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China Merchants Holdings (International) Co., Ltd.
2013 Interim Results Announcement



29 August 2013



招商局國際有限公司
CHINA MERCHANTS HOLDINGS (INTERNATIONAL) CO., LTD.



Performance Highlight

◆ Profit increased by 10.2% from the enhancement of core ports operation's growth

Items	1H2013	1H2012(restated) ³	y-o-y change
Container throughput (million TEUs)	32.66	29.22	11.8%
Bulk & general cargo throughput (million tons)	177	162	8.8%
	HK\$ million	HK\$ million	%
Revenue ¹	20,131	21,048	-4.4%
Revenue (ports operation)	9,571	9,095	5.2%
EBITDA ²	5,998	6,279	-4.5%
EBITDA (ports operation)	4,776	4,418	8.1%
Profit attribute to shareholders	1,935	1,756	10.2%
Profit attribute to shareholders (ports operation)	1,906	1,655	15.2%
EPS (HK cents)	77.67	70.97	9.4%
Interim Dividends (HK cents)	22	22	-
Payout Ratio	28.7%	31.2%	-2.5 pts

Notes :1.Revenue includes revenue of the Company and its subsidiaries + share of revenue of its associates and joint ventures.

2. EBITDA includes the EBITDA of the Company and its subsidiaries + share of EBITDA of its associates and joint ventures + cash returns of the other companies.

3. Due to new HKFRS, 2012 figures have been restated

Financial Position

◆ Capital structure overall healthy despite debt level having risen

HK\$ Million	June 30 2013	December 31 2012	y-o-y change
Total assets	86,436	77,466	11.6%
Net assets attribute to equity holders of the company	45,348	45,542	-0.4%
NAV per share (HK\$)	18.2	18.3	-0.5%
Interest-bearing debts ¹	26,597	18,822	41.3%
Cash and cash-equivalents	4,059	4,192	-3.2%
Net debts	22,538	14,630	54.1%
Net gearing ratio²	42.5%	27.3%	+15.2 pts

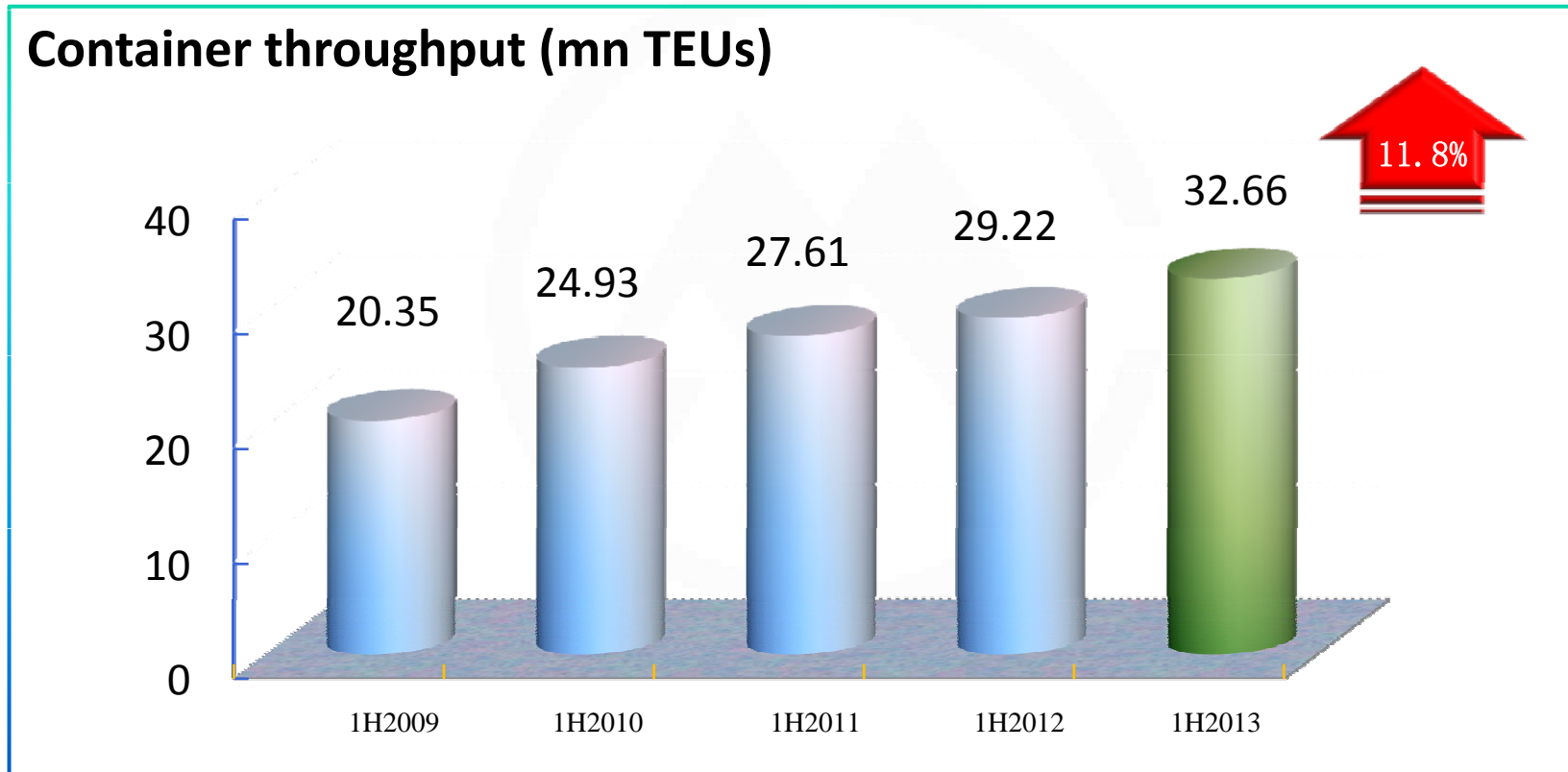
Notes: 1. Interest-bearing debts include bank loans, listed notes and loans from China Merchants Group.

2. Net Gearing Ratio is calculated as net debt divided by net assets.



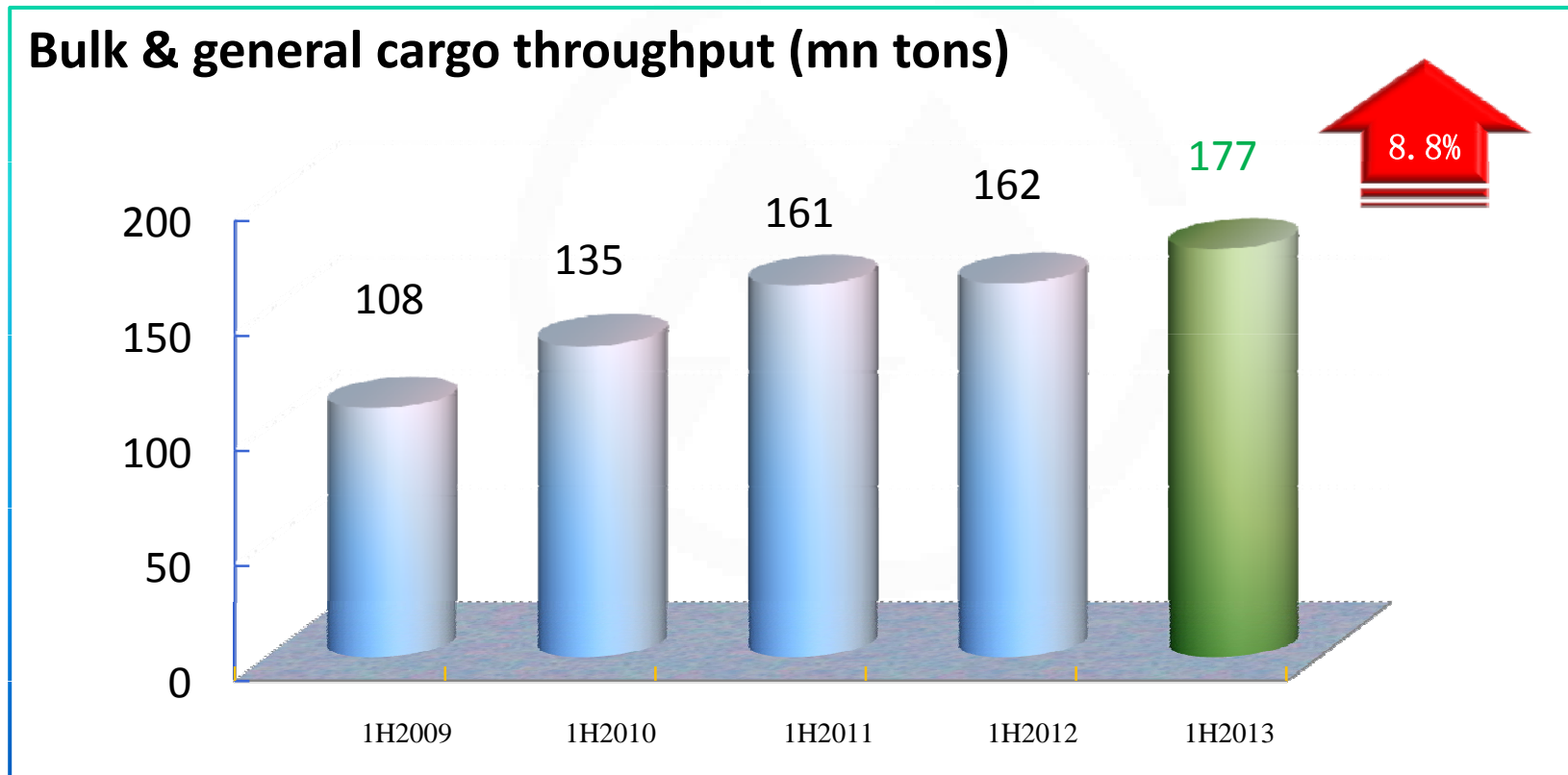
Operational Analysis - Container Throughput handled

◆ 32.66 m TEUs handled, reflecting growth at a relatively fast rate



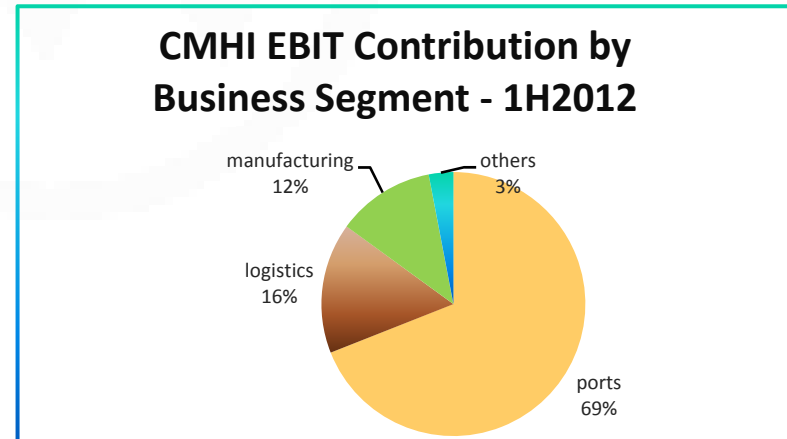
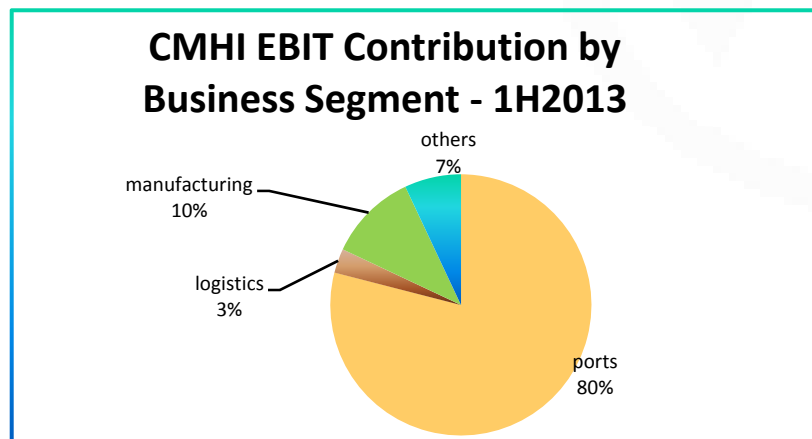
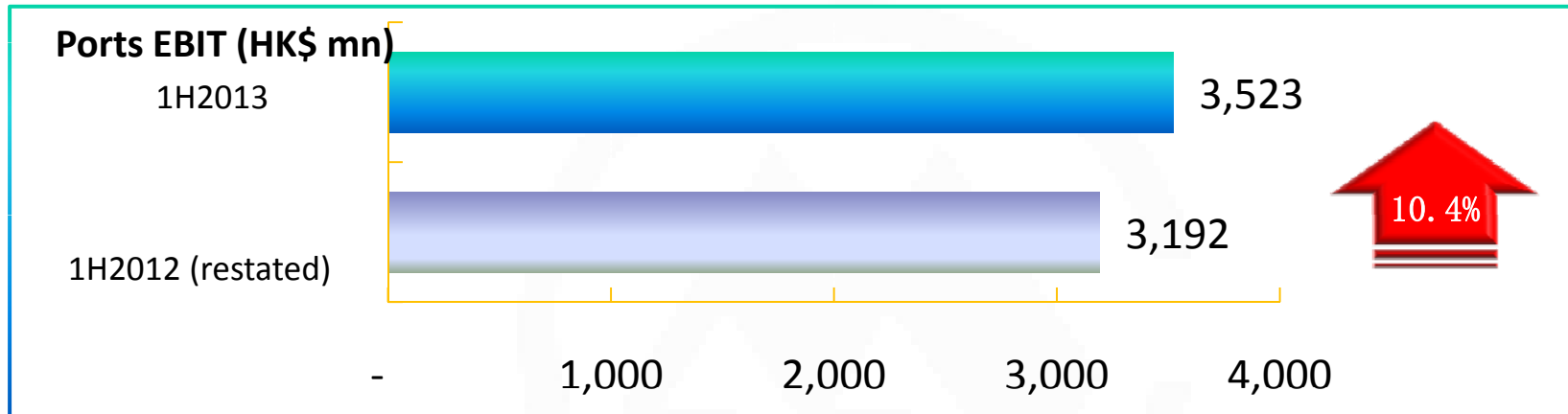
Operational Analysis – Throughput for Bulk & General Cargoes

- ◆ Steady growth maintained for bulk & general cargo thru-put



Operational Analysis - Ports EBIT

◆ Share of ports EBIT as a % of CMHI's total rose



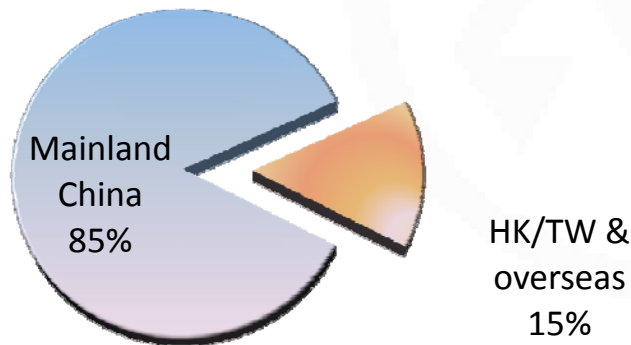
Note: EBIT includes EBIT of the Company and its subsidiaries + share of EBIT of its associates and joint ventures + cash returns of the other companies

Operational Analysis – Container Handling

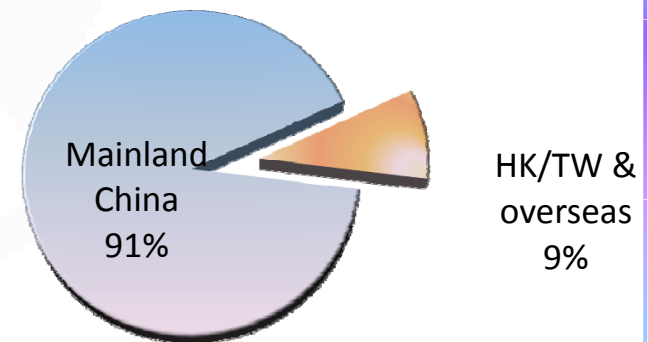
- by Geography

- ◆ Thru-put handled by CMHI's Mainland terminals grew 6.0% y-o-y, or 4 ppt pts higher than the thru-put growth rate (for foreign trade-related containers handled) of Mainland ports
- ◆ Share of volume handled by CMHI's port assets in HK/Taiwan & overseas, with contribution starting to come in from Djibouti and TL project, rose 6% ppt pts

Container throughput 1H2013



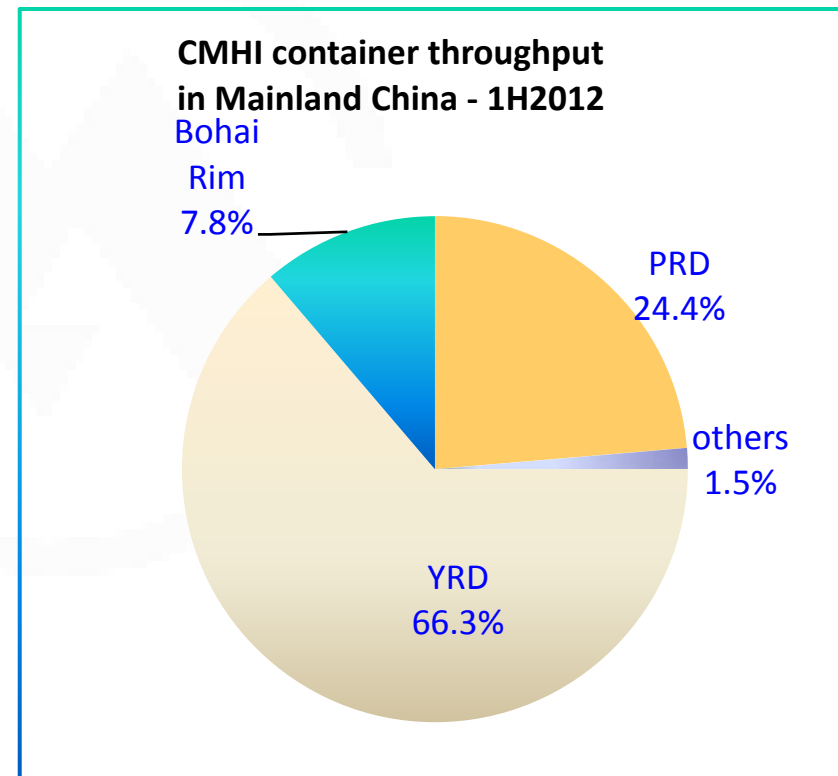
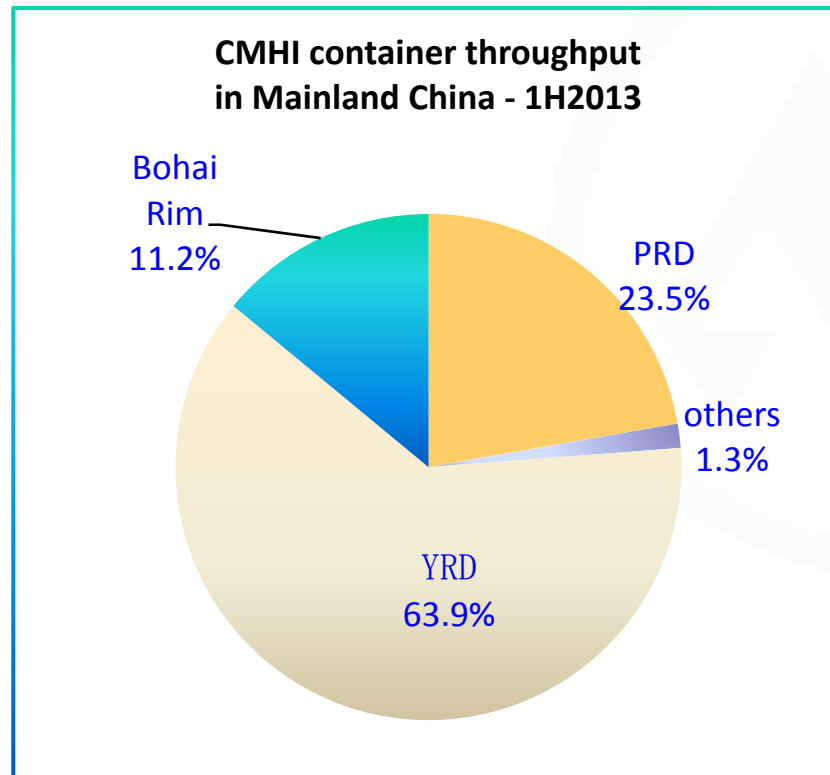
Container throughput 1H2012



Operational Analysis – Container Handling

- Mainland China by Region

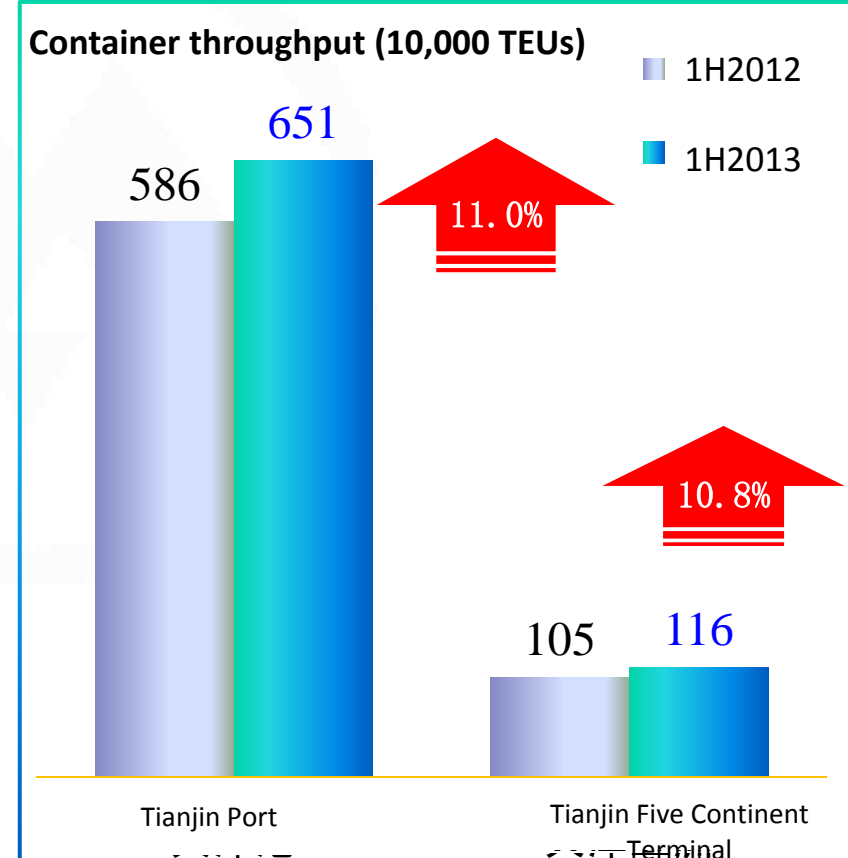
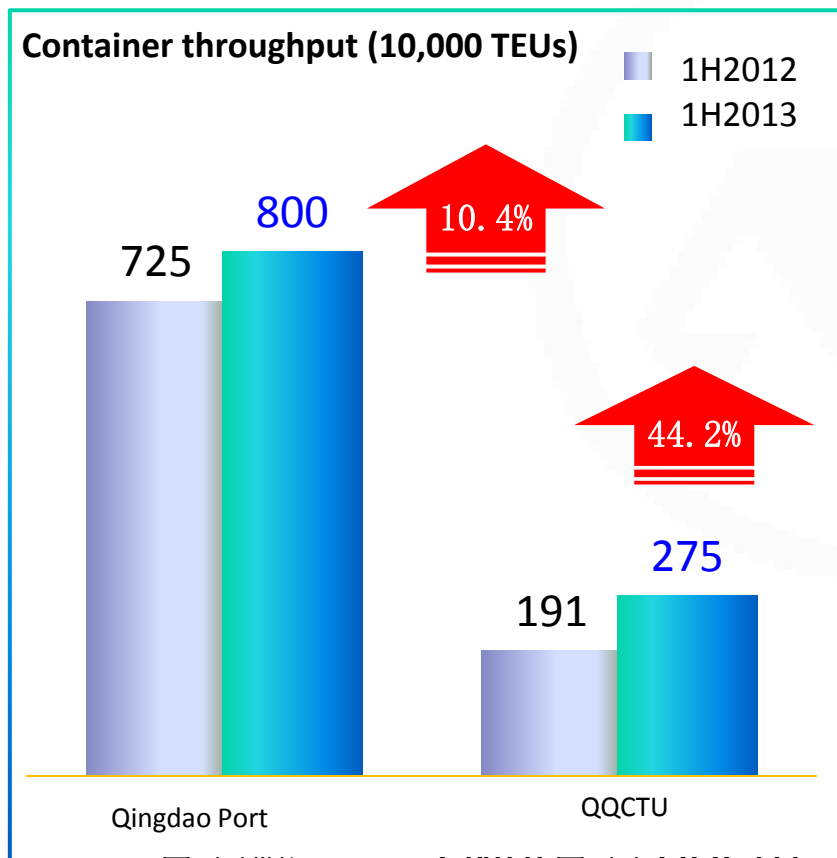
- ◆ Volume handled by CMHI's container terminal in Bohai Rim significantly grew by 32%, leading in turn to a y-o-y growth of 3.4 percentage points for this region



Operational Analysis – Container Handling

- Mainland China by Region: Bohai Rim

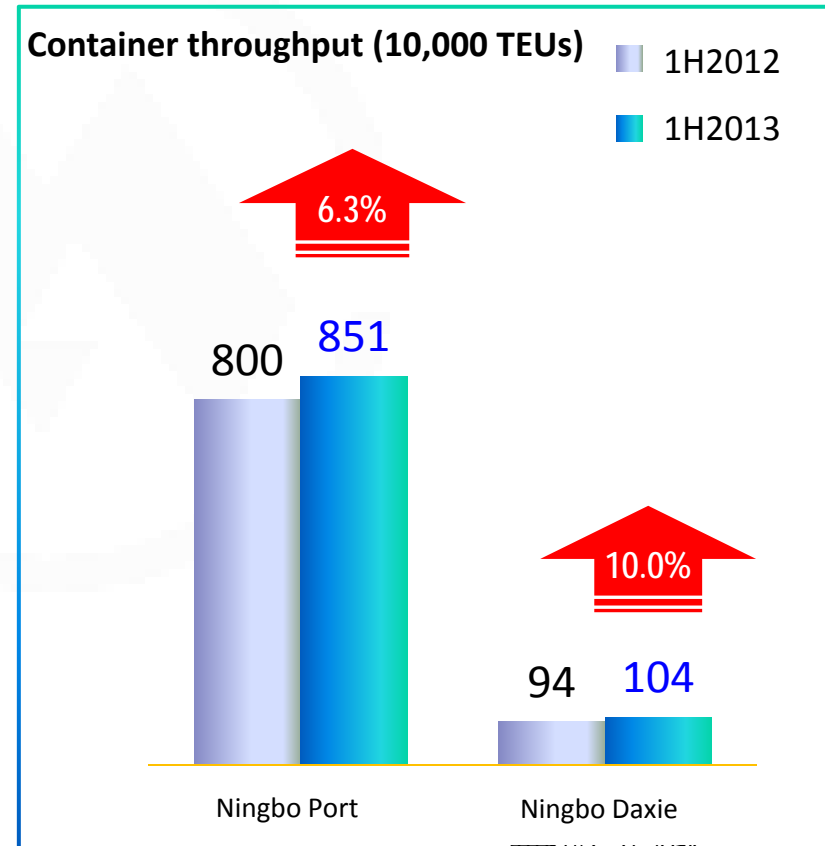
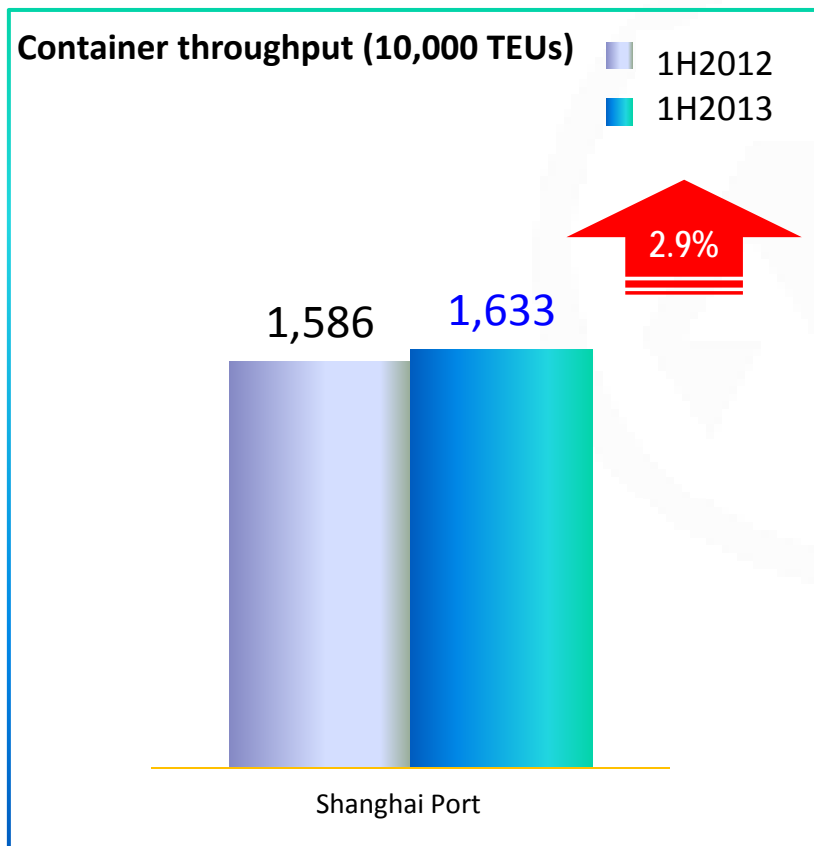
- ◆ Container thru-put of Qingdao project grew consistently as a rapid pace due to Qingdao's ability to capture incremental cargo sources in the region
- ◆ Steady growth maintained at Tianjin Five Continent Terminal



Operational Analysis – Container Handling

- Mainland China by Region: Yangzi River delta

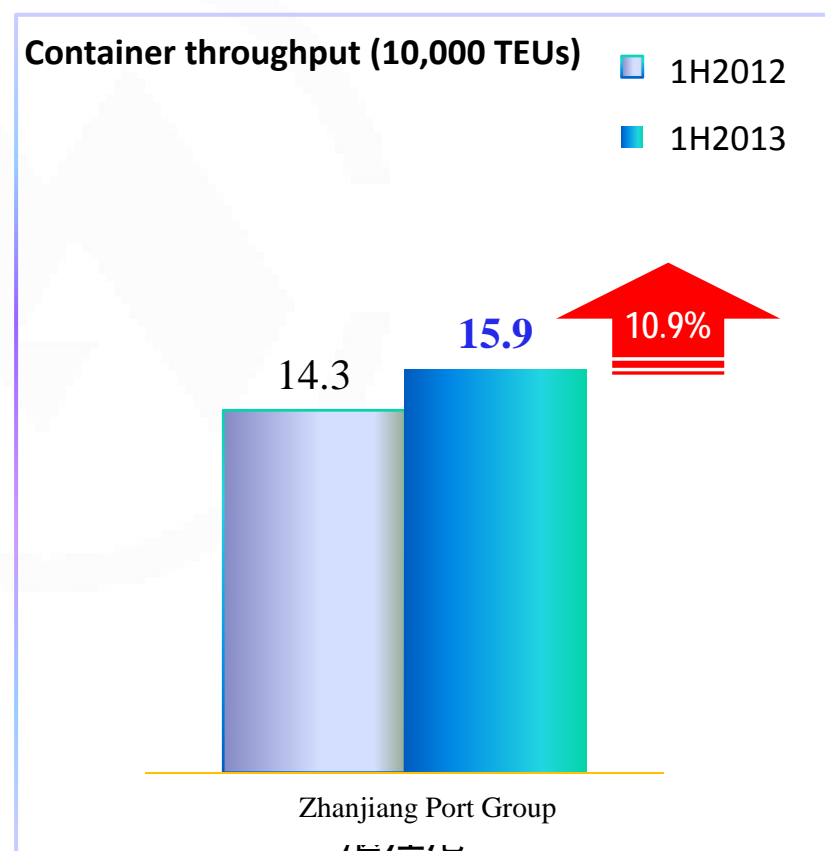
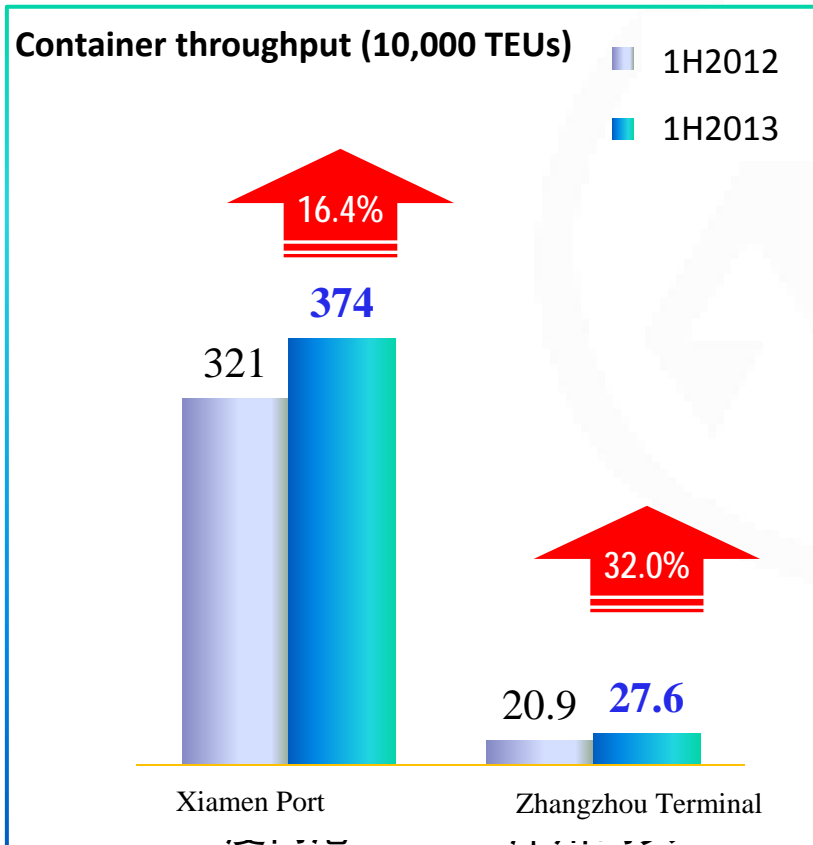
- ◆ Shanghai Port continued to rank No. 1, in thru-put terms, among global container ports
- ◆ Volume growth at Ningbo Daxie higher than those of other terminals in the region



Operational Analysis – Container Handling

- Mainland China by Region: Xiamen Bay & S West Coastal

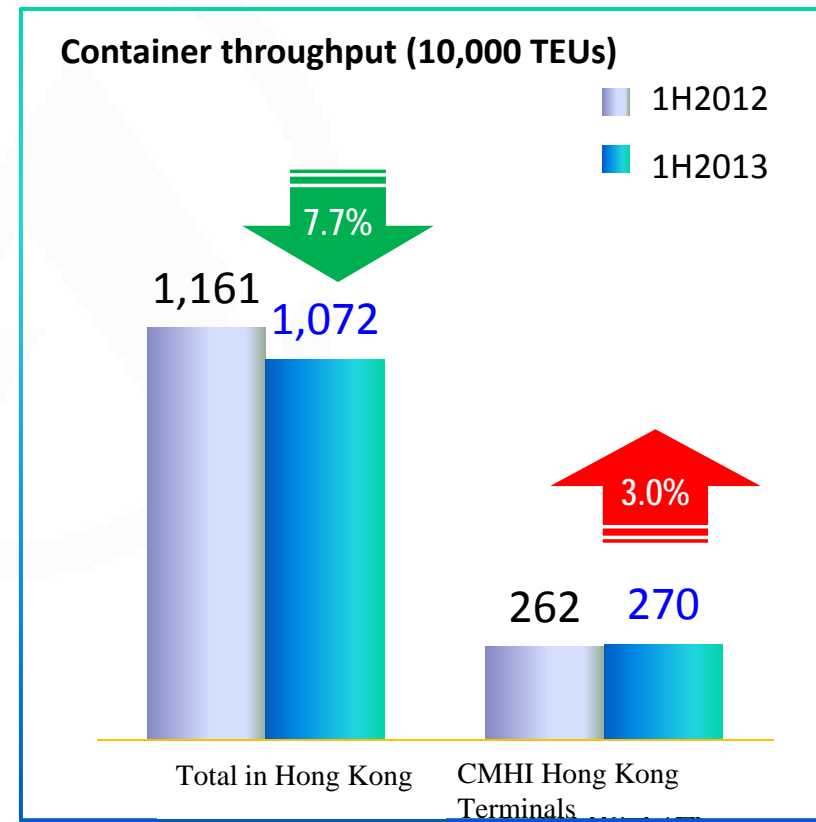
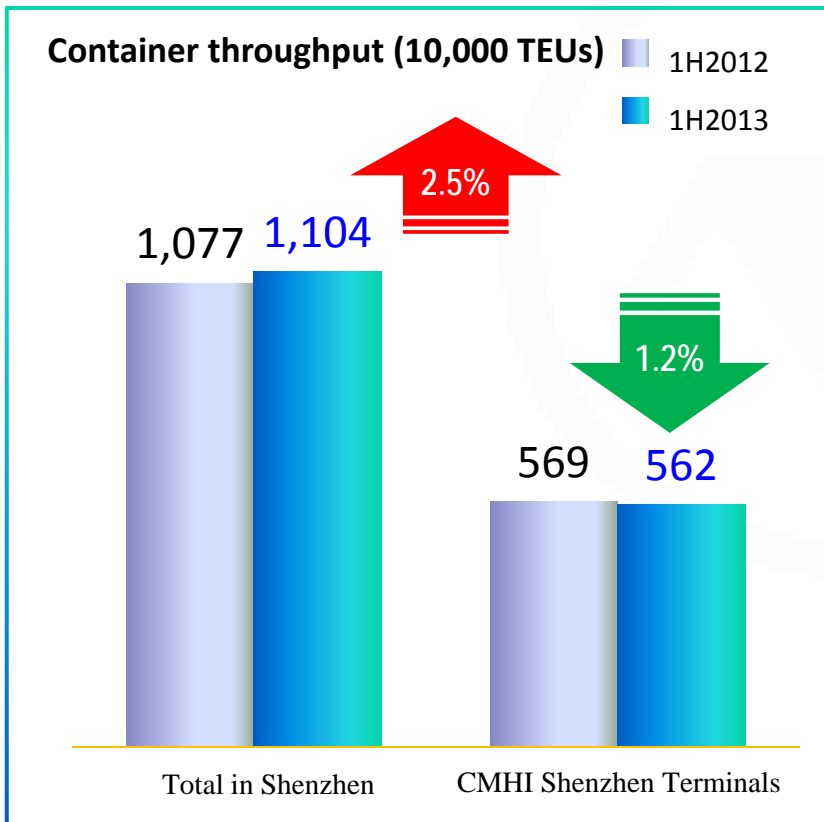
- ◆ Zhangzhou Terminal's container throughput increased sharply
- ◆ Steady growth maintained at Zhanjiang Port Group



Operational Analysis – Container Handling

- Mainland China by Region: Pearl River Delta

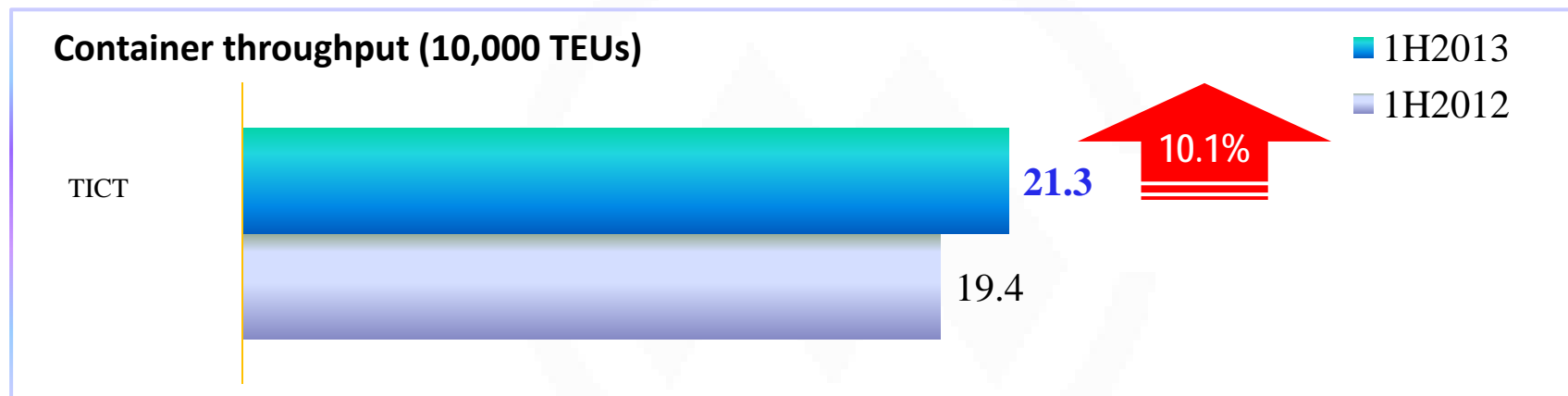
- ◆ Shenzhen's container throughput grew mildly, out-replacing Hong Kong as the world's third largest in volume terms
- ◆ Hong Kong's container throughput continued to decline, whereas CMHI terminals in Hong Kong reversed the downward trend and grew again



Operational Analysis – Container Handling

- Overseas

- ◆ Container throughput of TICT in Lagos, Nigeria maintained steady growth
- ◆ CICT in Colombo, Sri Lanka commenced operation in July 2013



Operational Analysis – Container Handling

- Overseas: New Projects

- ◆ Kao Ming Terminal in Kaohsiung, Taiwan handled 538,000 TEUs in 1H2013
- ◆ DCT in Djibouti City, Djibouti handled 334,000 TEUs in 1H2013

Kao Ming Terminal has 4 berths, a quay length of 1500 meters and a capacity of 2.8 million TEUs, 2 berths are in use by now



CMHI has a 23.5% stake in PDSA, the port in the Djibouti City, which in turn owns 66.67% stake in the container terminal DCT plus 100% stake in multi-purpose terminal POD.

Operational Analysis – Container Handling

- Overseas: New Projects (cont'd)

- ◆ Terminal Link has 15 container terminal projects in 8 countries over the world's 4 continents, recording a total thru-put for Jun 2013 of 899,000 TEUs

Terminal Link Ports Properties

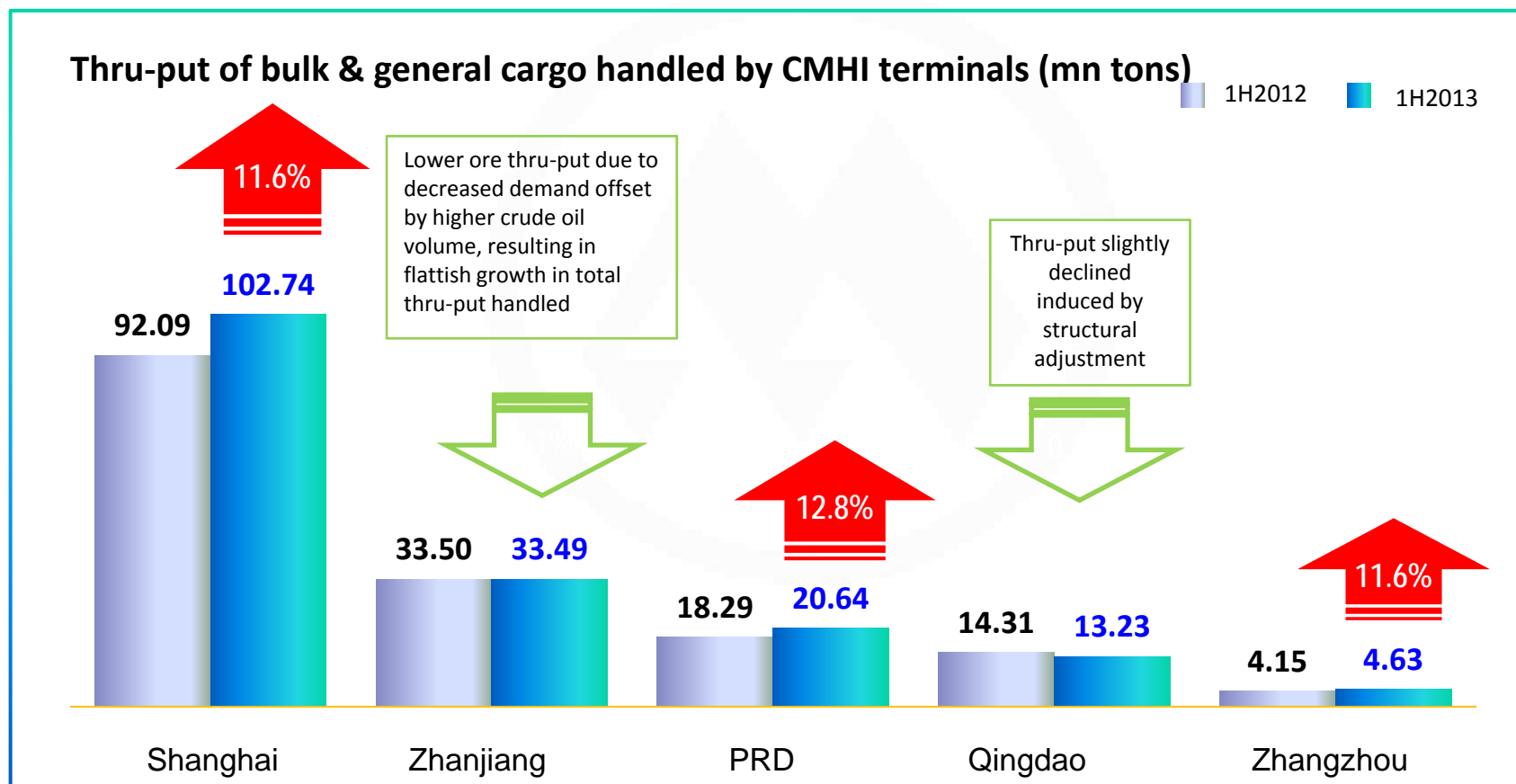
- Zeebrugge: Container Handling Zeebrugge (Belgium);
- Antwerp : Antwerp Gateway (Belgium);
- Dunkirk: Terminal des Flandres (France);
- Le Havre : French Terminal & Northern Terminal (France);
- Montoir : Terminal du Grand Ouest (France);
- Fos : Eurofos (France);
- Casablanca : Somaport (Morocco);
- Tangiers : Eurogate Tanger (Morocco);
- Marsaxlokk: Malta Free Port (Malta);
- Abidjan: Terra Abidjan (Ivory Coast);
- Houston: Houston Terminal Link Texas (U.S. A);
- Miami : South Florida Container Terminal (U.S.A);
- Busan : Busan New Container Terminal (South Korea);
- Xiamen : Xin Haida Container Terminal (China).

Terminal Link Ports Network



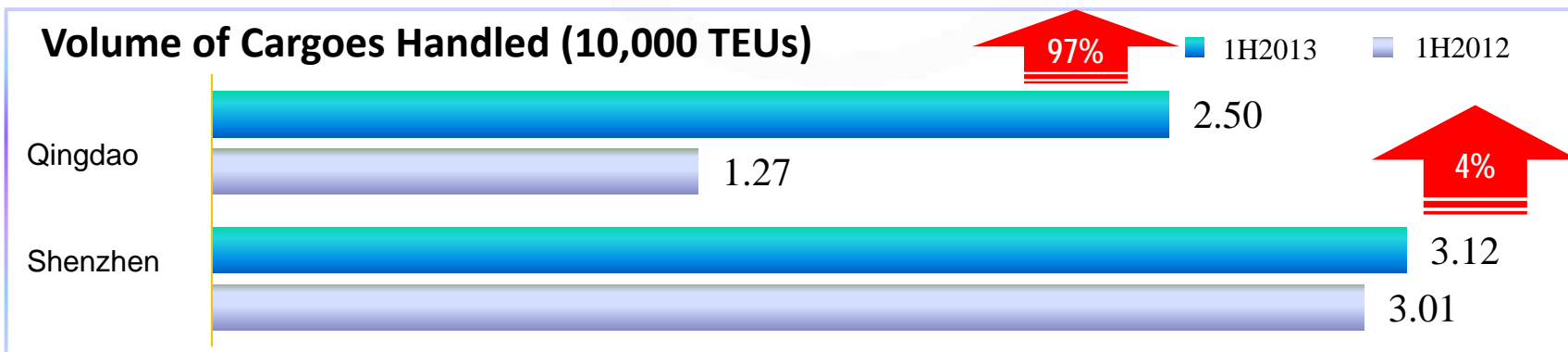
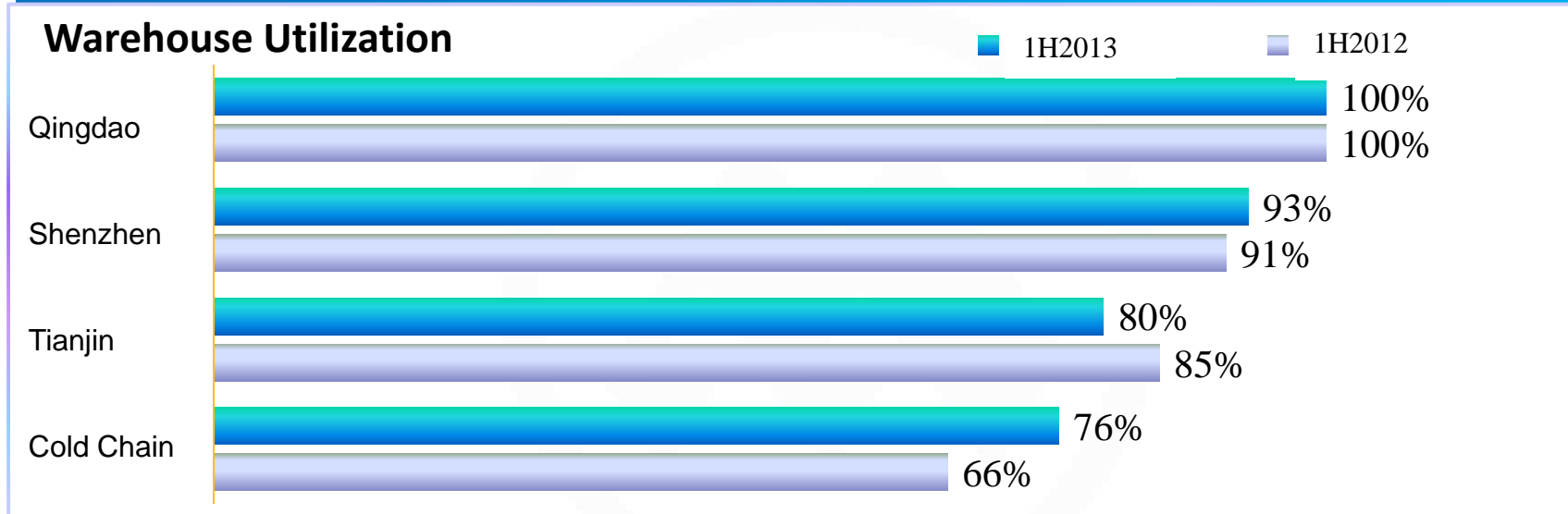
Operational Analysis – Bulk and General Cargo Handling

◆ Thru-put volume for bulk/general cargoes at a relatively fast rate of growth



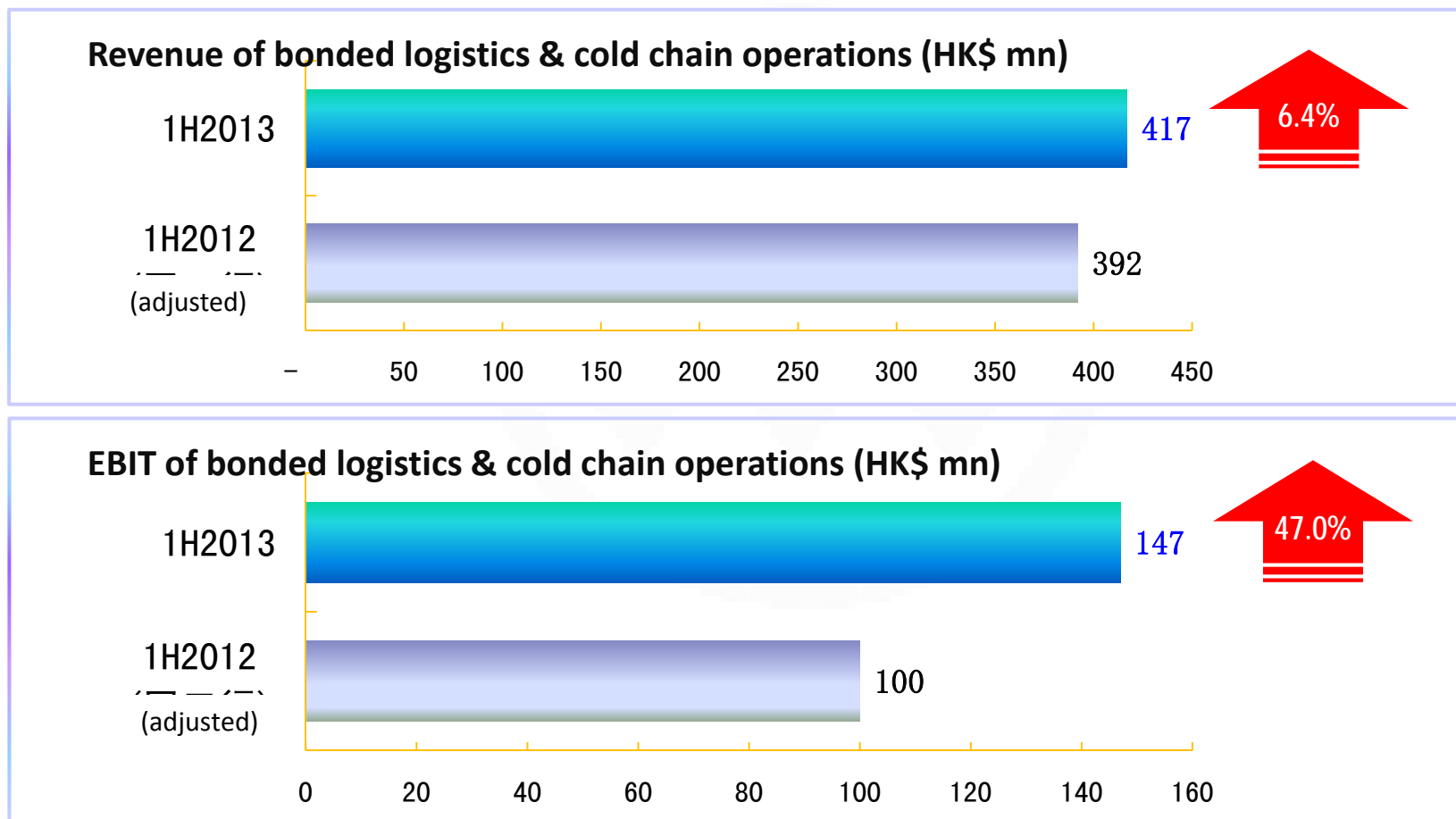
Operational Analysis - Bonded Logistics & Cold Chain Business

◆ Warehouse utilization maintained at high level, with volume for consolidation service at Qingdao almost doubled



Operational Analysis - Bonded Logistics & Cold Chain Business

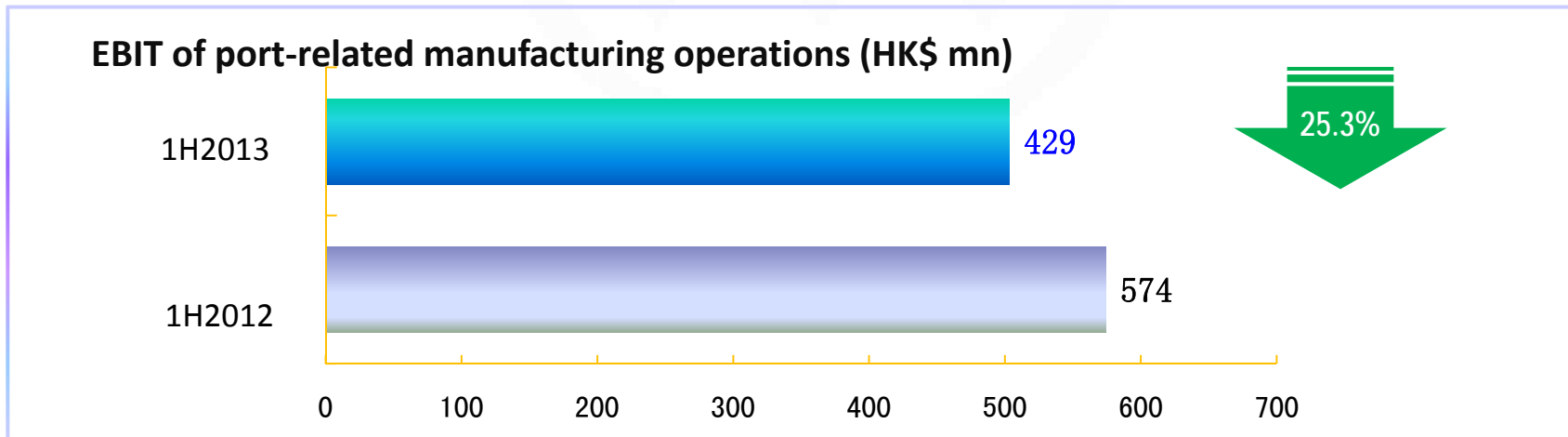
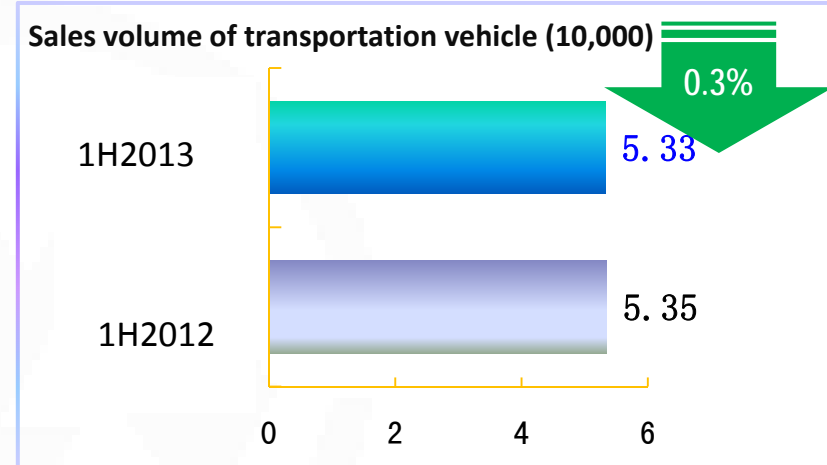
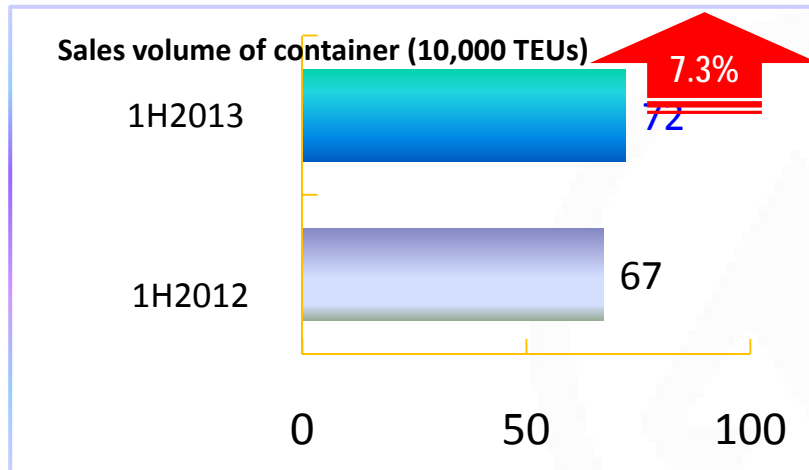
◆ EBIT derived from bonded logistics and cold chain business grew relatively fast



Note: Due to deconsolidation of Nanshan since 2013, 1H2012 revenue and EBIT of bonded logistics & cold chain operations are adjusted to align with that for 1H2013 for comparison purpose. HK\$ 1,095 million and HK\$ 748 million represented 1H2012 revenue and EBIT of this business in the interim report.

Operational Analysis - Port-related Manufacturing

- ◆ Volume of container sale rose slightly while that for transportation vehicles lowered





Review – Expansion of Overseas Project

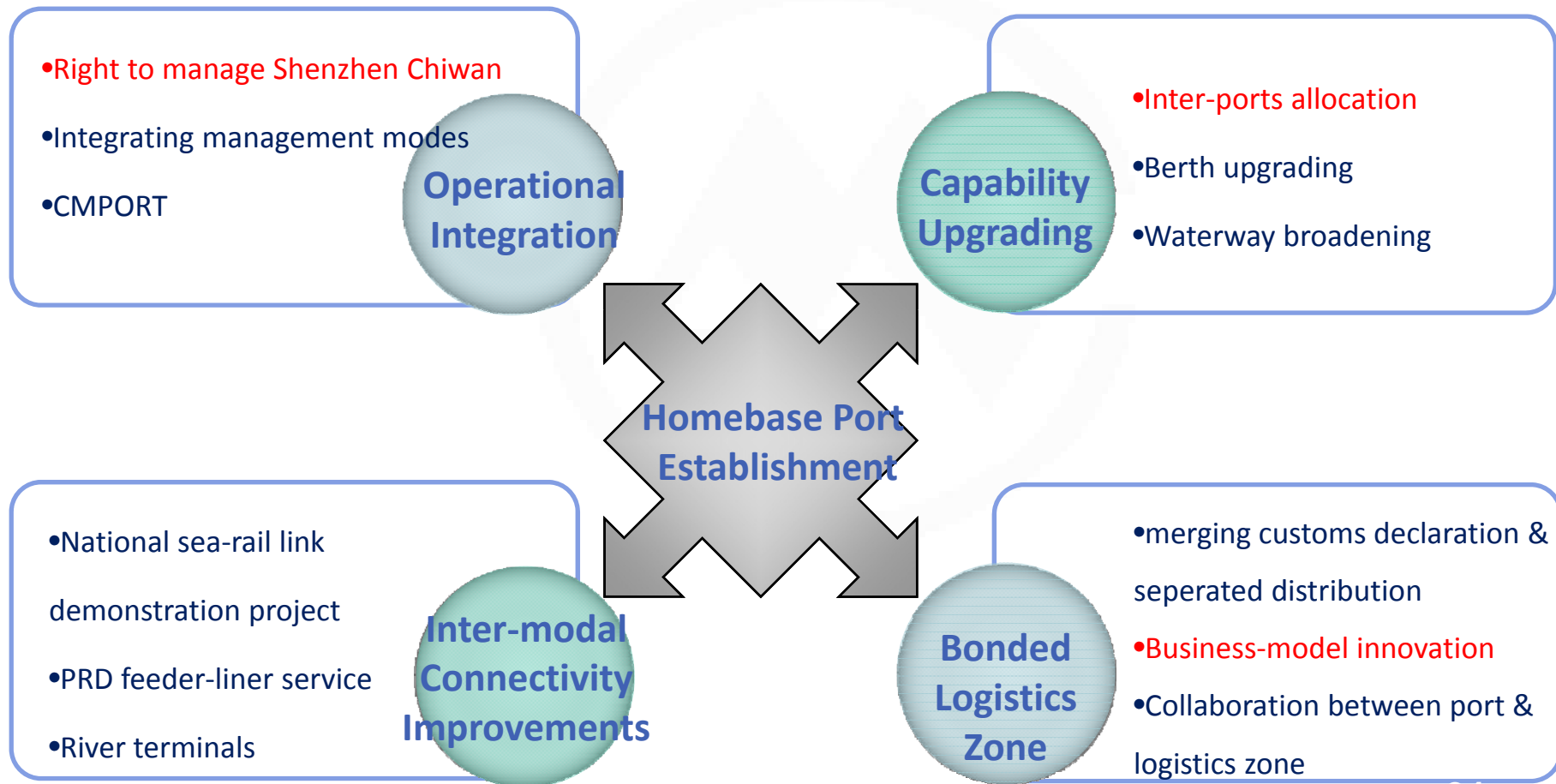
- ◆ Feb 2013 – acquisition of 23.5 % of the issued share capital in PDSA completed
- ◆ Mar 2013 - framework agreement with the Government of the United Republic of Tanzania for the strategic partnership in relation to the comprehensive development of Bagamoyo special economic zone signed
- ◆ Jun 2013 – acquisition of 49% equity stake in Terminal Link, a sub of CMA CGM, completed
- ◆ Jul 2013 – CICT commenced operation



Completion of the above project essentially establishes CMHI's global ports network covering Europe, America, Asia and Africa

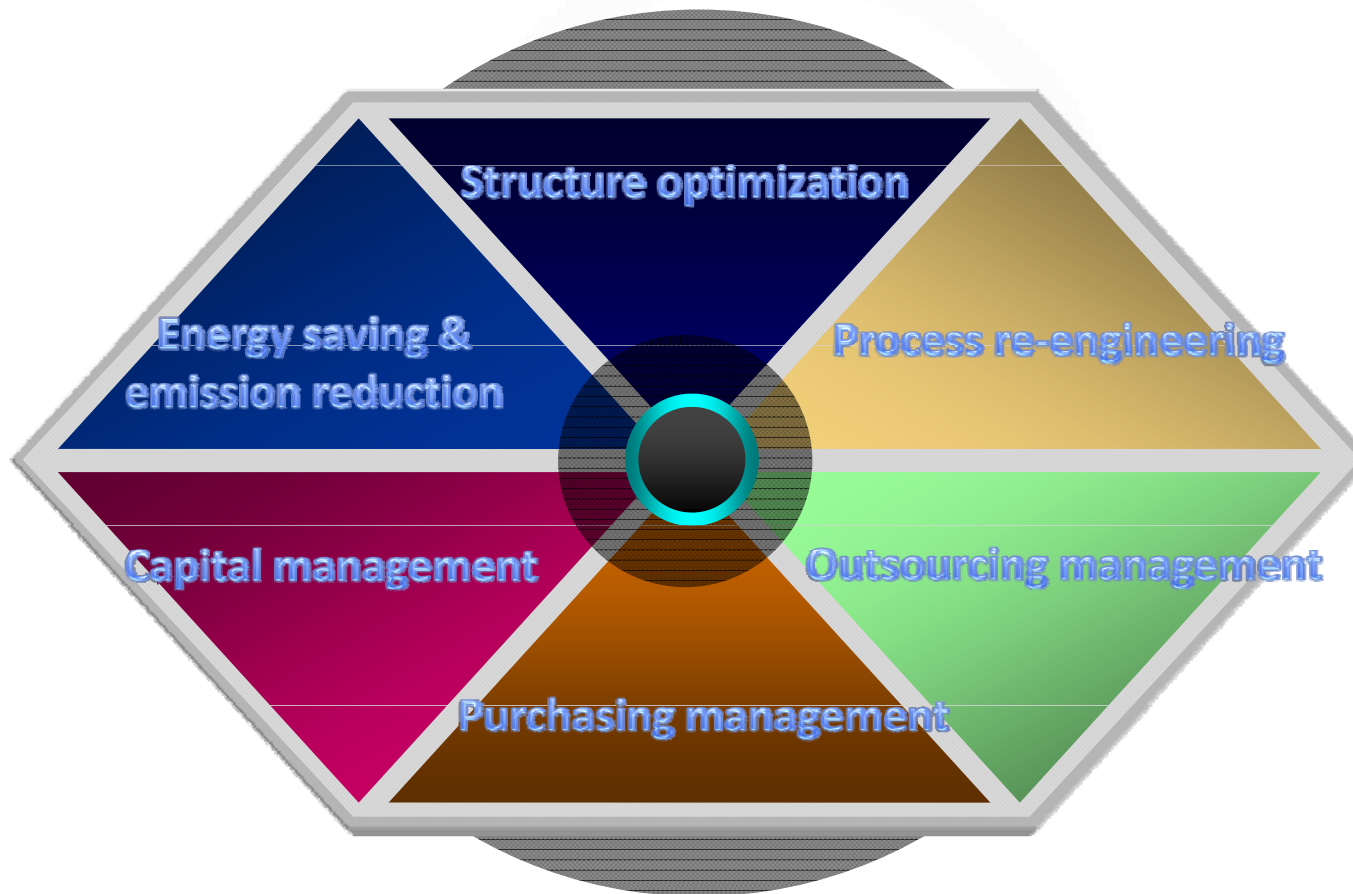
Review – Further Establishing Homebase Port

- ◆ Steady progress made during 1H2013 in further establishing CMHI's homebase port



Review - Refining Operational Management

- ◆ Refinement in operational management continued, resulting in HK\$50 million cost-saving in 1H2013



Review – Innovation for Development

- ◆ Innovation applied as a means to guide corporate development, through which to vitalise CMHI with energy

**CMHI Innovation
Working Committee**

1、 Technical & Technological Innovation

- encourage technology innovation
- research into the establishment of automation-intelligent terminal

2、 Business Model Innovation

- development of comprehensive port-oriented projects in overseas market
- bonded port model innovation
- port-extended service innovation

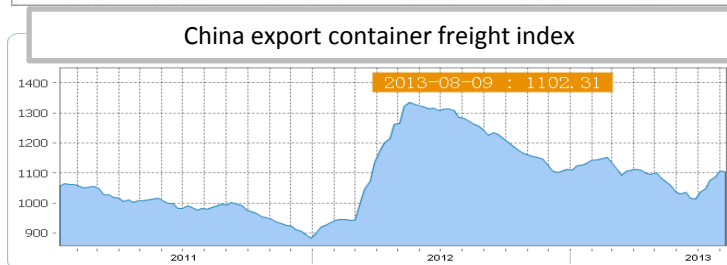
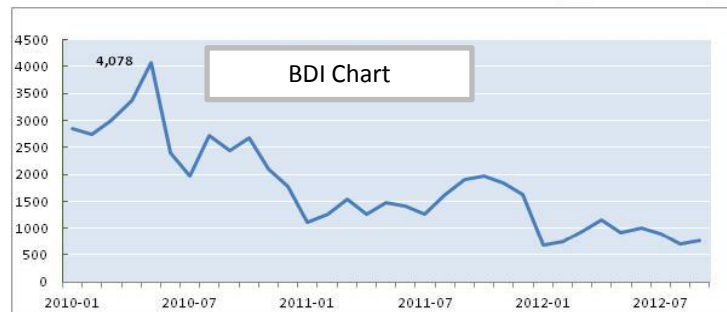
3、 Management Innovation

- construction & implementation of refined management information platform



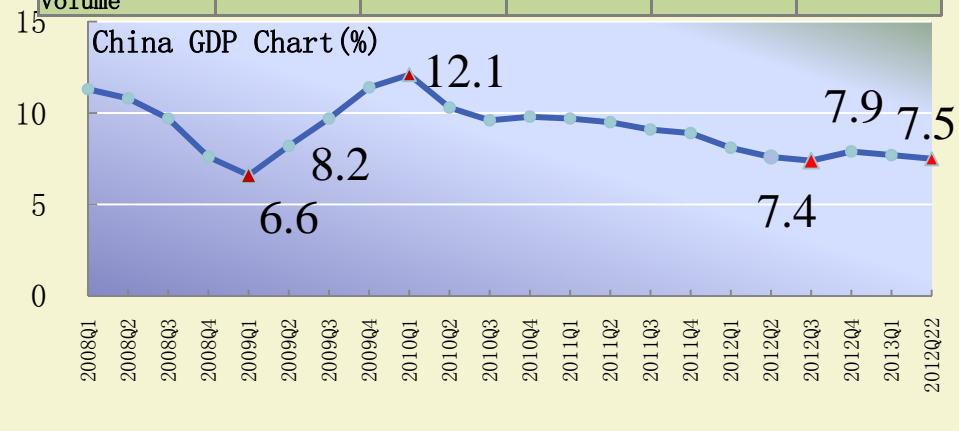
Outlook & Prospects - Global Economy Trend

- ◆ Weak growth in global economy
- ◆ Slow revival progress of trade
- ◆ Structural upgrading of China's economy
- ◆ Intense integration of the world's shipping industry



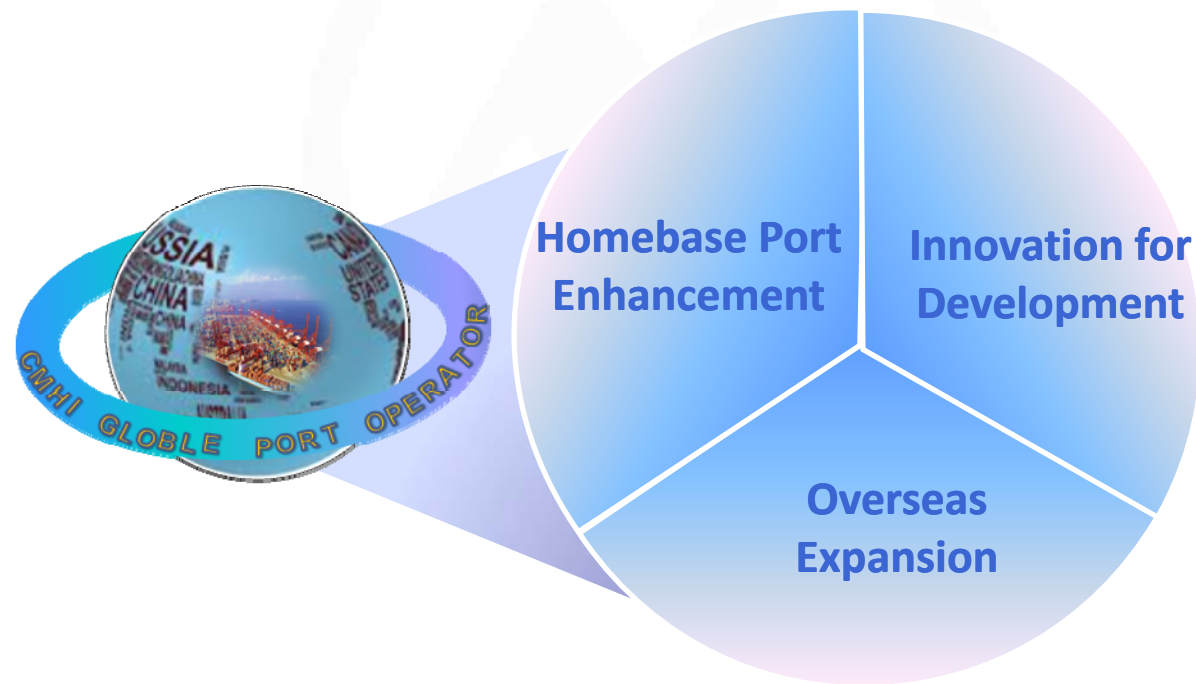
IMF Forecast on Economy Growth in July 2013

country/region	economic growth actual		economic growth forecast		2013vs2012
	2011	2012	2013	2014	change
world	3.9	3.1	3.1	3.8	0.0
developed countries	1.7	1.2	1.2	2.1	0.0
U. S. A	1.8	2.2	1.7	2.7	(0.5)
EURO zone	1.5	(0.6)	(0.6)	1.5	0.0
Japan	(0.6)	1.9	2.0	1.2	0.1
U. K.	1.0	0.3	0.9	1.5	0.6
developing countries	6.2	4.9	5.0	5.4	0.1
ASEAN	4.5	6.1	5.6	5.7	(0.5)
China	9.3	7.8	7.8	7.7	0.0
India	6.3	3.2	5.6	6.3	2.4
Brazil	2.7	0.9	2.5	3.2	1.6
Russia	4.3	3.4	2.5	3.3	(0.9)
world trade volume	6.0	2.5	3.1	5.4	0.6



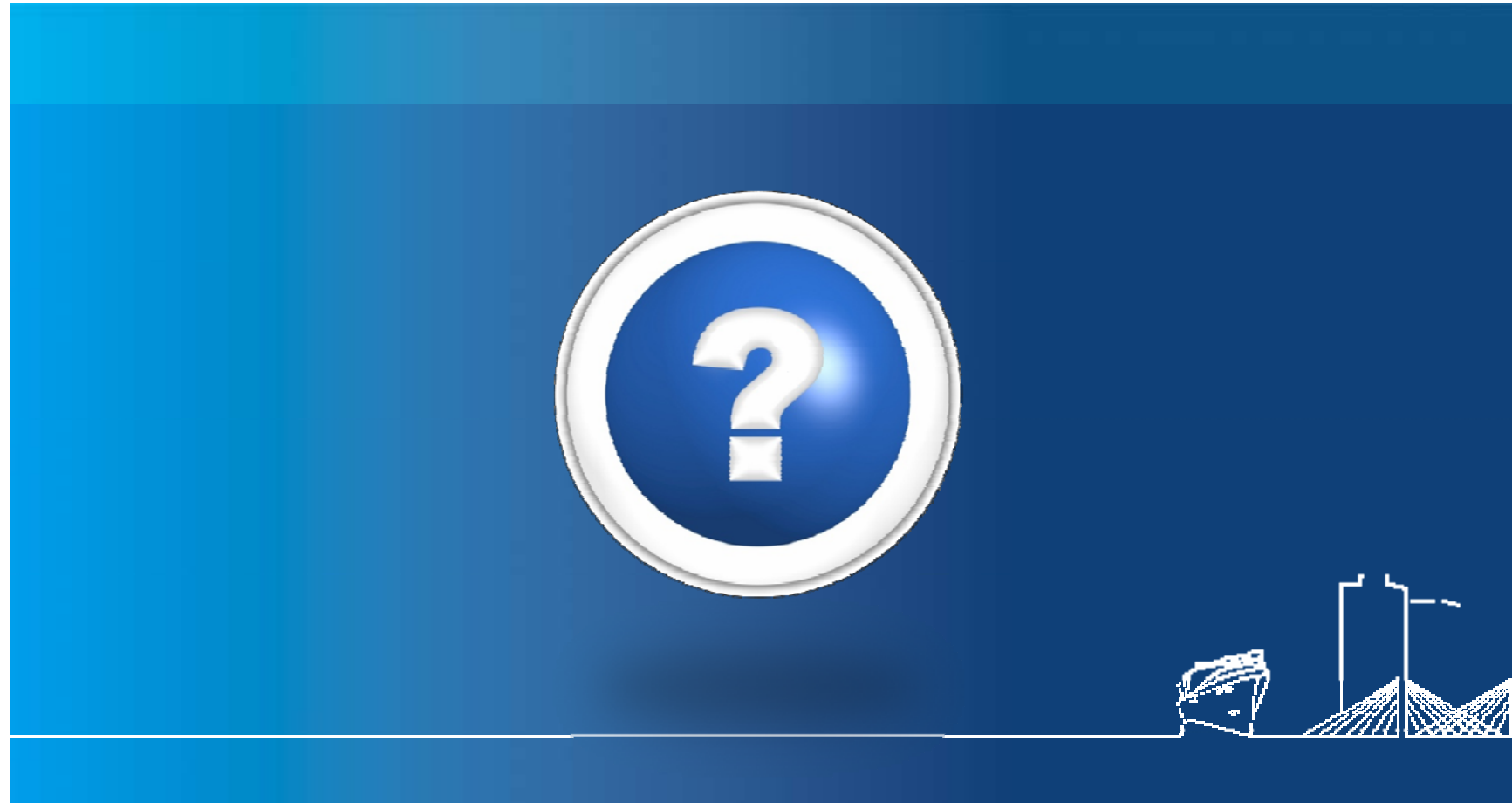
Outlook & Prospects - Major Tasks for 2H2013

- ◆ Tasks focusing on overseas expansion, homebase port enhancement, and innovation for development
- ◆ Tasks to ensure the sustainable growth of core ports business and in turn CMHI's performance





Q & A



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