



招商局港口控股有限公司

CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED



2019 Interim Results Press Conference

30th August, 2019

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1. Performance Highlights

2. Business Analysis

3. Operation Overview

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5. Q&A

Performance Highlights - P&L and Dividend Payout

Items	1H 2019	1H 2018	Y-o-Y Change
Container throughput (million TEUs)	54.56	53.81	1.4%
Bulk cargo throughput (million Tonnes)	223	250	-10.7%
	HK\$'million	HK\$'million	
Revenue	4,464	5,560	-19.7%
Revenue derived from ports operation	4,145	5,275	-21.4%
Profit attributable to equity holders of the Company	6,529	5,448	19.8%
Derived from ports operation	7,067	5,923	19.3%
Recurrent profit	2,045	2,171	-5.8%
Derived from ports operation	2,651	2,787	-4.9%
Basic EPS (HK cents)	196.07	166.22	18.0%
Interim dividend per ordinary share (HK cents)	22.00	22.00	flat

Performance Highlights – Financial Position

- Total assets increased by HKD8,149, mainly attributed to the completion of the deal of the restructured land in Qianhai
- Net gearing ratio decreased by 1.7ppts to 34.3% compared with 31 Dec 2018

Items	30 June 2019	31 Dec 2018	Change
	HK\$'million	HK\$'million	
Total assets	148,086	139,937	5.8%
Net assets attributable to equity holders of the company	78,177	75,321	3.8%
NAV per share (HK\$)	23.48	22.62	3.8%
Interest-bearing debts¹	37,931	38,856	-2.4%
Cash and bank balances	6,771	7,175	-5.6%
Net interest-bearing debts	31,160	31,681	-1.6%
Net gearing ratio²	34.3%	36.0%	down by 1.7 ppts

Notes: 1. Interest-bearing debts include bank loans, listed notes and loans from China Merchants Group, and loan from a non-controlling equity holder of a subsidiary

2. Net gearing ratio is calculated as period-end net debt divided by period-end net assets

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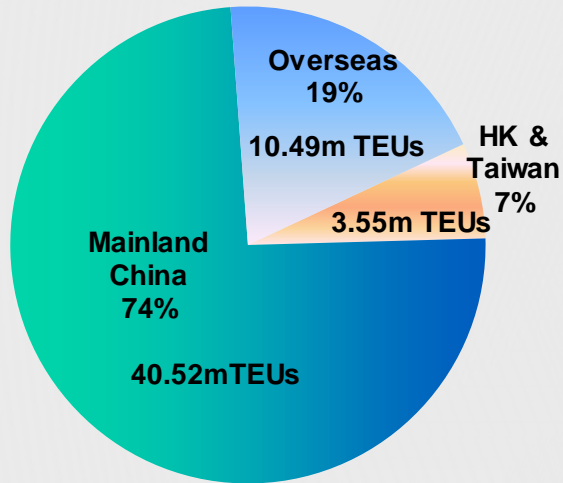
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Business Analysis – Container Operation

- Container throughput amounted a steady growth of 1.4% in 1H 2019
- CMPort's container business in Mainland China grew by 1.3%, overseas grew by 4.0%

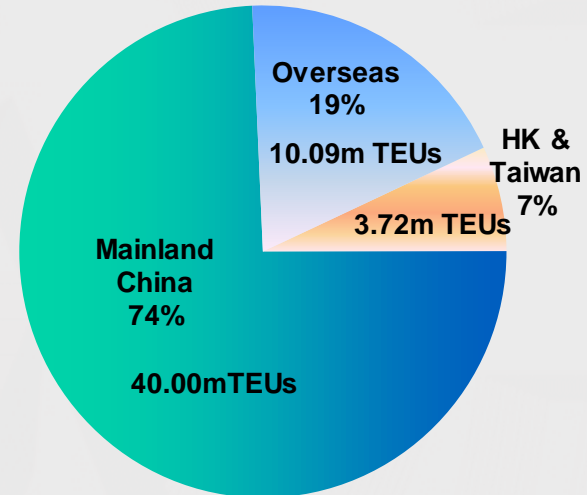
1H 2019 Container Throughput

54.56m TEUs (+1.4%)



1H 2018 Container Throughput

53.81m TEUs

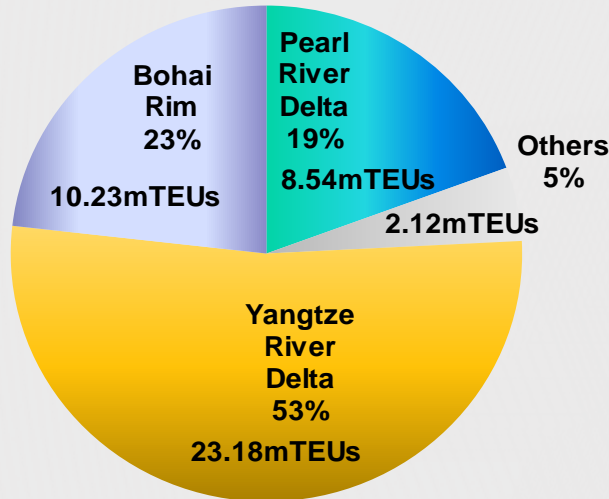


Business Analysis – Greater China

- Performance in Greater China (Mainland, HK & Taiwan) remains steady in 1H 2019
- Proportion of YRD rose by 2ppts due to the ramping up of SIPG's Yangshan phase 4

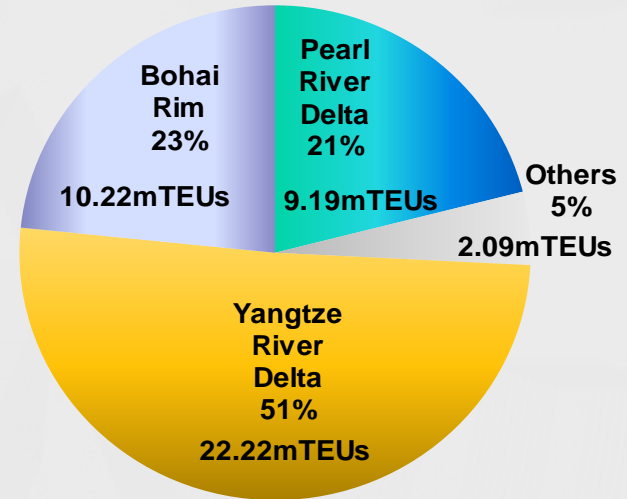
1H 2019 Container Throughput – Greater China

44.07m TEUs (+0.8%)



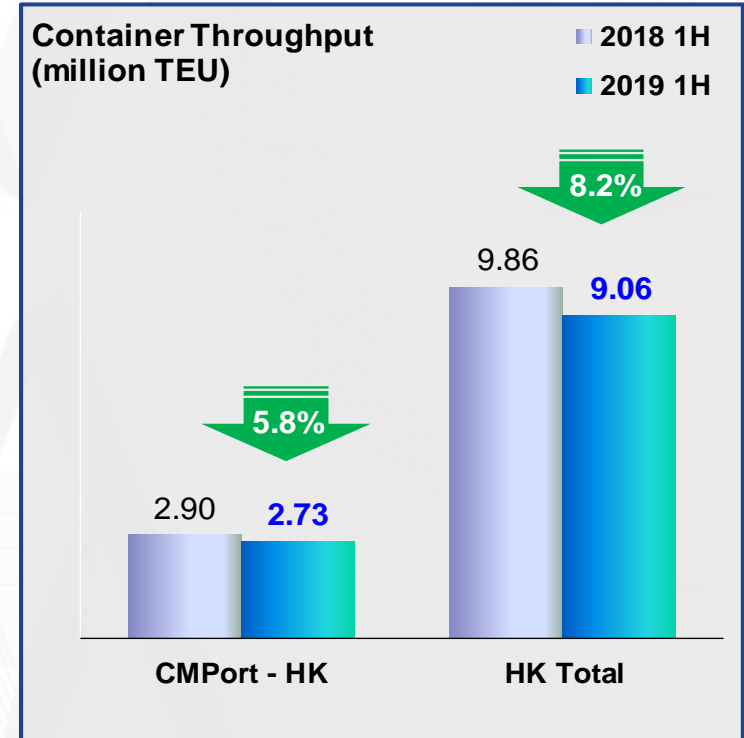
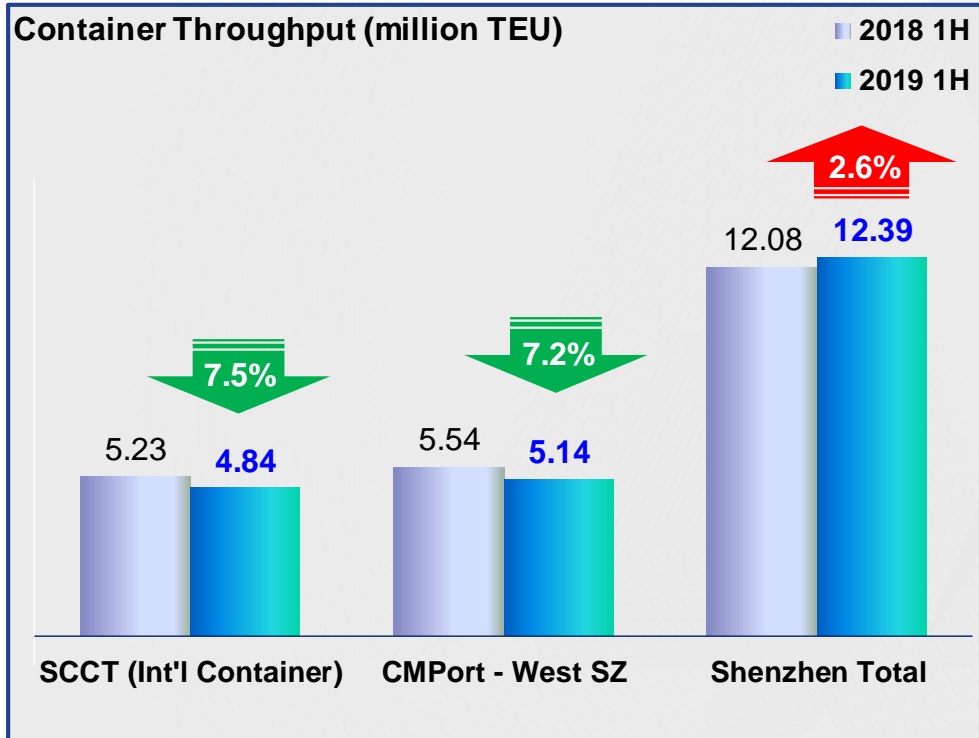
1H 2018 Container Throughput – Greater China

43.72m TEUs



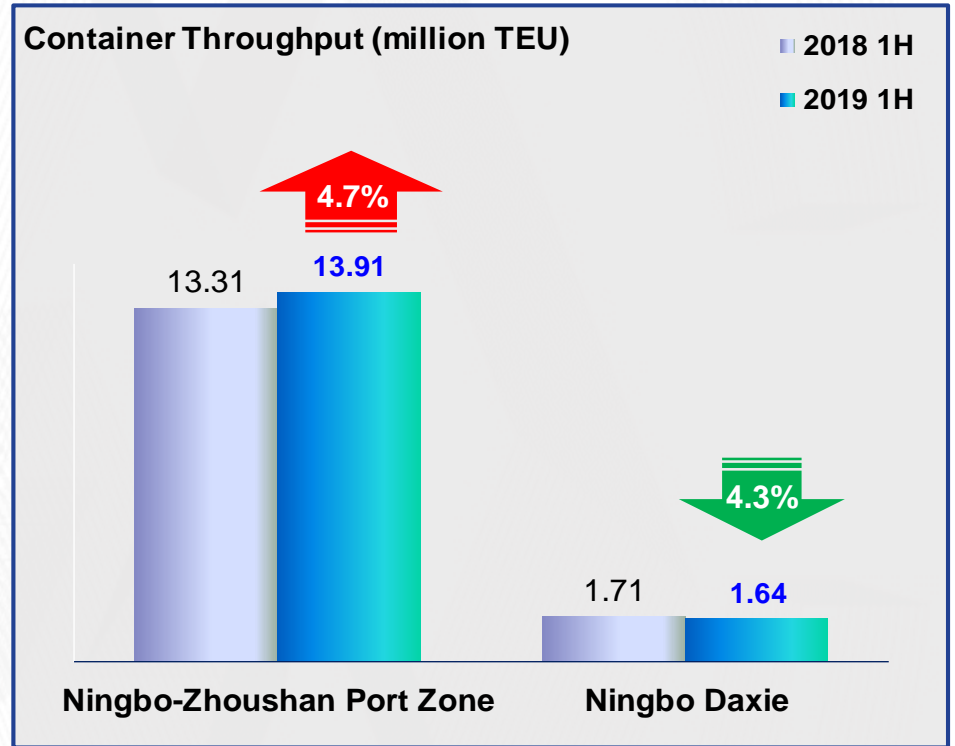
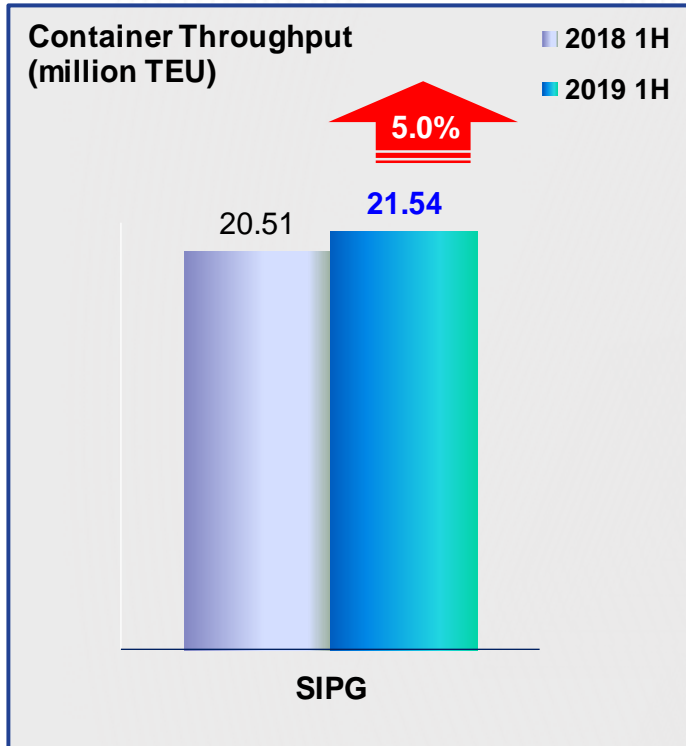
Business Analysis – Pearl River Delta

- West SZ container volume decrease due to the disposal of Shenzhen Chiwan
- CMPort HK outperform overall HK port market



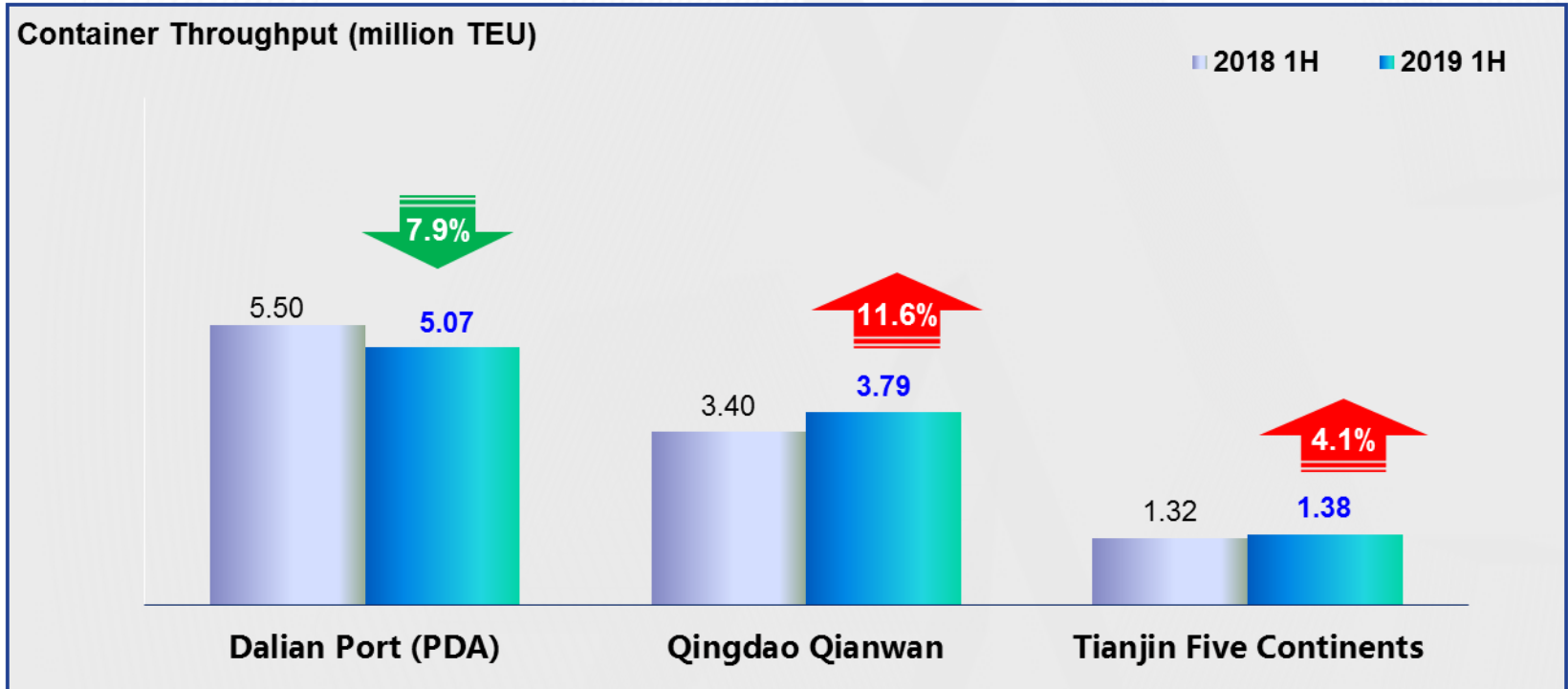
Business Analysis – Yangtze River Delta

- Continued to be the World's No.1 Port, SIPG rose by 5.0%
- Ningbo Daxie dropped by 4.3% due to a high base from 1H 2018



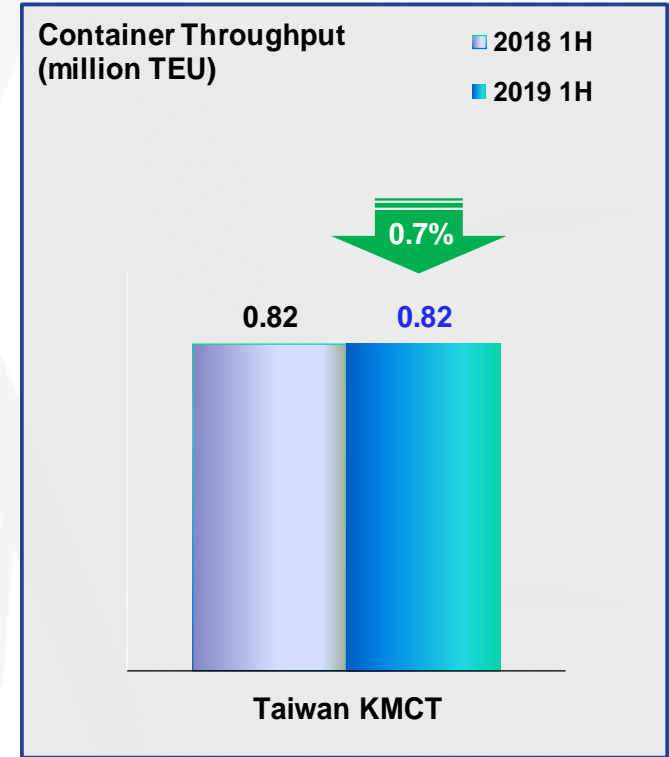
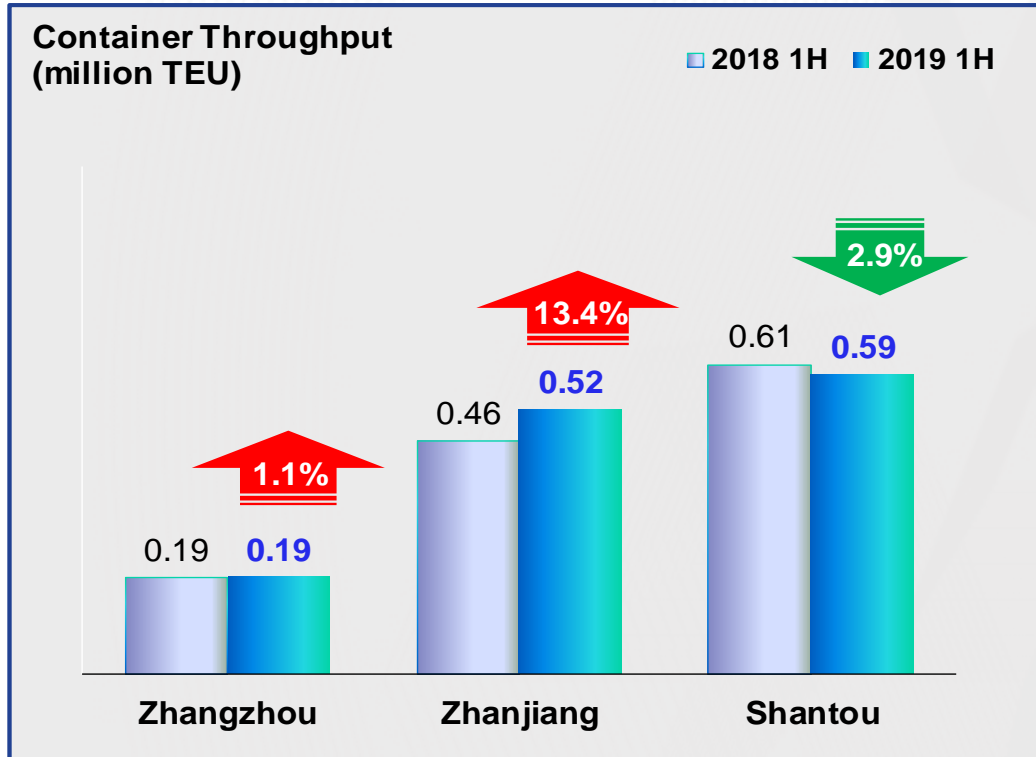
Business Analysis – Bohai Rim

- Container throughput of Dalian Port (PDA) dropped by 7.9% due to business restructure
- CMPort invested terminals in Qingdao and Tianjin rose by 11.6% and 4.1% respectively



Business Analysis – Mainland Others & Taiwan

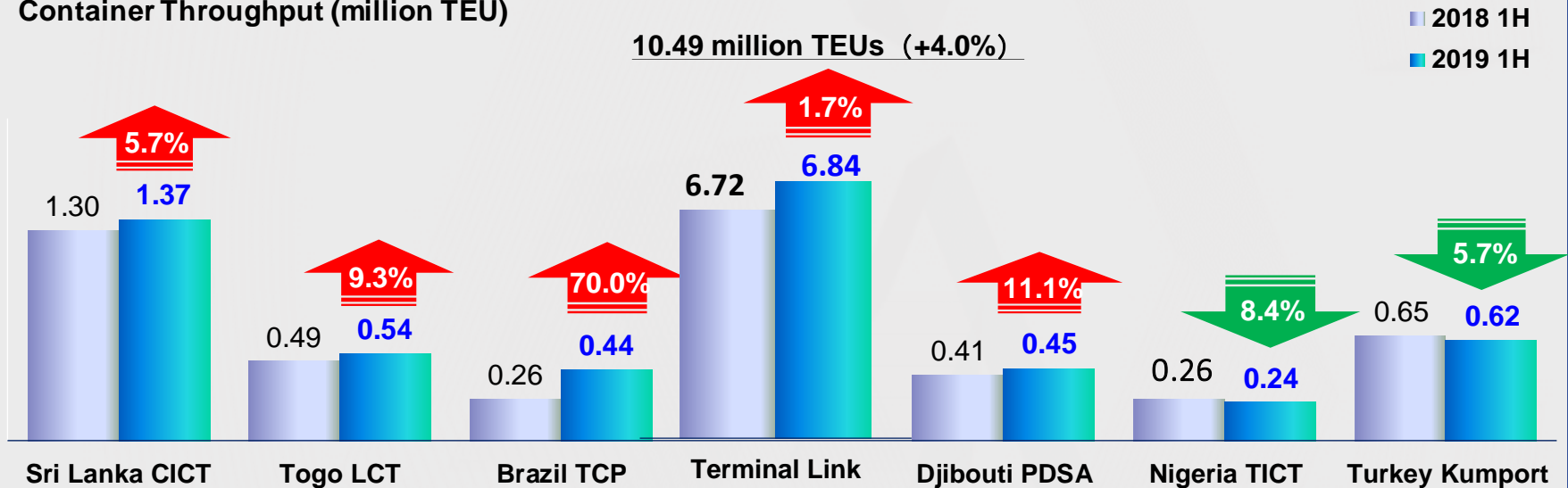
- Zhanjiang PG rose by 13.4% due to new shipping routes and sea-rail intermodal transport
- Shantou PG dropped by 2.9% due to the regional environmental protection policy



Business Analysis – Overseas

- Both CMPort's greenfield projects CICT&LCT recorded high single-digit volume growth
- Brazil TCP rose significantly by 70.0% due to the growth of agricultural and meat trade
- Djibouti grew by 11.1% as its hinterland's political situation turned stable
- The maintainance of main road led to port congestion problem in TICT
- Kumport's volume dropped by 5.7% due to Turkey's economic downturn

Container Throughput (million TEU)



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-Bulk Cargo Handling Operation

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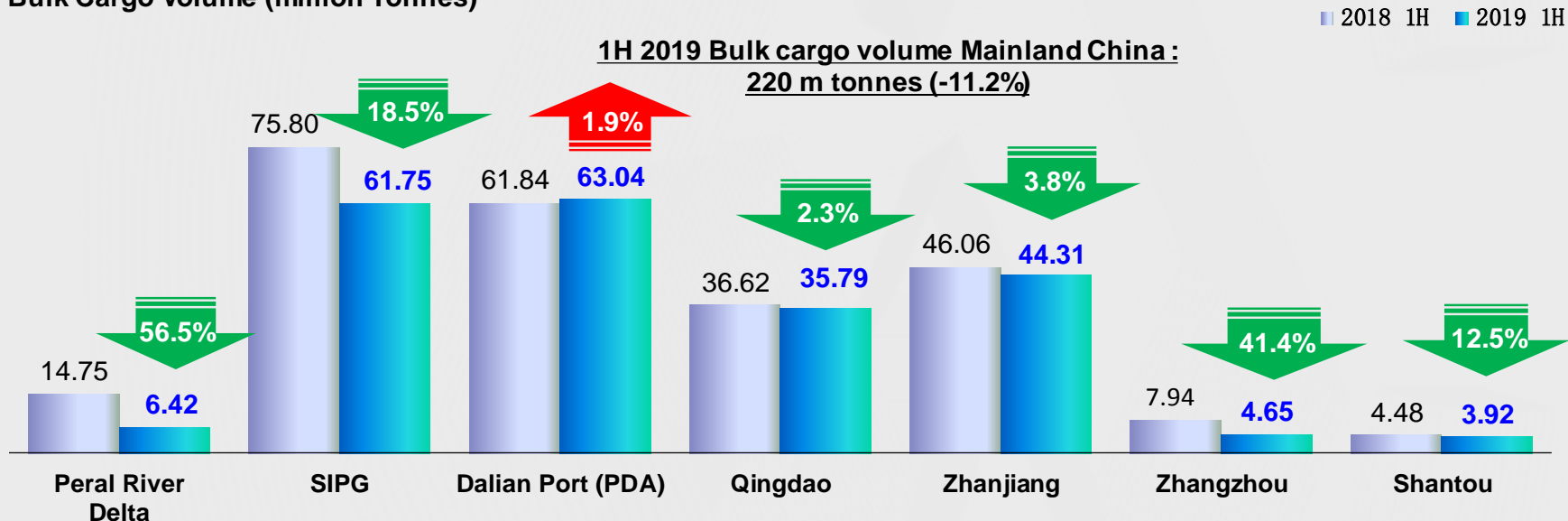
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Business Analysis – Bulk Cargo Operation in Mainland China

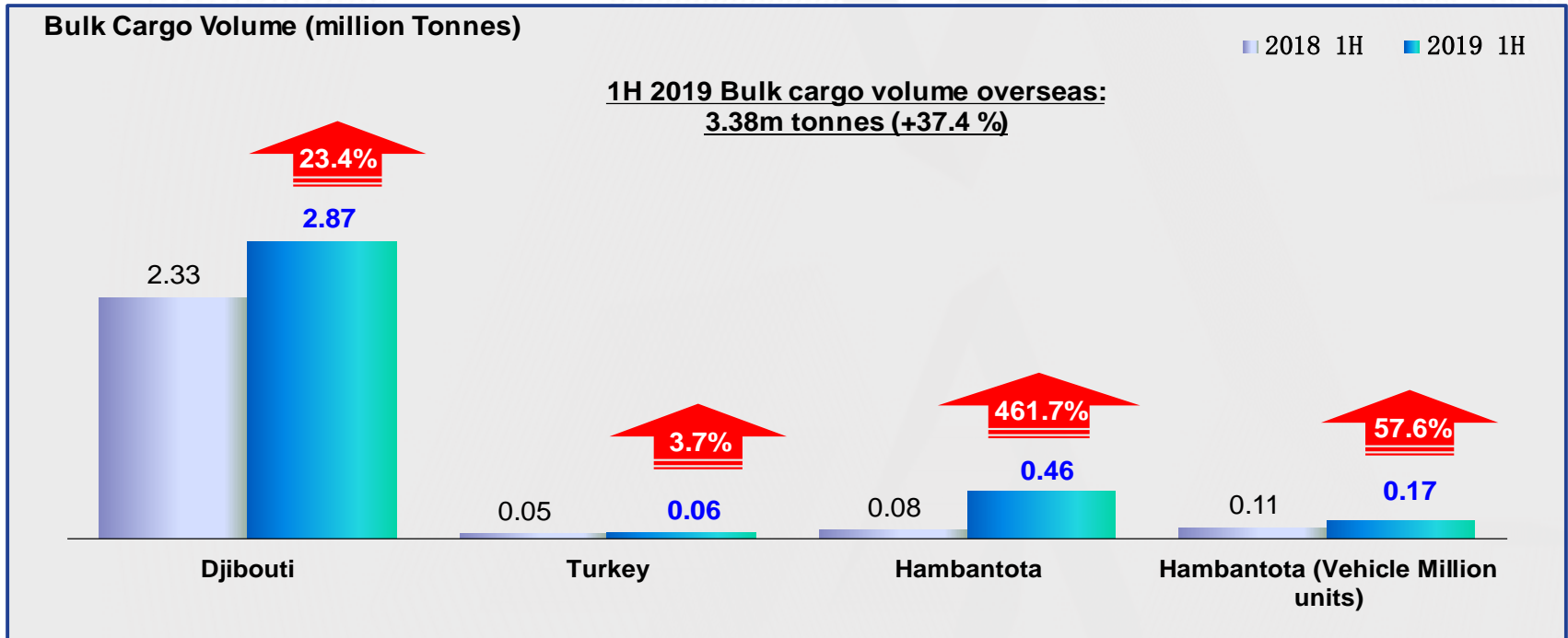
- CMPort's bulk cargo volume dropped more than 10% in 1H 2019, however overseas volume up by 37.4%
- PRD's volume dropped significantly due to the disposal of Shenzhen Chiwan
- SIPG dropped by 18.5% due to business restructure
- Zhangzhou dropped by 41.4% due to environmental policy on sandstone mining

Bulk Cargo Volume (million Tonnes)



Business Analysis – Bulk Cargo Operation in Overseas

- Djibouti recorded 23.4% growth due to the economic recovery of Ethiopia
- Hambantota's bulk business grew by 461.7% and ro-ro business grew by 57.6%



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-Logistics Operation

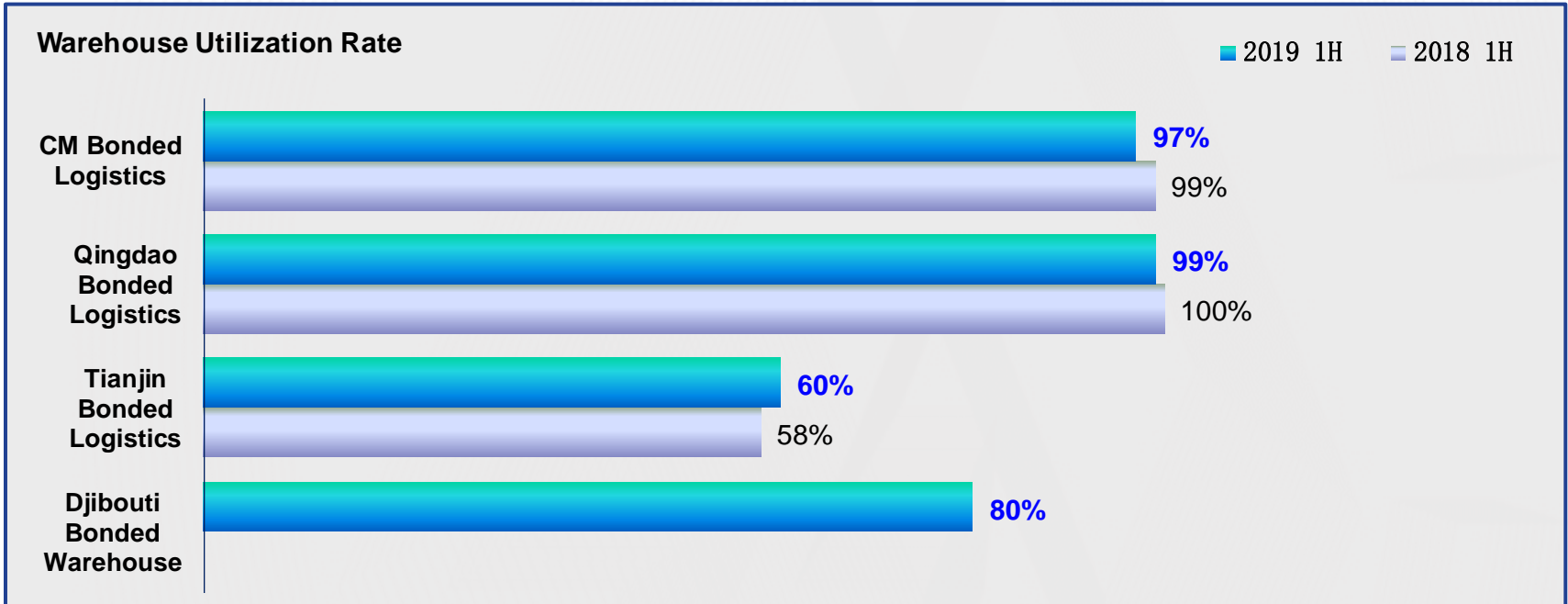
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Business Analysis – Bonded Logistics

- Both CM and Qingdao bonded logistics almost fully utilised in 1H 2019
- The bonded warehouse in Djibouti commenced operation in 1H 2019 with utilisation rate reached 80%



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Operations Overview – Development in Guangdong-Hong Kong-Macao Greater Bay Area

WSZ Homebase
Port



Pearl River
Delta
Strategy

PRD
Network

Intelligent
Port

Qianhai-Shekou
FTZ



HKD
3,281m

425,300
sqm

Dachan Bay
Port Phase II

Operations Overview – Overseas Expansion

- Identified Southeast Asian and South Asian gateway ports as its key investment targets
- Continued to study investment opportunities for gateway ports in mature market
- Strengthened the strategic cooperation with major international shipping companies
- Pushed forward port project and comprehensive development projects adjacent to ports in Africa.

Operations Overview – Comprehensive Development

Comprehensive development project of Hambantota port

- The wheeled and bulk cargo business are progressing well
- A business outsourcing agreement for the oil tank area has been signed



Djibouti International Free Trade Zone

- DIFTZ officially put into operation in early 2019 with positive progress
- Expand visibility through active participation and organization of promotional campaigns



Operations Overview – Innovative Development

CM ePort



Execution of 「CM ePort」 application at subsidiary level

Electronic Invoice



The first B2B blockchain electronic invoices system for ports in China

5G Laboratory



Unveiled the first “5G intelligent port innovation laboratory”

Intelligent Port



Haixing Intelligent Port project has progressed as planned

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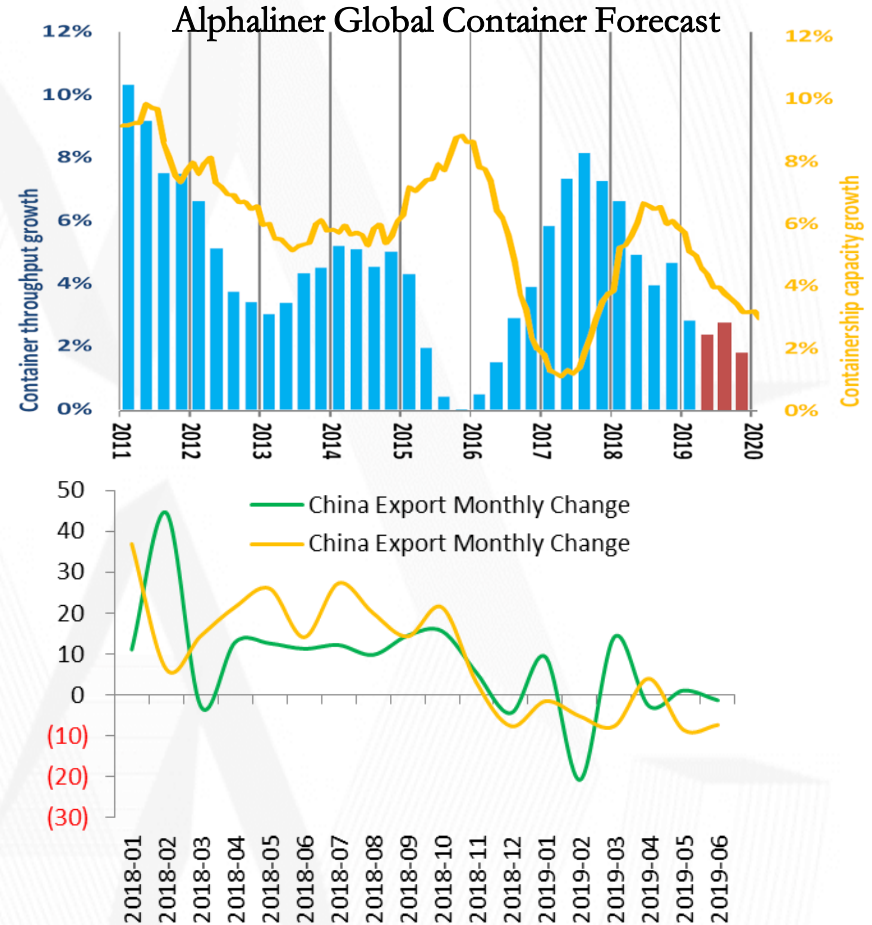
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Outlook – Global Economic Environment

IMF World Economic Outlook (July 2019)

Country/Region	Actual Economic Growth	Forecast Economic Growth		2019 vs 2018
	2018	2019	2020	Change
Global	3.6	3.2	3.5	(0.4)
Developed Countries	2.2	1.9	1.7	(0.3)
USA	2.9	2.6	1.9	(0.3)
Euro Zone	1.9	1.3	1.6	(0.6)
Japan	0.8	0.9	0.4	0.1
UK	1.4	1.3	1.4	(0.1)
Developing Countries	4.5	4.1	4.7	(0.4)
ASEAN	5.2	5.0	5.1	(0.2)
China	6.6	6.2	6.0	(0.4)
India	6.8	7.0	7.2	0.2
Brazil	1.1	0.8	2.4	(0.3)
Russia	2.3	1.2	1.9	(1.1)
Int'l Trade Volume	3.7	2.5	3.7	(1.2)



Outlook – Major Strategies of 2H 2019

Homebase Port Development

- WSZ homebase port: “Connected Transportation of Sea-River-Rail”
- CICT: establish a base of talents, knowledge and innovative initiatives
- Hambantota: regional strategic planning and sustainable profit-generating ability

Overseas Expansion

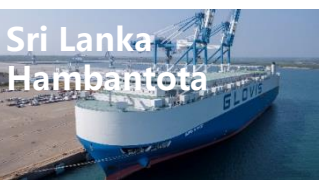
- Keep abreast of the evolving trend of the global economic and trading landscape
- Develop regional port service networks and a capital operation platform for overseas assets

Comprehensive Development

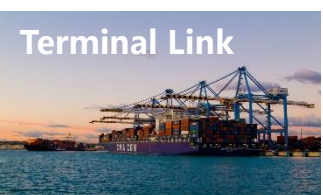
- Striving to develop Hambantota Port into a key hub along the Belt and Road with “Port-Park-City” model
- DIFTZ further enhance the image and influence of the Group in the region through synergic development among companies

Outlook – Strive for World Class Standard





World's Leading Comprehensive
Port Service Provider



WE CONNECT THE WORLD