Press Release **For Immediate Dispatch**

Container Thru-put with Overseas Contribution Exceeded 70 million TEUs (up 18.5%)
CMHI's 2013 Profit to Shareholders: a record high HK$4,213 million (up 10.3%)

- **Container throughput handled rose 18.5% year-on-year to 71.32 million TEUs (2012: 60.21 million TEUs)**
- **Total bulk cargo volume handled was 349 million tonnes (2012: 327 million tonnes), a year-on-year increase of 6.8%;**
- **Profit attributable to equity holders totaled HK$4,213 million (2012: HK$3,818 million), a year-on-year increase of 10.3%;**
- **Recurrent profit attributable to equity holders amounted to HK$4,008 million (2012: HK$3,373 million), up 18.8% year-on-year;**
- **Profit derived from the Group's core segment of ports operation was HK$3,937 million (2012: HK$3,518 million), up 11.9% year-on-year;**
- **Ports operation recorded an EBITDA of HK$9,806 million (2012: HK$8,880 million), an increase of 10.4% from last year;**
- **Basic earnings per share was 166.89 HK cents (2012: 153.26 HK cents), up 8.9% year-on-year;**
- **Total dividend for the year was 77 HK cents (2012: 70 HK cents) , representing a payout ratio of 46.2%**

The Board of Directors (the "Board") of China Merchants Holdings (International) Company Limited (the "Company", HKSE Code: 0144) is pleased to announce the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013.

Dr. Fu Yuning, Chairman of the Board, said, "Benefited from the incremental contribution from the overseas projects, total throughput handled by the Group reached a record high 71.23 million TEUs in 2013, up 18.5% year-on-year. With the Group's dedicated efforts in the implementation of cost savings and efficiency improvement measures, alongside synergy building among business units and encouragement of innovation, and with the additional contribution from overseas ports operation, the Group, amid the pressure posed by a weak global economic growth environment, has delivered a solid growth in the profit generated from its core ports operation. Profit attributable to equity holders for the year was HK$4,213 million, up 10.3% year-on-year, translating into basic earnings per share of 166.89 HK cents showing a year-on-year increase of 8.9%, while the recurrent profit attributable to equity holders amounted to HK$4,008 million, up 18.8% year-on-year. Profit contributed by the Group's core ports operation was HK$3,937 million, representing a year-on-year growth of 11.9%."

Revenue [Note 1] generated from the Group's core ports operation amounted to HK$20,033 million, up 8.1% year-on-year. Ports operation recorded an EBITDA [Note 1] totaling HK$9,806 million, and an EBIT [Note 2] of HK$7,213 million, representing a year-on-year increase of 10.4% and 12.2%, respectively.

China International Marine Containers (Group) Co., Ltd ("CIMC") saw a 12.4% increase in its profit attributable to equity holders during the year to RMB2,180 million, contributing an EBIT of HK$1,232 million to the Group's, up 16.9% year-on-year.

To reward shareholders for their continuous support, the Board proposed a final dividend of 55 HK cents per share, deriving a full year dividend of 77 HK cents per share which translates into a dividend payout ratio of 46.2%. Shareholders may elect to receive the final dividend in cash or by way of scrip dividend.

Total throughput handled exceeded a record-high of 70 million TEUs

Despite a moderation of business growth in the Group's Mainland China ports as a result of the deceleration in global trade velocity in 2013, the Group has, through its determination in pursuit of its overseas expansion, the continuous refinement of management process in its existing Mainland China operation, along with the rolling out of other key tasks, still managed to deliver a double-digit percentage growth in its throughput handled amid a challenging external environment.

The Group handled 71.32 million TEUs of container throughput, up 18.5% year-on-year. Container throughput handled by the Group's ports in Mainland China amounted to 56.73 million TEUs, accounting for 79.5% of the Group's total. The Group's ports in Hong Kong and Taiwan contributed 9.9% of the Group's total throughput, or 7.08 million TEUs. Throughput handled by the Group's overseas ports operation was 7.51 million TEUs, accounting for 10.6% of the Group's total, representing an increase by 10 percentage points as compared to last year. The performance of our container business by region is illustrated below.

Table: Throughput Volume of Major CMHI's Ports in 2013

Region	Name of Port	2013 Throughput (million TEUs)	Year-on-year change (%)
Mainland China	West Shenzhen	11.39	-1.7%
	Chu Kong River Trade Terminal	1.19	6.4%
	SIPG	33.62	3.3%
	Ningbo Daxie	2.06	7.5%
	Tianjin Five Continents	2.30	5.5%
	Qingdao	5.23	21.6%

	Zhanjiang Port Group	0.38	22.1%
	Zhangzhou	0.56	30.7%
	CMHI Total in Mainland China	56.73	4.3%
Hong Kong And Taiwan	Hong Kong	5.91	8.5%
	KMCT, Kaohsiung	1.17	-
	CMHI Total in Hong Kong and Taiwan	7.08	30.1%
Overseas	Nigeria	0.47	18.3%
	Djibouti	0.74	-
	Terminal Link	6.25	-
	Sri Lanka	0.06	-
	CMHI Total in Overseas	7.51	-
CMHI Total		71,32	18.5%

Overseas ports projects contributed, for the first time, more than 10% of the Group's total throughput

Anchored from the already established leading position in the China market, the Group has started the implementation of its international expansion strategy since 2008 and entered the stage of harvest as it went into 2013, gradually realizing its goal of becoming a global leading ports investor, developer and operator.

Following the participation in the Nigeria ports project and the development of Colombo International Container Terminal in Sri Lanka were the successful completion of several acquisitions on the international expansion front between the second half of 2012 and 2013. These included the acquisition of equity stakes in respectively Kao Ming Container Terminal in Taiwan in December 2012 and in Djibouti port project and Terminal Link during 2013, contributing further to the growth of the Group's ports operation. Total throughput contributed by the Group's overseas projects, taking into account contribution from the abovementioned newly acquired assets, amounted to 7.49 million TEUs in 2013, or 10.6% of the Group's total throughput. The Sri Lanka port project, which commenced operation during 2013, and the Togo project, which will be put into operation in 2014, are expected to bring incremental contribution as well as sustainable profit growth in the Group's ports business .

The Group will strive to further improve its global ports network positioning by continuing to pursue the established internationalization strategy through closely monitoring and studying investments opportunities around the globe.

Consolidating existing operation in Mainland China while seeking to grow profit

by implementing cost savings and efficiency enhancement measures

During 2013, the moderation of global economic growth has certainly presented the Group with challenges. The Group has, on the one hand, continued to refine and upgrade its management system and process, encourage technological innovation and enhance operational management capabilities through which to achieve cost savings and efficiency gains. On the other hand, the Group has continued to expand its global footprint by pursuing acquisition of port assets strategically located at hub locations, thus creating synergies built on the Group's global port network through optimization of resources, whilst striving to extend its value chain and promote business model innovation relating to its ports operation, in order to inject impetus into the Group's sustainable growth. The specific actions are:

First, the Group has accelerated the construction and upgrading of the infrastructure and operating environment in West Shenzhen Port Zone. The Group has, through the completed acquisition of an additional 25% equity stake in Shenzhen Chiwan Wharf Holdings Limited in April 2013, enhanced the unification of management and operation within the West Shenzhen Port Zone and promoted the rendering of 24-hour service to support cross-terminal operation for cargoes across the entire Zone. Besides, the Group has dedicated its efforts in developing an integrated transportation network centered around the West Shenzhen Port Zone, and has participated in the "National Demonstration Project for Container Sea-rail Inter-modal Transportation Network Application", a data-collaboration project run in six selected nationwide sea-rail inter-modal transportation routes including those in South China, aiming to explore and develop a refined model of data collaboration in a multi-modal network with unified information protocol.

Secondly, the Group has continued to leverage on the established advantages at its West Shenzhen homebase ports in terms of resources, service quality and location to encourage the synergistic collaborations between its homebase ports and the river terminals in the Pearl River Delta. The pilot service for feeder-routes launched in West Shenzhen Port Zone, stemming from the already-operating South China barge shuttle service, now has coverage over a number of river terminals including those at Zhongshan, Huangpu and Foshan, showing promising signs in facilitating the hub-and-spoke connectivity and achieving economies of scale. The Group has also actively sought to capture opportunities, through investing in river terminals, to help roll out the Group's strategic positioning in expanding its regional river network with an aim of strengthening the reach-out of its homebase ports in Western Shenzhen through the on-going improvement of its hub-and-feeder transportation network.

As regards the Group's operation in China, aiming towards better alignment of port assets, the Group has been proactively strengthened and interacted with major port groups along coastal China with a view to identifying new investment and cooperation opportunities, an example of which is the entering into of a joint venture agreement in respect of the investment in Qingdao Dongjiakou Iron ore terminal in May 13, which is beneficial for the Group in further solidifying its working relationship with Qingdao Ports Group whilst anchoring its market position in Bohai Rim.

As for the managing of port operation, the Group has initiated the development of an operational refinement platform in 201, which not only significantly supported the Group's performance evaluation processes, but also improved its decision-making efficiency and enhanced management quality. Meanwhile, in response to the ever-changing operating environment in, and development trends of, the logistics industry, the Group has actively promoted innovative management via an innovation and development committee alongside an incentive mechanism to encourage innovation on aspects of technology and technical process, management and business model, with a view to achieving the goals of cost reduction and efficiency enhancement.

Sustainably rapid expansion at Bonded logistic and cold chain operations

Despite a mildly slowing international trade activities, the Group's bonded logistics business has, through the introduction of new customers and business model, demonstrated a rapid and consistent growth momentum. This positive performance reflected not only the collaboration synergy between bonded logistics parks and their corresponding port zones, but also the value through adhering to the Group’s strategy in extending the port’s value chain by developing bonded logistics. In 2013, the Group’s bonded logistics and cold chain operations recorded a total revenue of HK$863 million and EBIT of HK$390 million, up respectively 6.9% and 132.1% when compared to that of last year (the year-on-year comparison for the bonded logistic and cold chain operation as shown above were computed based on the adjusted figures that exclude the contributions from China Nanshan Development (Group) Incorporation and its subsidiaries in 2012).

The Group’s bonded logistic operations located in different regions have pursued their business growth by capitalizing on the characteristics of the respective regions. Capitalizing on the development opportunities availed from the latest developments at Qianhai Cooperation Zone and the preferential policies offered at the Qianhai Bonded Port Zone, China Merchants Bonded Logistics Co., Ltd. (“CMBL”), a subsidiary of the Group, has been actively promoting the innovation of bonded logistics operation models and successfully captured business opportunities offered by the cross-border trading activities and cooperation between Shenzhen and Hong Kong through integrating the value chain derived from the cargo flow through the ports in Shenzhen. China Merchants International Container Terminal (Qingdao) Co., Ltd. has secured new business models, vaving optimized its cooperation with customers along with expanded service capability under the philosophy of “operation model innovation and efficiency enhancement”. Tianjin Haitian Bonded Logistics Company Limited continued its penetration efforts towards the import of automobile (in whole) with a view to building up its unique competitive edge in the region.

China Merchants Americold Holdings Company Limited and China Merchants Americold Logistics Company Limited (collectively known as “CMAC”), the Group’s cold chain logistics operation platform, was listed in 2013 by China Food Industry Association as among “China’s Top 50 Food Logistics Enterprises”. Its storage business grew considerably in 2013 with a warehouse utilization rate exceeding 77%, up 9 percentage points from the previous year.

Cautiously optimistic outlook for 2014 with performance expected to be generally better than 2013

The IMF forecasted the global economy to grow 3.7% in 2014, while the WTO is of the view that world trade volume will expand by 4.5%. The Chinese economy, one of the most influential economies globally, having grown mildly in the second half of 2013, is expected to trend modestly upward in 2014, while imports and exports are expected to grow at a similar pace to that in 2013, indicating that treading on the steady rebound in global economic and trade velocity prevailed in the second half of 2013, global economy is expected to continue its recovery moderately in 2014. Yet, the risk of the global economy trending downwards still exists.

Global ports business performance in 2014 is expected to fare slightly better than that for 2013, derived from a gradual accumulation in global economic momentum and trade velocity growth. Nonetheless, the continual allying of shipping liners and the deployment of mega-sized vessels would present the global port industry with both opportunities and challenges, derived from the uneven deployment of regional port resources, which would impact the operational behaviour of ports within these regions, the irreversible trend towards deploying more mega-sized vessels which necessitates the upgrading and rebuilding of port infrastructure and facilities, and the escalation of operating costs, in particular labour costs, which will pose pressures on the ports' profitability. The Group thus remains cautiously optimistic towards its ports operation in 2014.

As Dr. Fu indicated, "Whilst the global macroeconomic environment is hopeful of improving in 2014, the market environment is expected to remain complex, and the ports industry to still face considerable challenges. The Group intends to align with the ever-changing market conditions and seek to capture prevailing opportunities available to solidly expand its business. The Group will manage its business in 2014 by adhering to the principles of "integrating and optimizing resources, transforming and refining operations, intensifying the execution of strategies, thereby elevating business scale, service quality and asset efficiency", in order to ultimately enhance the profitability of its China and overseas operations. Simultaneously as we engage the Group to fulfill its corporate social responsibilities, we are confident in ensuring continuously better investment return for our shareholders."

Note 1: Including revenues of the Company and its subsidiaries, and its share of revenues of associates and joint ventures.

Note 2: Earnings before net interest expenses, taxation, depreciation and amortisation, unallocated income less expenses and non-controlling interests ("Defined Earnings") for the Company and its subsidiaries, and its share of Defined Earnings of associates and joint ventures.

Note 3: Earnings before net interest expenses, taxation, unallocated income less expenses and non-controlling interests ("Adjusted Earnings") for the Company and its subsidiaries, and its share of Adjusted Earnings of associates and joint ventures.