

# **China Merchants Holdings (International) Company Limited**

## **2009 Annual Results Announcement**



**31 March 2010**



# 2009 Annual Results Announcement

1. **Financial Information**
2. Operations Analyses
3. Review & Outlook
4. Q & A

# Key Financial Indicators 1



**招商局國際有限公司**

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

| HK\$ million                        | 2009FY   | 2008FY   | Change |
|-------------------------------------|----------|----------|--------|
| Container throughput (10,000 TEU)   | 4,387    | 5,048    | -13.1% |
| Revenue*                            | 17,286   | 28,167   | -38.6% |
| Revenue (Ports Operations)          | 11,503   | 12,727   | -9.6%  |
| EBIT**                              | 4,670    | 5,663    | -17.5% |
| EBIT** (Ports Operations)           | 4,072    | 4,680    | -13.0% |
| Profit attributable to shareholders | 3,238    | 3,706    | -12.6% |
| Earnings per share (HK cents)       |          |          |        |
| Basic                               | 133.18   | 152.97   | -12.9% |
| Fully diluted                       | 133.10   | 152.43   | -12.7% |
| Dividend per share (HK cents)       |          |          |        |
| Final                               | 32       | 40       |        |
| Full year / Payout ratio            | 57 / 43% | 68 / 44% |        |

\*Including revenue of company and its subsidiaries and share of revenue of associates and jointly controlled entities.

\*\*Earnings before net interest, tax, unallocated income less expenses, and minority interest ("Adjusted Earnings") for the Company and its subsidiaries, and its share of Adjusted Earnings of associates and jointly controlled entities.

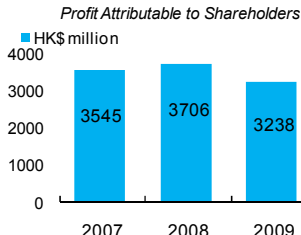
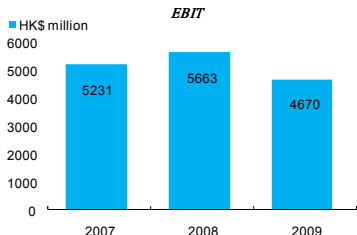
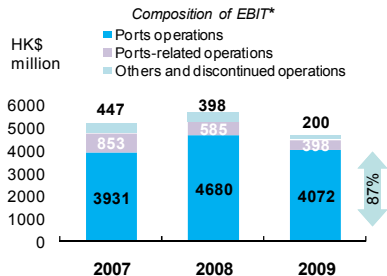
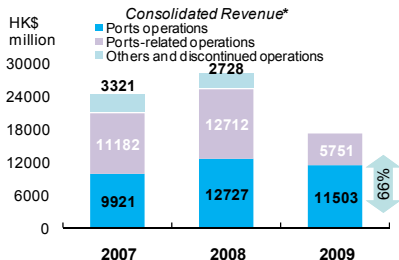
2009 Annual Results

# General Financial Analyses 1



招商局國際有限公司

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED



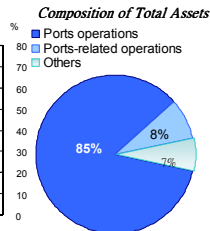
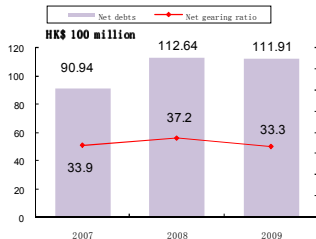
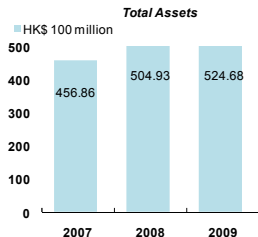


# Key Financial Indicators 2



**招商局國際有限公司**  
CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

| HK\$ million            | 2009.12.31 | 2008.12.31 | Change              |
|-------------------------|------------|------------|---------------------|
| Total assets            | 52,468     | 50,493     | +3.9%               |
| Net assets              | 33,563     | 30,280     | +10.8%              |
| NAV per share (HK\$)    | 13.80      | 12.49      | +10.5%              |
| Interest-bearing debts* | 14,397     | 14,070     | +2.3%               |
| Cash & cash-equivalents | 3,206      | 2,806      | +14.3%              |
| Net debts               | 11,191     | 11,264     | -0.6%               |
| Net gearing ratio**     | 33.3%      | 37.2%      | -3.9 percent points |





# 2009 Annual Results Announcement

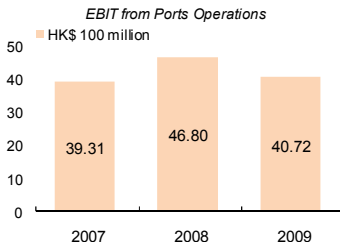
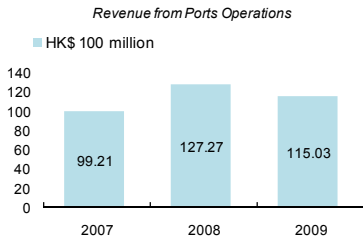
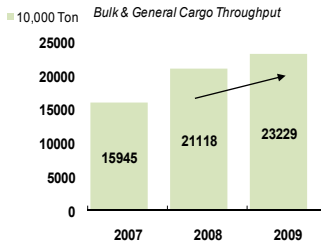
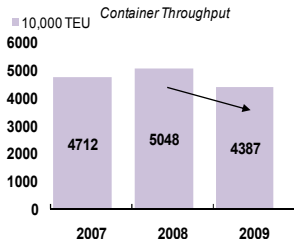
1. Financial Information
2. **Operations Analyses**
3. Review & Outlook
4. Q & A

# Ports Operations Overview



招商局國際有限公司

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED



2009 Annual Results

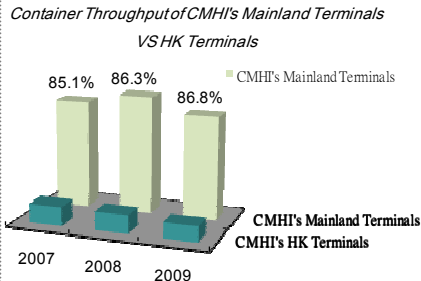
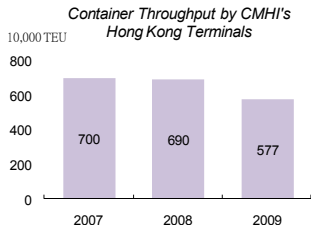
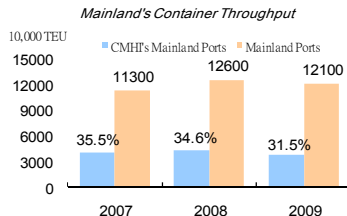
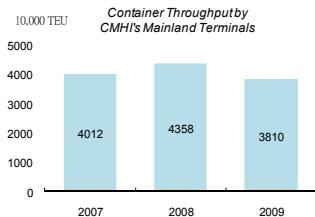
# Container Ports Operations

## —Mainland & Hong Kong



**招商局國際有限公司**

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED



# Container Ports Operations

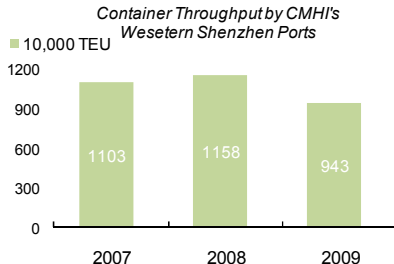
## —Pearl River Delta



招商局國際有限公司

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

- ➡ CMHI's Western Shenzhen ports handled 9.43 million TEUs in 2009, down 18.6% year-on-year.
- ➡ Western Shenzhen ports accounted for 51.7% of the market share of Shenzhen port, a slight decline in market share comparing to FY2008.



# Container Ports Operations

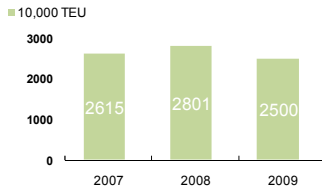
## —Yangtze River Delta



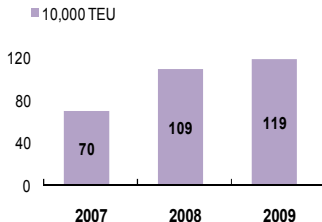
招商局國際有限公司  
CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

- ➡ SIPG handled 25 million TEUs, down 10.8% year-on-year.
- ➡ Ningbo Daxie Terminal (CMICT) handled 1.19 million TEUs, up 9.3%.
- ➡ Both SIPG and CMICT stabilized the rate of handling fee for international container trade.

Container Throughput by SIPG



Container Throughput by CMICT



# Container Ports Operations

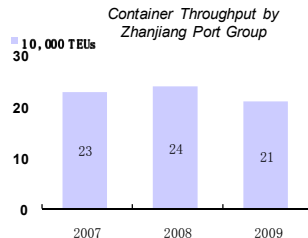
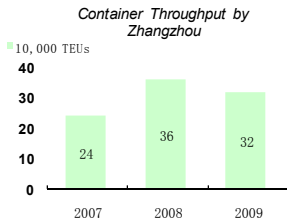
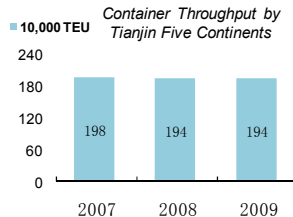
## —Others



招商局國際有限公司

CHINA MERCHANTS HOLDINGS (INTERNATIONAL) COMPANY LIMITED

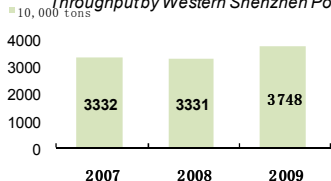
- Bohai Economic Rim: Tianjin Five Continents' throughput reached 1.94 million TEUs.
- Southeast coastal region: Zhangzhou China Merchants Port registered a throughput of 320,000 TEUs.
- Southwest coastal region: Zhanjiang Port Group throughput reached 210,000 TEUs.



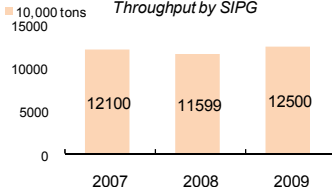


- The overall performance of bulk and general cargo business by CMHI's terminals was satisfactory, which reached 232.29 million tons, up 10%. The growth rates of Shenzhen Port and Zhangzhou Port were more significant.
- The bulk cargo business in Western Shenzhen recorded satisfactory growth, its throughput increased by 4.27 million tons, up 12.9%.

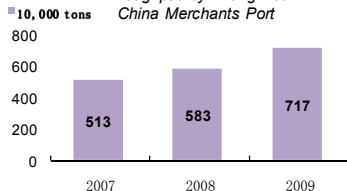
Throughput by Western Shenzhen Ports



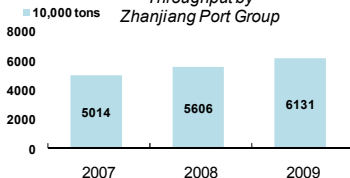
Throughput by SIPG



Throughput by Zhangzhou China Merchants Port



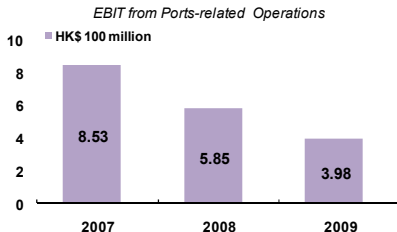
Throughput by Zhanjiang Port Group







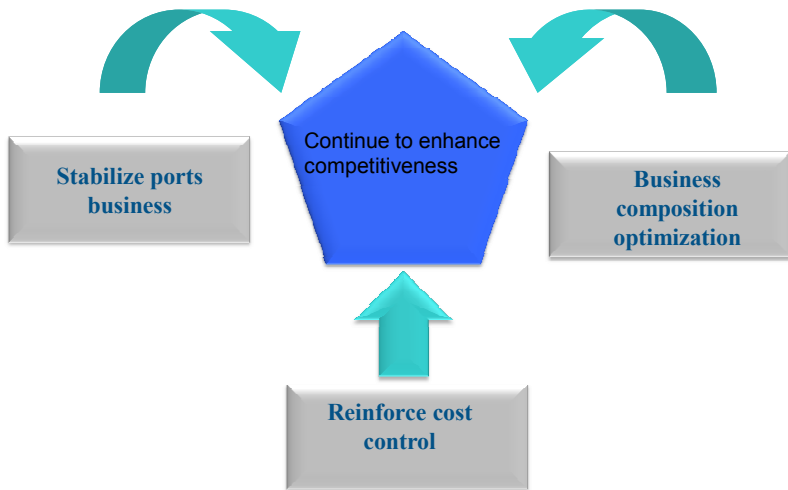
- ➡ EBIT of ports-related operations reached HK\$398 million, down 32%;
- ➡ It registered a significant decrease in the annual dry box sale, refrigerated box sale and special box sale comparing to last year;
- ➡ There was a slight decrease in the transportation vehicles sale (down 8%), with a total of 100,000 units.





# 2009 Annual Results Announcement

1. Financial Information
2. Operations Analyses
3. **Review & Outlook**
4. Q & A





## Stabilize ports business

Shenzhen home-based  
integration

**Facilitate rate stability and the  
development of PRD's market**

Tonggu Channel was officially  
launched after passing  
inspection on 26 Dec

**Enhance Western Shenzhen  
capability**

Shenzhen Qianhaiwan Bonded  
Port Zone opens on 10 July

**Foster integrated ports & logistics  
development in Western Shenzhen  
port area**

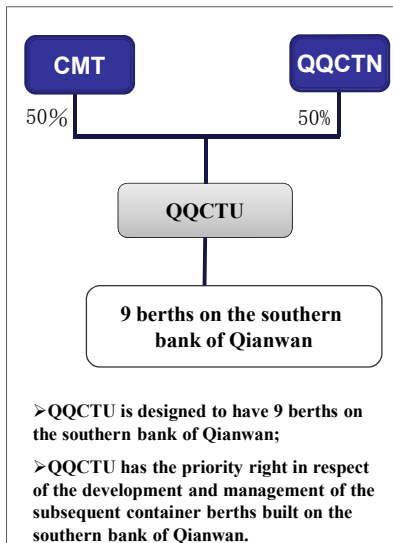
Received ISO 14001 and ISO  
28000 certification

**Achievements on green port and  
supply chain security**

Formed a joint venture  
company with QQCTN on 18  
Dec

**Join hands with Qingdao Port and  
form excelliance, so as to increase the  
capability of Bohai ports business**







Business composition  
optimization



Disposed of  
Hempel-  
paints  
business

Disposed of Hempel, to increase the ratio of ports business of CMHI to its assets

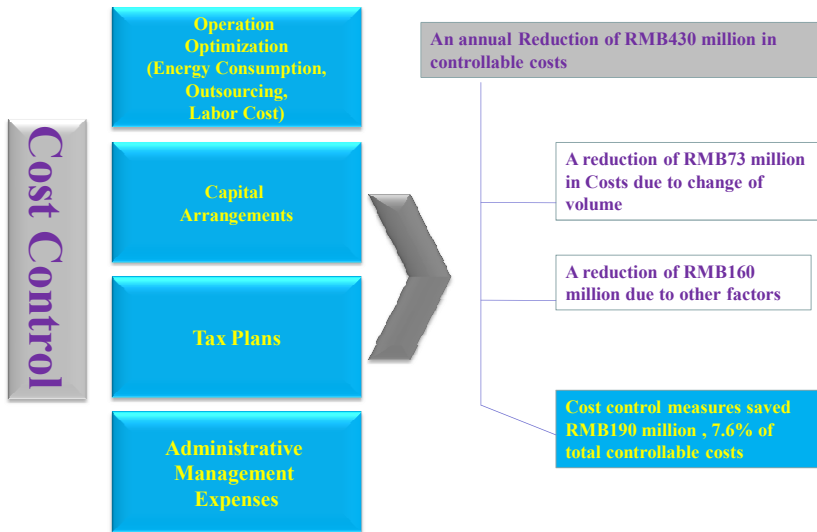
Acquired  
additional  
shares in  
Shenzhen  
Chiwan

Acquired additional 3.9% B shares interests in Shenzhen Chiwan

Initiated  
cold chain  
supporting  
business

Formed a joint venture company with Americold, the leading cold chain corporation in the world on 30 Mar 2010

# 2009 Key Tasks







| GDP Growth Rate | 2009  |
|-----------------|-------|
| China           | 8.7%  |
| India           | 5.4%  |
| ASEAN           | 0.7%  |
| Brazil          | -0.7% |
| US              | -2.7% |
| EU              | -4.2% |
| Japan           | -5.4% |
| Russia          | -7.5% |

➡ The developed economies in Europe, America and Japan were in recession in 2009. The global GDP growth rate decreased to -1.1%. As for world trade, it first dropped to -11.9% since 1982;

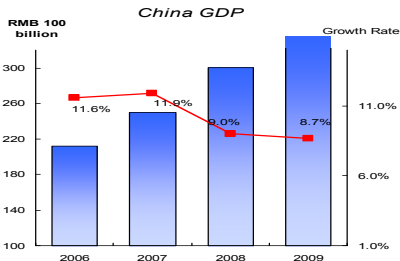
➡ The growth rate of China's foreign trade dropped by 13.9% in 2009. China has met the target of 8% GDP growth. However, it dropped significantly afterwards;

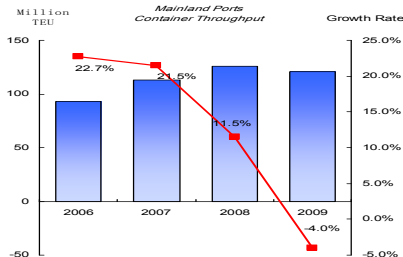
➡ IMF expects the global economic growth for 2010 to reach 3.9%;

➡ China's foreign trade will start to recover in 2010, trade between China and ASEAN attracts the world's attention; but there are a number of factors affecting the growth simultaneously;

➡ The GDP growth rate of China is expected to be 9% in 2010;

➡ The economic situation in PRC in 2010 will foster economic growth, however, one should also beware of inflation;





| Some of the Terminals in the Regions | Domestic Container Trade Throughput (10,000 TEU) |             | Foreign Container Trade Throughput (10,000 TEU) |             |
|--------------------------------------|--|-------------|---|-------------|
|                                      | 09   | Growth Rate | 09  | Growth Rate |
| Bohai-Northeast                      | 261.54   | 27%         | 348.17  | -15%        |
| Bohai-North & East                   | 541.56   | 11%         | 1,087.89  | -4%         |
| Yangtze River Delta                  | 563.93   | 4%          | 3,231.82  | -11%        |
| Southeast Coastal Region             | 164.00   | 12%         | 178.41  | 3%          |
| Pearl River Delta                    | 756.67   | 3%          | 1,185.65  | -20%        |
| Southwest Coastal Region             | 63.28  | 19%         | 21.15   | -23%        |
| Total                                | 2,350.98   | 8%          | 6,053.12  | -12%        |

➤ Mainland's container throughput growth rate first registered a negative growth (-5.8%), the foreign container trade throughput decreased by approximately 12% and the growth rate of domestic container trade increased by about 8% ;

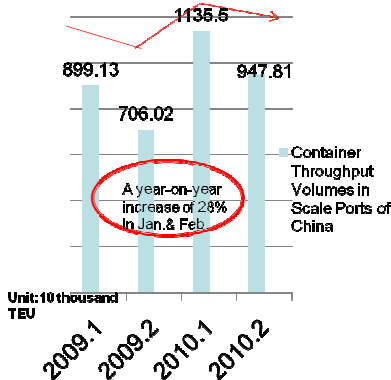
➤ There is a surplus of container ports, especially for some of the coastal regions;

➤ Anticipated to have a rise again in container throughput in PRC in 2010;

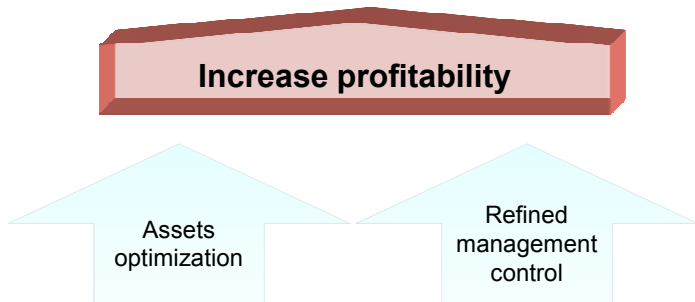
➤ Financial crisis intensified the situation of the surplus of terminal capacity and the idle capacity and aggravated competition among rivals.

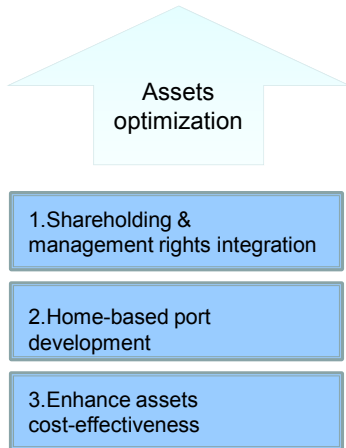
Note: The aforesaid statistics was not a comprehensive study which was based on the throughputs from some of the major terminals of the relevant ports.

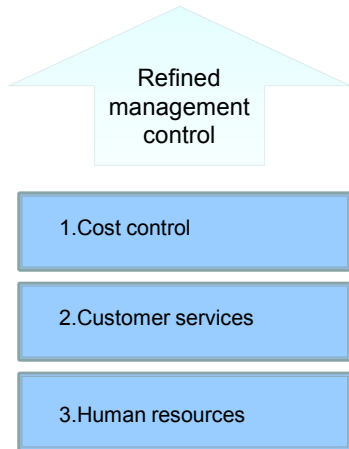
## A Good Start in China's Container Throughput Volume in Jan. and Feb. 2010



| Ports                | Feb. Volume | Year-on-Year Change (%) | Month-on-Month Change (%) | Jan. & Feb. Volume | Year-on-Year Change (%) |
|----------------------|-------------|-------------------------|---------------------------|--------------------|-------------------------|
| Hong Kong            | 41.6        | 21.3%                   | -18.6%                    | 92.6               | 13.7%                   |
| Western Shenzhen     | 80.7        | 53.8%                   | -13.0%                    | 173.6              | 33.1%                   |
| Shenzhen             | 150.7       | 48.4%                   | -15.0%                    | 327.9              | 29.0%                   |
| SIPG                 | 187.0       | 22.4%                   | -16.6%                    | 411.2              | 19.9%                   |
| Ningbo-Zhoushan      | 87.4        | 12.3%                   | -10.1%                    | 184.7              | 30.0%                   |
| Zhangzhou Port       | 4.3         | 128.5%                  | 6.2%                      | 8.3                | 102.3%                  |
| Xiamen Port          | 37.1        | 22.3%                   | -21.1%                    | 84.0               | 24.7%                   |
| Tianjin Port         | 62.2        | 13.1%                   | -18.5%                    | 138.5              | 15.7%                   |
| Qingdao Port         | 85.3        | 10.3%                   | -8.8%                     | 178.8              | 8.8%                    |
| Zhanjiang Port Group | 1.7         | 37.7%                   | -27.5%                    | 4.4                | 46.8%                   |









# 2009 Annual Results Announcement

1. Financial Information
2. Operations Analyses
3. Review & Outlook
4. **Q & A**



## Q & A







# 2009 Annual Results Announcement

## Thank you

