CMPort Recorded a half year Historical Breakthrough of 50 Million TEUs in 2017

Recurrent profit rose 37.1% to HKD 2,269 million

The Board of Directors (the “Board”) of China Merchants Port Holdings Company Limited (the “Company” or "CMPort", HKSE Code: 00144) is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the period ended 30 June 2017. A press conference was held on 31 August 2017 and was hosted by Managing Director Dr. Bai Jingtao，Chief Financial Officer Mr. Lu Shengzhou and Deputy General Manager of the Company Mr. Yan Gang also attended the meeting.

During the press conference，Dr. Bai Jingtao introduced the interim results of 2017 of CMPort. Before getting into the Q&A section, Dr. Bai conveyed the appraisal of the Company's performance from Chairman Dr. Li Xiaopeng to the press, which are "Solid growth in business, Solid growth in financial returns, and Solid enhancement in port consolidation."

Concerning questions about ports consolidation, Dr. Bai Jingtao said some of the existing ports in Mainland China are undergoing unhealthy competition. CMPort has relied on the integrated strength of China Merchants Group ("CMG") and the Company's ability on port investment and management, to nurture opportunities of ports consolidation, in order to enhance the ports in mainland China to promote asset integration and asset returns through improving production and management.

Regarding to overseas port investment and development, Dr. Bai Jingtao emphasized that the investment in Hambantota project in Sri Lanka was solely commercial activity. The project is expected to complete in October 2017, and it will bring more than 3,000 job opportunities to the locals. CMPort will recruit the existing staffs and at the same time provide them with technical and management training. Moreover，through China Merchants Charitable Foundation，the Company continuously fulfill its social responsibilities through education and medical care.

Mr. Lu Shengzhou said, the special interim dividend of celebrating 25th listing anniversary based on the Company's financial situation and cash flow. The Company will maintain the payout ratio on the full year results. Mr. Lu also emphasized that the Company has faith in resolving the competition in Shenzhen Chiwan Wharf Holdings Limited within the next three years.

Concerning on the target of 100million TEUs for the whole year, Mr. Yan Gang stated the achievement is a big leap in terms of throughput numbers but the growth rate may not been reflected. According to the existing business growth, the Company has faith in achieving solid tariff and income growth, and as the traditional peak season of the shipping industry begins in the second half, it is believed that the throughput in the second half will be better than the first half of the year.

Following lists the major performance indicators of the Company in the first half of 2017：

- **Container throughput handled rose 8.9% year-on-year to 50.16 million TEUs (1H 2016: 46.07 million TEUs);**
- **Total bulk cargo volume handled was 249 million tonnes (1H 2016: 217 million tonnes), up 14.6% year-on-year;**
- **Profit attributable to equity holders of the Company totaled HK$3,148 million (1H 2016: HK$1,690million), up86.3% year-on-year;**
- **Recurrent profit attributable to equity holders of the Company amounted to HK$2,269million (2016: HK$1,655 million), a year-on-year increase of 37.1%;**
- **Profit derived from the Group's core ports operation was HK$2,453million (1H 2016: HK$2,067million), up 18.7% year-on-year;**
- **Ports operations recorded an EBITDA of HK$5,891 million (1H 2016: HK$5,397 million), a increase of 9.2% year-on-year;**
- **Basic earnings per share was100.62 HK cents (1H 2016: 54.49 HK cents), up 84.7% year-on-year;**

- **Proposed interim dividend was 22 HK cents per ordinary share (1H 2016: 22 HK cents) and a special dividend of 135 HK cents per share celebrating the 25th listing anniversary.**

In the first half of 2017, the global economy continued its recovery momentum from the second half of 2016. The import and export trade of China performed well, and the domestic demand experienced restorative growth. Moving towards the core goal of "to be a world's leading comprehensive port service provider", the Group has continuously proposed the operation philosophy of "enhancing capability, improving efficiency and quality, striving for self-improvement and integrating to achieve mutual benefits". During the six months ended 30 June 2017, the domestic and overseas projects in which the Group invested delivered a record-high container throughput of 50.16 million TEUs in aggregate, up 8.9% from the first half of 2016, bulk cargo throughput of 249 million tonnes, representing an increase of 14.6% year-on-year.

During the period under review, due to the influence of the recovery of the global trade, and resulted from an increase in the revenue contribution from China International Marine Containers (Group) Co., Ltd. ("CIMC"), revenue 【note 1】from continuing operations increased by 14.5% over the same period last year to HK$24,288 million. Profit attributable to equity holders of the Company amounted to HK$3,148million, up 86.3% over the same period last year, of which profit attributable to equity holders of the Company derived from the core ports operation amounted to HK$2,453 million, representing an increase of 18.7% over the same period last year. The Group's core ports operation recorded an EBITDA 【note 2】 of HK$5,891 million, an increase of 9.2% year-on-year. EBITDA from core ports operation attribute to 78.5% of the Group's total EBITDA.

Taking into consideration the operating results in the first half of 2017 and the anticipated need for future development, the Board declared an interim dividend of 22 HK cents per share. Moreover, 2017 is 25th anniversary of CMPort's public listing. To express our gratitude to our shareholders for their continuous support, the Board declared a one-off special dividend of 135 HK cents per share in celebration of the 25th anniversary of listing.Shareholders may elect to receive the interim dividend in cash or by way of scrip dividend.

Table: Overview of Container Throughput Volume of CMPort in 1H 2017

Region	Port	1H 2017 Throughput (million TEUs)	Year-on-year change (%)
Mainland China	West Shenzhen	5. 56	4. 6
	Chu Kong River Trade Terminal	0. 68	3. 3
	SIPG	19. 6	9. 6
	Ningbo Daxie	1. 64	29. 4
	Tianjin Five Continents	1. 24	-1. 3
	Qingdao	3. 24	-1. 0
	Dalian Port	5. 3	21. 6
	Zhanjiang Port Group	0. 42	33. 9
	Zhangzhou	0. 2	34. 3
	Total - Mainland China	37. 88	9. 9
Hong Kong & Taiwan	Hong Kong	2. 91	29. 0
	KMCT, Kaohsiung	0. 83	-1. 0
	Total - Hong Kong and Taiwan	3. 74	20. 9
Overseas	Nigeria	0. 2	-0. 8
	Djibouti	0. 48	-3. 7
	Terminal Link *	5. 98	-4. 6
	Sri Lanka	1. 11	21. 2
	Togo	0. 36	42. 2
	Turkey, Kumport	0. 41	12. 6
	Total - Overseas	8. 54	0. 5
CMPort Total		**50. 16**	**8. 9**

* Terminal Link dispose Xiamen asset in 1H2017, results in year-on-year drop of 4.6% in terms of container throughput，despite the effect from the asset disposal, the organic growth of Terminal Link in 1H2017 is 5.5%.

Outstanding performances in Mainland China and substantial growth in overseas green field projects

The performance in the first half of 2017 was mainly benefited from the cyclical recovery in the manufacturing and trading sectors and better growth momentum of regional economic performance in China. The Group’s ports in Mainland China contributed container throughput of 37.88 million TEUs, indicating an increase of 9.9% year-on-year，whereas ports in Hong Kong and

Taiwan contributed an aggregate container throughput of 3.74 million TEUs, representing a growth of 20.9% year-on-year； overseas ports performances was affected by the disposal of an asset by Terminal Link SAS in the beginning of 2017, resulted in the Group's overseas throughput volume of 8.54 million TEUs, which remained at the same level of that over the same period last year. Nevertheless, the two green field projects of the Group, Colombo International Container Terminals Limited (「CICT」)in Sri Lanka and Lomé Container Terminal S.A.(「LCT」)in Togo shown excellent performances, of which recorded 21.2% and 42.2% growth respectively.

Regarding the development of its West Shenzhen homebase port, the Group proactively promoted resources consolidation and made steady progress in various fundamental works. As for the upgrade of hardware of West Shenzhen Port Zone, phase II of Tonggu Channel and Western Public Channel have commenced substantial construction while all preparatory work of the "Mawan smart ports" project at the preliminary stage has been completed. As for strengthening the intelligent management of its West Shenzhen homebase port, the "E-port" project has been making satisfactory progress. The construction of phase II was well underway. The Qianhai sub-platform of International trade "Single Window", which helds trade facilitation, was officially put into operation.

Achieved important breakthroughs in domestic and overseas with mutual benefits

As for overseas expansion, the Group entered into a concession agreement in relation to Hambantota Port on 29 July 2017, so as to further pushed ahead with the construction of an overseas homebase port in Sri Lanka. On the other hand, the opening of Djibouti DMP Doraleh Multi-Purpose Port on 24th May has boost up the Ro-ro ship and bulk handling volume. The Group actively participate in the planning and construction of its ports and port-related business by leveraging on the development potential and advantages of different regions.

With respect to the Chinese port market, the Group entered into a subscription agreement on 10 April 2017，to acquire 60% of the equity interest in Shantou Ports Group Corp Co., Ltd., which will further strengthen the Group's port network in Southern China. The transaction was completed on 9 August 2017. At the same time, the Group continued to capitalise on the opportunities arising from the ports consolidation and the coordinated development of ports and cities in China so as to expand its port network in China and optimise the structure of domestic ports resources. It has also designed a multi-beneficial cooperation model based on the port condition of different regions and resources available in various hinterlands.

With regard to innovative development, the Group promoted the "Internet + Port" business model in an innovative and orderly manner in the first half of the year, while proactively expanding its projects, including the integrated electronic bulk trading platform for grains cooperated with COFCO Corporation, and establishment of the joint venture Silk Road E-Merchants Information Technologies Co., Ltd. with IZP Group. The Group also established a special working group for innovations to promote the establishment of a comprehensive port ecosystem on the foundation of port operations. It also enhanced the synergy and cooperation between the involved parties in port business and strengthened its ability in creating values for customers through innovation of business models and cross-sector integration, which would facilitate its business expansion towards middle and high end of the ports value chain, thereby realising the transformation from a terminal operator to a comprehensive port services provider.

Strengthen the development of Green Port and actively participate in charitable activities

The Group has been continuously fulfilling the corporate social responsibility of "conserving energy, reducing emission and carbon footprint, and protecting the environment". With a total investment of approximate RMB

77 million until now, the Group aims to establish a new and modern container port zone that is green, efficient, eco-friendly and sustainable with the use of clean energy and green power.

The Group is committed to integrating its corporate values into the community by taking active part in various community and charitable activities. CICT in Sri Lanka, a subsidiary of the Group, joined hands with China Merchants Charitable Foundation, has donated Rupees 7.5 million worth of supplies in total to the local parties, to help the victims of flooding and landslide regions in Sri Lanka to overcome the difficulties. The Company also continued to run the “Shaping Blue Dreams Together — C Blue restore Sight Project”, providing free surgeries for 154 local patients who were poor and suffered from cataract, to recover their sight.

Shipping industry rebound with full year restorative growth prospect

Looking into the second half of the year, the global economy will stay on the recovery trajectory, mainly under the influence of the demand side, especially the manufacturing industry with encouraging investment demand, and the global trade volume. The growth rate of the global economy will return to its long-term average. China's GDP growth rate is expected to remain at the level of 6.7%, and the economic contribution of import and export will increase with support from the stable external demand.

The rebound of demand in shipping industry; further enhancement of container shipment centralization and the expected improvement of utilization of dry bulk shipping capacity constitute the key conditions for upward elasticity on shipping freight rate. The industry has entered into a phase of structural recovery. As the tradition peak season of container shipment and dry bulk shipment cargos take place in the third and fourth quarter respectively, the recovery of the industry deserves expectation. Moreover, benefitted from the recovery of the shipping industry, it is expected that the port industry will record restorative growth throughout the year.

Against a backdrop of continuous recovery of the global economy and trade, steady growth of the Chinese economy and changing competitive landscape of the port and shipping market in 2017, the Group will seize new opportunities for its port business to analyse, adjust and optimise its asset structure and financing channels with a view to enhancing its overall return of equity. As always, the Group will endeavour to maximise shareholder value while enhancing profitability, thereby delivering better investment returns for its shareholders.

Note 1: Include revenue of the Company and its subsidiaries, and its share of revenue of associates and joint ventures.

Note 2: EBITDA refer to earnings before net interest expenses, taxation, depreciation and amortisation of the Company, its subsidiaries and its share in associates and joint ventures, but excluding unallocated income less expenses and profit attributable to non-controlling interests.


CMPort 2017 Interim Results Press Conference
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