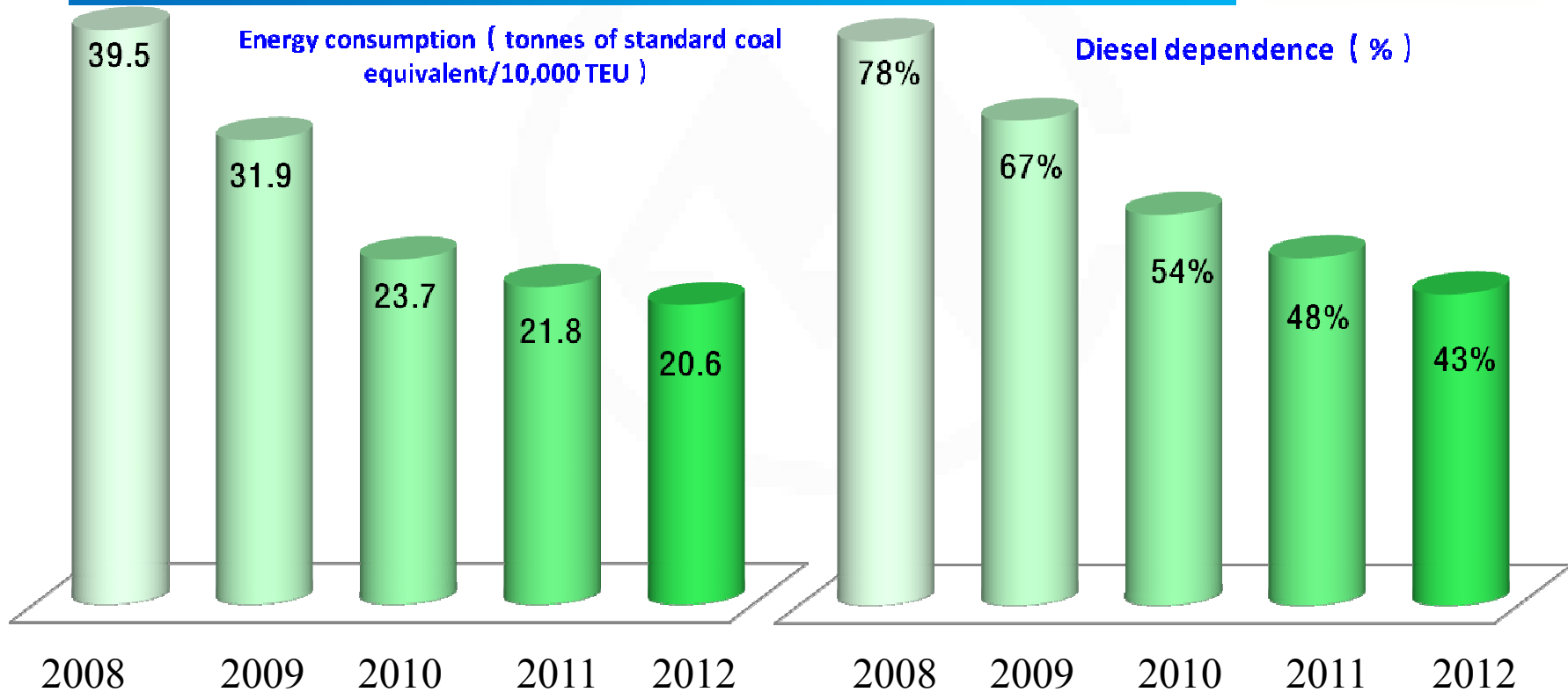
## container yard open-top warehouse

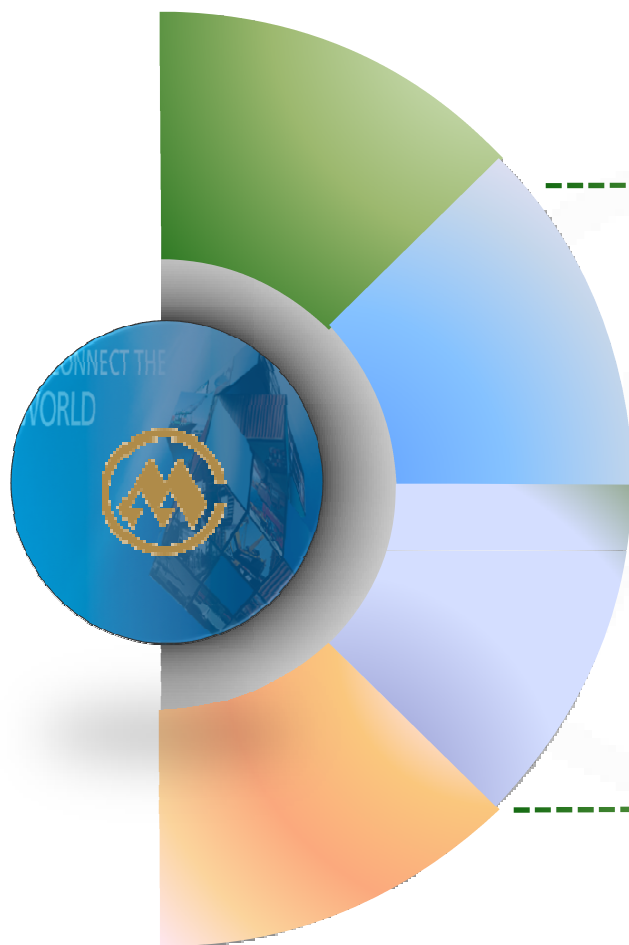
stocking capacity per unit increased by 50%, efficiency increased 20%, saving HK\$ 330,000 per year

# Energy Conservation and Emission Reduction



- ◆ Remarkable achievements in energy conservation & emission reduction and green port development.
- ◆ SCT became the first low-carbon demonstration zone in 2012





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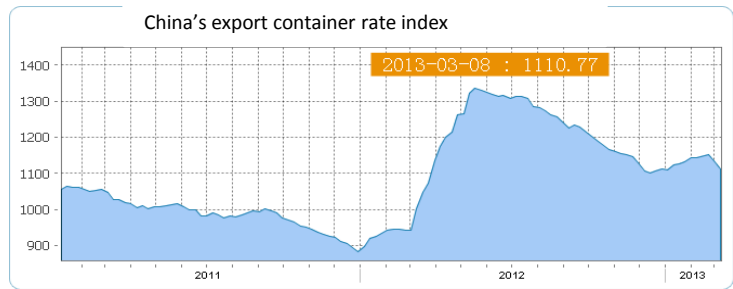
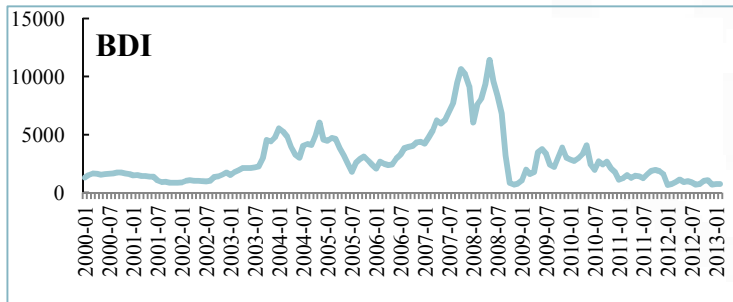
**Business Outlook**

Q&A



# Global Economy Trend

- ◆ Slow rebound in global economy growth
- ◆ Steady growth of China's economy
- ◆ Revival of global trade
- ◆ Oversupply in shipping industry
- ◆ Recovery growth in ports industry



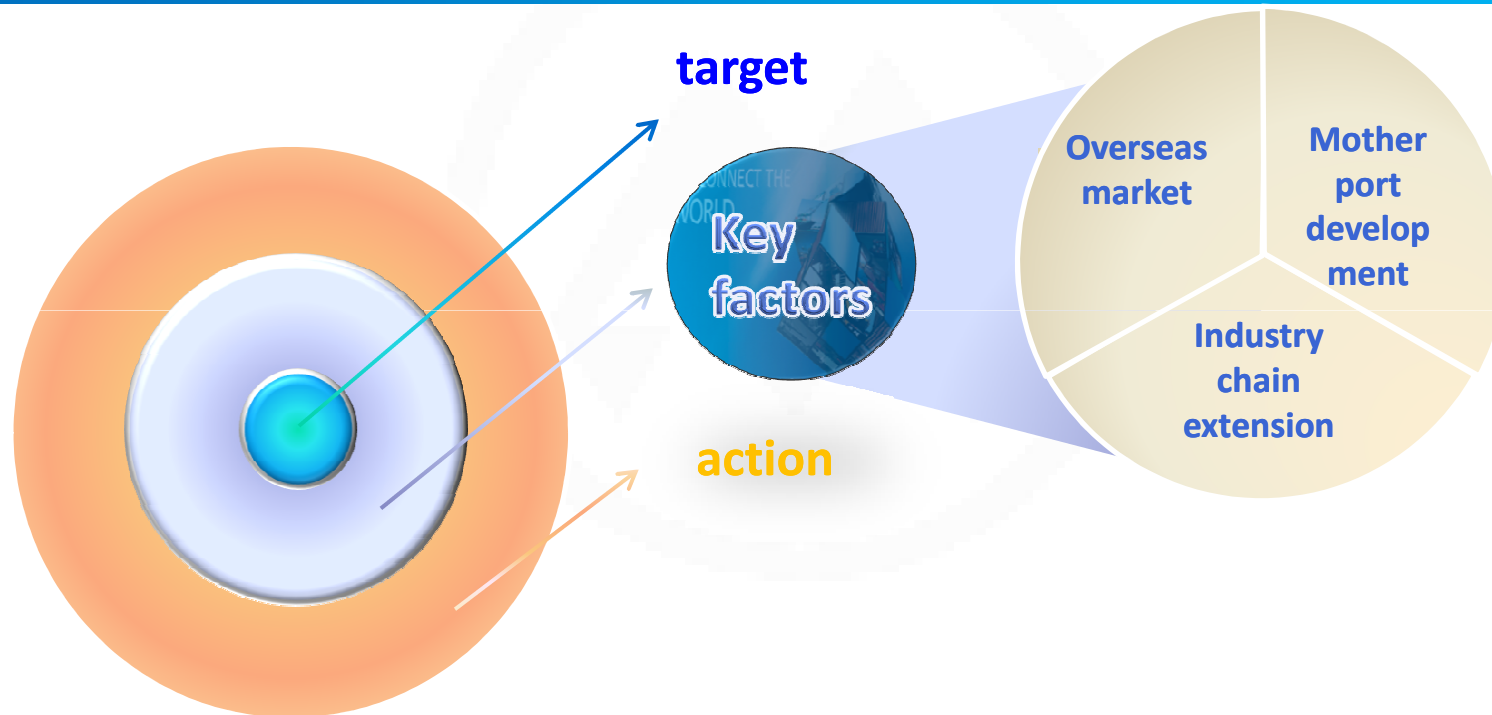
IMF forecast on economy growth (23 Jan. 2013)

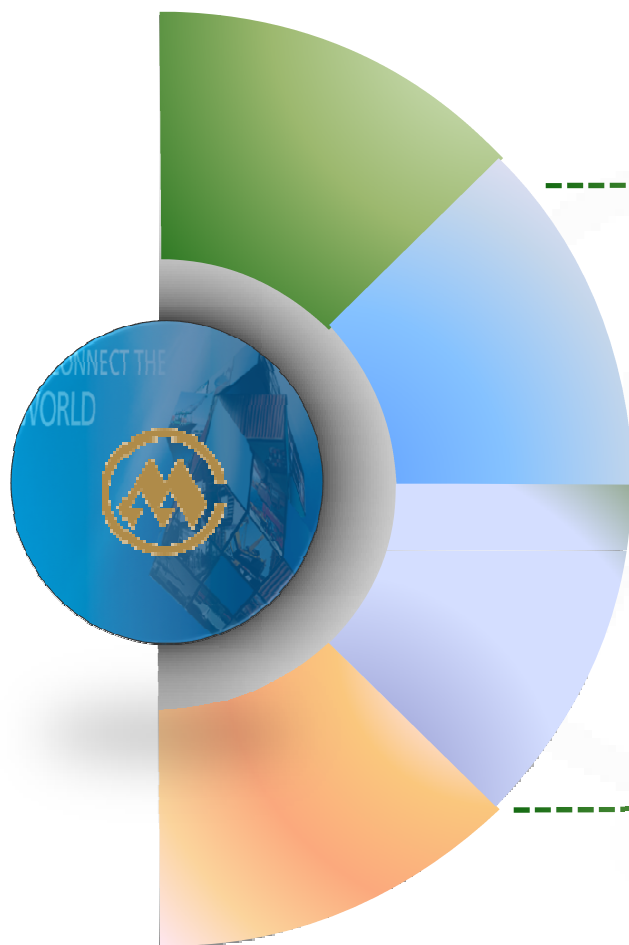
country/region	economic growth actual		economic growth forecast		2013vs2012 change
	2011	2012	2013	2014	
<b>world</b>	3.9	3.2	3.5	4.1	0.6
<b>developed countries</b>	1.6	1.3	1.4	2.2	0.8
U.S.A	1.8	2.3	2.0	3.0	1.0
EURO zone	1.4	(0.4)	(0.2)	1.0	1.2
Japan	(0.6)	2.0	1.2	0.7	(0.5)
U.K.	0.9	(0.2)	1.0	1.9	0.9
<b>developing countries</b>	6.3	5.1	5.5	5.9	0.4
ASEAN	4.5	5.7	5.5	5.7	0.2
China	9.3	7.8	8.2	8.5	0.3
India	7.9	4.5	5.9	6.4	0.5
Brazil	2.7	1.0	3.5	4.0	0.5
Russia	4.3	3.6	3.7	3.8	0.1
<b>world trade total vilume</b>	5.9	2.8	3.8	5.5	1.7



# CMHI Strategy

- ◆ setting strategic goal & action plan basing on the vision of becoming ‘the world’s leading port operator and investor’





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