

CMPort Recorded Significant Growth in Net Profit and Recurrent Net Profit in 2021

The Board of Directors of China Merchants Port Holdings Company Limited (“CMPort” or the “Company”, Hong Kong Stock Exchange code 00144), is pleased to announce the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2021.

CMPort 2021 Annual Results press conference was conducted online on 30 March 2022, and was hosted by Mr. Deng Renjie, the Chairman of the Board of CMPort. Mr. Wang Xiufeng, the Chief Executive Officer, firstly introduced the Company’s annual operating performance. Mr. Deng Renjie and Mr. Wang Xiufeng then answered questions from the press together with the Company’s Chief Financial Officer, Mr. Tu Xiaoping, Deputy General Manager Mr. Lu Yongxin and Deputy General Manager Mr. Li Yubin.

In response to the question concerning CMPort’s supporting role in the Hong Kong pandemic and its future plans in Hong Kong, Mr. Deng Renjie expressed that after the Chinese New Year, the cross-border road transport between Shenzhen and Hong Kong was affected. CMPort immediately proposed and organized an alternative plan to use sea transport as a substitute. With the support of the governments from Guangdong and Hong Kong, since 21 February 2022, the Company’s barge express services from Shenzhen, Foshan, Huangpu and 6 other Pearl River Delta terminals to Hong Kong commenced business. As of 29 March 2022, Shenzhen-Hong Kong Express services completed 258 voyages and transported 30,000 TEUs of goods, totaling over 220,000 tonnes of cargos. The Company has full confidence in the future development of Hong Kong and will continue to deepen its involvement in Hong Kong, actively seize new investment and cooperation opportunities, promote the synergy of its terminals and assist in bringing Hong Kong’s port and logistics sector to a new level.

A number of reporters were interested in the impact of the port operation under COVID-19 pandemic. Mr. Wang Xiufeng explained that the operation of the Company’s domestic and overseas ports are stable, but the repeated outbreak of the pandemic did bring certain challenges. Some ports increased the level of pandemic prevention and control measures which prolonged the ship berthing time and affected handling capability of the ports. The Company’s ports actively optimized their operation process to shorten the operating time of vessels at ports, frequently communicated with shipping lines and cargo owners and implemented a “loaded container reservation system” to reduce the detention time of containers and continued to update its pandemic response measures.

In response to whether CMPort will distribute special dividend for its 30th year anniversary of listing in Hong Kong, Mr. Tu Xiaoping responded that the Company has been deeply involved in Hong Kong for 30 years and has always been committed to bring long-term and stable returns for its shareholders while achieving high-quality and sustainable growth. Distribution of special dividend has to make consideration as a whole.

Regarding media's questions about CMPort's future investment strategy, Mr. Lu Yongxin expressed that the Company will adhere to the principle of high-quality development of its existing portfolio and high-level expansion for future growth. On the one hand, the Company will strengthen the construction of its homebase ports and its consolidated terminals to refine and optimize its existing portfolio. On the other hand, it will focus on investment opportunities in RCEP countries based on the principles of commercial feasibility and risk control. The Company will also further strengthen its strategic cooperation with CMA CGM Group and use Terminal Link as the platform to explore projects in mature markets in Europe and America to obtain stable financial returns.

With regard to the development of Mawan Smart Port, Mr. Li Yubin responded that it was a smart port built by the Company using new technologies and different from traditional automated terminals. The successful application of the Mawan Smart Port provided the industry with an all-round replicable and scalable smart port solution. Based on its 2021 operational results, firstly, the overall production efficiency had a 20% improvement in comparison to traditional ports. Secondly, it used ePort, a digital online integrated service platform, which improved the customer service levels and user experiences. And lastly, the port was mainly driven by electric-energy and the overall carbon emission was reduced by around 90% compared with traditional ports, which contributed to the green energy conservation and environmental protection of the region.

Mr. Wang Xiufeng expressed that at the beginning of 2022, CMPort's container throughput in the Pearl River Delta region was affected by the Chinese New Year holidays and the pandemic. But the container throughput in the Yangtze River Delta region performed well and its overseas terminals also maintained steady growth. Going forward, the Company is expected to maintain stable growth throughout the year.

Mr. Deng Renjie emphasized that CMPort is committed to shift from growth in scale to growth in quality and achieve endogenous development and innovation transformation. In recent years, the Company has been focusing on extending its logistics supply chain around ports, promoting the combined ports in the Greater Bay Area, Smart Port development, strengthening the synergy

effect with other companies within the China Merchants Group's transportation sector, promoting regional network layout and improving the core competitiveness of its hub ports.

Highlights of the Group's 2021 annual results

Container throughput volume rose by 12.0% year-on-year to 135.04 million TEUs (2020: 120.52 million TEUs)

Bulk cargo volume rose by 38.0% year-on year to 567 million tonnes (2020: 411 million tonnes)

Revenue amounted to HK\$11,850 million, year-on-year increase of 32.5% (2020: HK\$8,945 million)

Profit attributable to equity holders of the Company amounted to HK\$8,144 million, year-on-year increase of 58.1% (2020: HK\$5,151 million)

Recurrent profit (note 1) of HK\$7,537 million, year-on-year increase of 81.3% (2020: HK\$4,158 million)

Basic earnings per share was 219.87 HK cents, year-on-year increase of 50.3% (2020: 146.25 HK cents)

Annual dividend of 94 HK cents per ordinary share (2020: 69 HK cents per ordinary share), payout ratio 43.6%

In 2021, the repeated spread of the epidemic and the orientation of various countries' anti-epidemic policies have led to a divergence in the economic recovery in different countries. Together with uncertainties such as inflation, unstable supply chain, complications in geopolitical issues and exchange rate fluctuations, which all imposed challenges to the daily operation and management of enterprises. Amid the complex external environment, the Group proactively coped with the challenges of the COVID-19 pandemic through increasing its core competitiveness and actively implementing its various key projects. The overall operating performance was well and the business has grown steadily. For the year 2021, the Group's overall business volume (container and bulk cargo) recorded considerable growth. With the overall trend of the port industry improving, the Group's West Shenzhen homebase port and its overseas homebase port both achieved new highs, with a total container throughput of 135.04 million TEUs, up by 12.0% as compared with last year. Bulk cargo volume was 567 million tonnes, up by 38.0% over the previous year.

For the year 2021, the Group recorded revenue of HK\$11,850 million, up 32.5% year-on-year, which was mainly due to the high business volume of ports operation. Profits attributable to equity holders of the Company amounted to HK\$8,144 million, representing an increase of 58.1% year-

on-year. This included a gain of HK\$407 million (net of tax) on deemed disposal of partial interest in associates during the year, while the amount for last year included a net gain of HK\$775 million (net of tax) recognized by the Group from the resumption of certain land parcels at Shantou by the government, the gain on discontinuance of equity accounting for a joint venture of HK\$912 million (net of tax) and goodwill impairment loss of a subsidiary of HK\$621 million. The recurrent profit increased by 81.3% year-on-year to HK\$7,537 million, which was due to the Group's increase in revenue and share of profits of associates.

To show appreciation to the shareholders for their continuous support, the Board of the Company proposed a full year dividend of 94 HK cents per ordinary share for 2021, representing an annual payout ratio of 43.6%. Shareholders may elect to receive the annual dividend in cash or scrip dividend.

Table: 2021 CMPort Container Throughput Overview

Region	Port	2021 Throughput ('000 TEUs)	Year-on-year change (%)
Pearl River Delta	West Shenzhen Port Zone	11,482	8.7
	Chu Kong River Trade Terminal	1,028	(2.6)
	Shunde Yide Port	458	7.8
Yangtze River Delta	SIPG	47,032	8.1
	Ningbo Daxie	3,407	2.6
Bohai Rim	Liaoning Port	9,906	51.6
	Qingdao	8,543	5.5
	Tianjin	8,642	9.9
Southwest Region	Zhanjiang Port Group	1,222	0.2
Southeast Region	Zhangzhou	267	(15.2)
	Shantou	1,800	13.4
HK & Taiwan	Hong Kong	5,654	1.7
	KMCT, Kaohsiung	2,029	26.9
	Total - Mainland China, HK and TW	101,470	10.7
Overseas	Sri Lanka, CICT	3,060	4.4
	Togo, LCT	1,626	19.2
	Terminal Link	25,523	20.3
	Djibouti, PDSA	692	(19.4)
	Brazil, TCP	1,101	12.0
	Turkey, Kumport	1,248	2.5
	Nigeria, TICT	320	5.6
	Total - Overseas	33,570	16.3
CMPort Total		135,040	12.0

Container and bulk cargo volume both achieved new historic high

In 2021, the Group's port sector had a total container throughput of 135.04 million TEUs, a year-on-year increase of 12.0%. The container throughput in Mainland China, Hong Kong and Taiwan exceeded the 100 million mark for the first time, totaling 101.47 million TEUs, a year-on-year increase of 10.7%. This was mainly benefitted from the increase in container volume in the Pearl River Delta region and the Yangtze River Delta region in Mainland China. Overseas ports achieved a total container throughput of 33.57 million TEUs, a year-on-year increase of 16.3%. This was mainly from the rapid growth of the Group's terminals in Sri Lanka, Brazil, Togo and Terminal Link SAS.

Bulk cargo volume totaled 567 million tonnes, a year-on-year increase of 38%. The bulk and general cargo business in mainland China grown rapidly at 560 million tonnes, a year-on-year increase of 38.5%, and was due to the continuous optimization of its cargo mix, the strengthening of China's North-South synergy and seizing market opportunities. Overseas ports completed 6.21 million tonnes, a year-on-year increase of 6.5%. Within which, Hambantota International Port Group (Private) Limited ("HIPG") in Sri Lanka newly signed a strategic cooperation project with a major customer in the infrastructure construction business, so its raw materials import increased drastically. And its RORO business exceeded 500,000 vehicles for the year.

Bonded Logistics made steady progress

In 2021, the Group's bonded logistics business continued to pursue the development direction of diversifying integrated services and enhanced the utilization rate of resources at existing warehouses and yards so as to respond to market changes and the unstable situation under the pandemic. The average utilization rate of the warehouses of China Merchants Bonded Logistics Co., Ltd. in Shenzhen was 98%, as a result of active exploration of new clients and business models. China Merchants International Terminals (Qingdao) Co., Ltd. stabilized major customers and reduced the impact of the pandemic, its average utilization rate of the warehouses reached 80%. Tianjin Haitian Bonded Logistics Co., Ltd., which is an associate of the Group, recorded an average utilization rate of 85% of its warehouses. In Djibouti International Free Trade Zone, the wholly-owned bonded warehouse recorded an average utilization rate of 100%.

Comprehensive development sector made steady progress, numbers of contracted enterprises greatly increased

In the comprehensive development sector, the Group was committed to improving its global network layout and business synergies in overseas projects, and deepened the implementation of its "Port-Park-City" model in overseas regions. In 2021, under the adverse impact of the continuous spread of the pandemic, the promotion activities of induction of business and investment in overseas logistics parks continued to steadily progress. The number of contracted enterprises in

the HIPG industrial zone reached 35 and signed 3 major projects in 2021, “Xinji High-tech Electronic Industrial Park”, “Intertek Oil Test Lab” and “Maldives Yatch Assembly Plant”, which improved the overall quality of the park. The number of contracted enterprises in the Djibouti International Free Trade Zone reached 196 and launched new businesses in ocean-air freight, logistics operation services, etc. it attracted industry-leading enterprises from its surrounding regions and from China, and continued to achieve industry agglomeration through trade to establish an International Trade and Logistics Center as well as an Export Processing Center.

Improved the comprehensive competitiveness of the overseas homebase port and continued to construct “world-class leading ports”

The Group continued to build its West Shenzhen homebase port into a “world-class leading port” and improved its level of digitalization. At the same time, it extended the coordinated port model in the Guangdong-Hong Kong-Macau Greater Bay Area (“Greater Bay Area”) to the Pearl River Delta area. In June 2021, Mawan Smart Port went into operation and became the first green and low-carbon smart port equipped with 5G in the Greater Bay Area. It formed a replicable and marketable solution for the transformation and upgrading of traditional ports, fully showing the “China Merchants Demonstration”.

For its overseas homebase port, the Group continuously integrated the operation and management of HIPG and Colombo International Container Terminal (“CICT”) in Sri Lanka, promoted the coordinated development of the two ports, strengthened cooperation with various customers and expanded new ideas for their development. CICT’s container throughput exceeded 3 million TEUs and HIPG became the first port in Sri Lanka to be ISO IMS certified.

Achieved business transformation through digitalization, smart technologies assisted in industry innovation

As for innovative development, the Group continued to revise and improve its digitalization plan in accordance with the requirements of industry development and technological development trends, promoted the construction of the CMCore platform, the CM ePort platform and the Smart Management platform. The Group also improved the relevant implementation plans, enhanced the digitalization level of the industry and continued to promote the construction of Mawan Smart Port. Mawan Smart Port received unanimous praise from the industry and won many awards, such as the Gold Award in the 4th “Blossom Cup” 5G Application Competition Benchmarking Competition organized by the Ministry of Industry and Information Technology of China, the Sustainability Award from the International Association of Ports and Harbours, and others.

The Group actively explored business model innovation, worked with relevant partners to build a demonstration port for the international hydrogen energy industry and set up a smart port

technology innovation laboratory. The Group also continued to expand the combined ports in the Greater Bay Area to ten feeder terminals such as Shunde and Beijiao in order to continuously boost trade facilitation in the Greater Bay Area.

Placed high importance on pandemic control to ensure the stability of the industrial chain and supply chain

The Group placed high importance on its pandemic prevention and control, grasped the bottom line to safeguard China under the severe and complex situation of pandemic. The Group was able to maintain a high standard for the daily operations, ensuring a stable and safe situation with no infection in Mainland China as well as a situation that the pandemic can be controlled at its overseas locations. Meanwhile, the joint prevention and control mechanism was implemented to effectively coordinate with all relevant parties to ensure ports' safety production and operation and maintain the stability of both the industrial chain and the supply chain.

At the beginning of 2022, in order to support Hong Kong's fight against the pandemic and facilitate the transportation of goods supplied to Hong Kong from the Greater Bay Area, CMPort held epidemic-prevention and control knowledge webinar, provided goods to Hong Kong's public housings, etc. West Shenzhen homebase port launched the "Western Shenzhen-Hong Kong Supply Barge Express" service on February 21st and created green express line to ensure that goods entering Hong Kong can be expedited and timely released.

Continued to construct green port and shaping blue dream together

The Group strived to pursue the vision of building ecological green ports, strictly abided by the relevant local laws and regulations regarding environmental protection in the region where its operations are located in and strengthened pollution prevention and control efforts. The Group actively responded to the national strategies of "carbon peaking" and "carbon neutrality", and actively participated in the construction of dual-carbon demonstration projects and carbon verification compliance work. In 2021, the Group focused on the development and application of new energy conservation technologies, continued to expand the applied range of new energy conservation technologies and products such as "Substitution of Fuel Powered Equipment with Electricity-Powered Equipment", "Shore-powered Supply for Vessels", "Engine Upgrade Replacement" and "Belt Conveyor Reformation".

The Group focused on the charity theme of "Shaping Blue Dream Together (C-Blue)" and carried out a series of charitable projects. In 2021, it completed the 9th "21st Century Maritime Silk Road Talents Programme" and hosted "Accompanying with Volunteer Blue" youth development program. At the same time, the Group was also involved in the Hong Kong community and actively

participated in the Hong Kong Youths Exchange program and provided interning opportunities for 21 students from various Hong Kong colleges.

Achieved strategic goals through high quality developments

In 2022, due to the perseverance of the COVID-19 pandemic and supply chain disruption, uncertainties in foreign trade imports and exports still remains. Especially with the recent conflict between Russia and Ukraine, the world economic roadmap has changed drastically. But the global economy is gradually recovering, together with the ease of the pandemic on a globally level, it is expected to continue to drive demand for maritime transport. China has been pushing for a higher level of opening up and strengthening momentum in the commodity import and export, this is expected to energize and provide opportunities for port business development. Also along with the use of digitalization, big data, cloud computing, 5G communications and other new technologies in the port business, there'll be more momentum for the construction of a world-class port.

2022 will be the year for the Group to achieve its strategic goal of “to be a world’s leading comprehensive port service provider”. It is also the 30th year that CMPort has been listed on the Hong Kong stock exchange. The Group will proactively grasp the opportunities of the times, maintain its strategic focus and improve the core competitiveness of its ports. The Group will also strive to maximize the interests of its shareholders as always and create more returns while generate higher value for all stakeholders.

Note[1] Profits attributable to equity holders of the Company net of non-recurrent gains after tax. Non-recurrent gains include: for 2021, net change in fair value of financial assets and liabilities at fair value through profit or loss, net change in fair value of investment properties, gain on modification of contract terms for a concession arrangement, net gain on deemed disposal of a subsidiary and partial interest in associates; while for 2020, net change in fair value of financial assets and liabilities at fair value through profit or loss, net change in fair value of investment properties, net gain on resumption of certain land parcels at Shantou, goodwill impairment loss and gain on discontinuance of equity accounting for a joint venture.



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