

专注
创领

CMPort

2016 Annual Results

Press Conference

29th March 2017

成为世界一流的港口综合服务商
Aspiring to be a world's leading comprehensive port service provider

2016年6月，专注港口业务发展的招商局国际有限公司正式更名为招商局港口控股有限公司。
In June 2016, the port business development specialist China Merchants Holdings (International) Company Limited
officially renamed as China Merchants Port Holdings Company Limited.

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招商局港口控股有限公司
CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED



Performance Highlights

Business Analysis

Operations Review

Outlook

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Performance Highlights

Profit & Loss and Dividend Payout

- ◆ Revenue from ports operation surged, as driven by the incremental contribution from Greenfield projects and newly-acquired projects

| Items | FY2016 | FY2015 | Y-o-Y Change |
|---|---------------|---------------|--------------|
| Container throughput (million TEUs) | 95.77 | 83.66 | 14.5% |
| Bulk cargo throughput (million Tonnes) | 460 | 353 | 30.2% |
| | HK\$'million | HK\$'million | |
| Revenue ¹ | 44,221 | 43,525 | 1.6% |
| Revenue derived from ports operation | 24,506 | 21,488 | 14.0% |
| EBITDA ² | 14,678 | 13,662 | 7.4% |
| EBITDA derived from ports operation | 11,542 | 10,610 | 8.8% |
| Profit attributable to equity holders of the Company | 5,494 | 4,808 | 14.3% |
| Derived from ports operation | 5,558 | 4,462 | 24.6% |
| Recurrent profit | 4,581 | 4,462 | 2.7% |
| Basic EPS (HK cents) ³ | 175.58 | 155.07 | 13.2% |
| Interim dividend per ordinary share (HK cents) | 22.00 | 22.00 | Flat |
| Final dividend per ordinary share (HK cents) | 65.00 | 55.00 | 18.2% |
| Total dividend per ordinary share (HK cents) | 87.00 | 77.00 | 13.0% |
| Payout Ratio | 41.5% | 41.6% | - 0.1 ppt |

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

2. EBITDA = EBITDA of the Company and its subsidiaries + share of EBITDA of its associates and joint ventures + cash dividend from other companies

3. Number of shares as at 31 Dec 2016 has included the 505,400,882 units of MCS which will be ultimately converted into ordinary shares



Performance Highlights

Financial Position

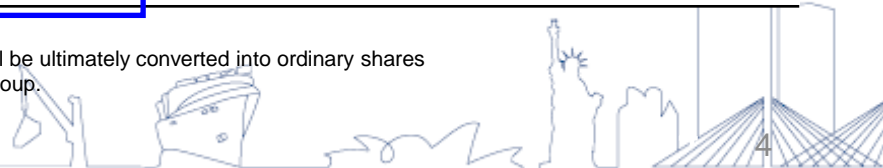
- ◆ Total assets remained at above HK\$100 billion
- ◆ Debt level increased, yet still sitting on a healthy level

| Items | 31 Dec 2016 | 31 Dec 2015 | Y-o-Y Change |
|--|--------------|--------------|--------------|
| | HK\$'million | HK\$'million | |
| Total assets | 103,113 | 102,349 | 0.7% |
| Net assets attributable to equity holders of the company | 65,908 | 68,828 | -4.2% |
| NAV per share (HK\$) ¹ | 21.1 | 22.2 | -5.0% |
| Interest-bearing debts ² | 22,434 | 19,145 | 17.2% |
| Cash and bank balances | 3,637 | 10,293 | -64.7% |
| Net interest-bearing debts | 18,797 | 8,852 | 112.3% |
| Net gearing ratio ³ | 25.5% | 11.5% | Up 14 ppt |

Notes: 1. Number of shares as at 31 Dec 2016 has included the 505,400,882 units of MCS which will be ultimately converted into ordinary shares

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

3. Net gearing ratio is calculated as period-end net debt divided by period-end net assets





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 - Container Handling Operation
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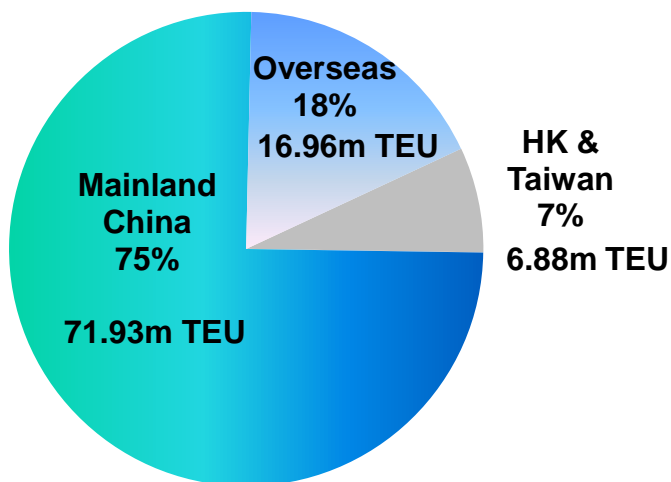
Business Analysis

Ports - Container Handling Operation

- ◆ Port business growth recorded historical breakthrough of 95.77 million TEU , up by 14.5% year-on-year
- ◆ Mainland China 、 HK and Taiwan had recorded double-digit growth in throughput volume

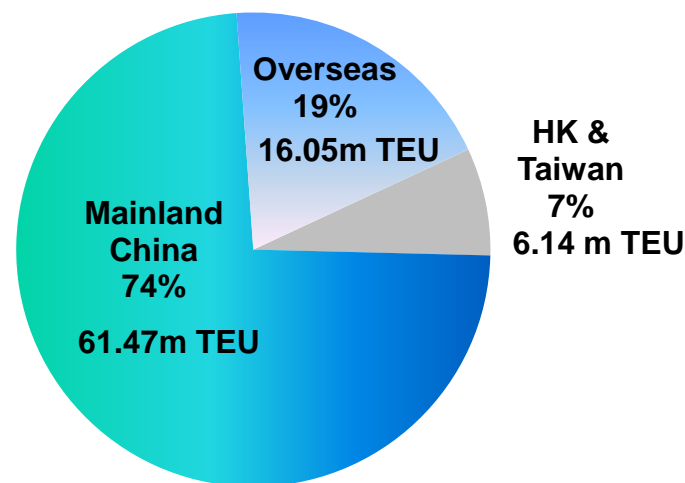
2016 Container Throughput

95.77m TEU (+14.5%)



2015 Container Throughput

83.66m TEU





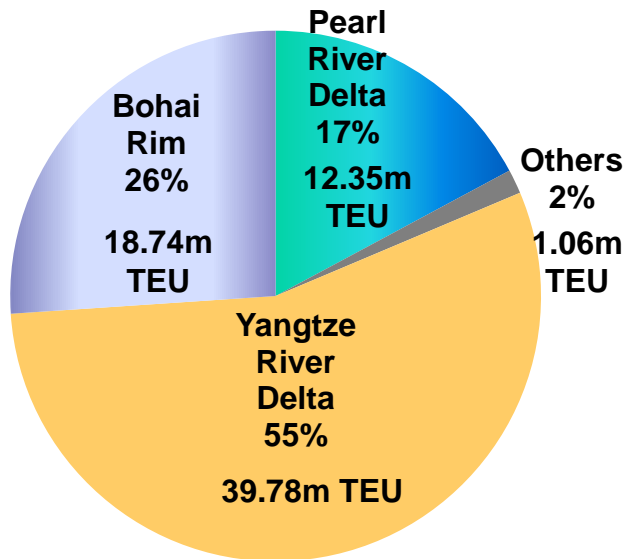
Business Analysis

Container Throughput by Region – Mainland China

- ◆ Container throughput in Mainland China grew by 17% year-on-year
- ◆ Benefited from the contributions of the newly-acquired Dalian project, container throughput generated from Bohai Rim was doubled

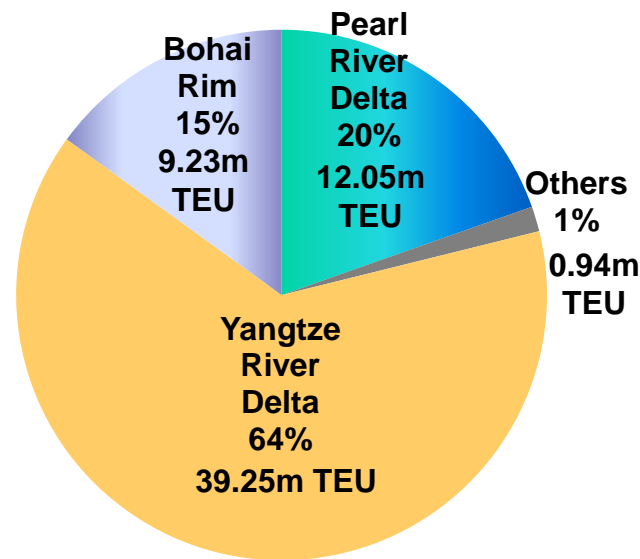
2016 Container Throughput – Mainland China

71.93m TEU (+17%)



2015 Container Throughput – Mainland China

61.47m TEU





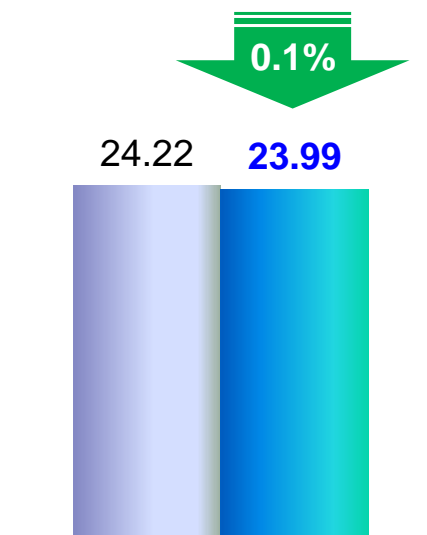
Business Analysis

Container Handling Operation – Pearl River Delta

- ◆ The performance of the Pearl River Delta turned positive, which shows an initial success of the region's restructure
- ◆ Despite of the volume drop in overall Shenzhen, CMPort– West Shenzhen has grown by 2%

Container Throughput
(million TEU)

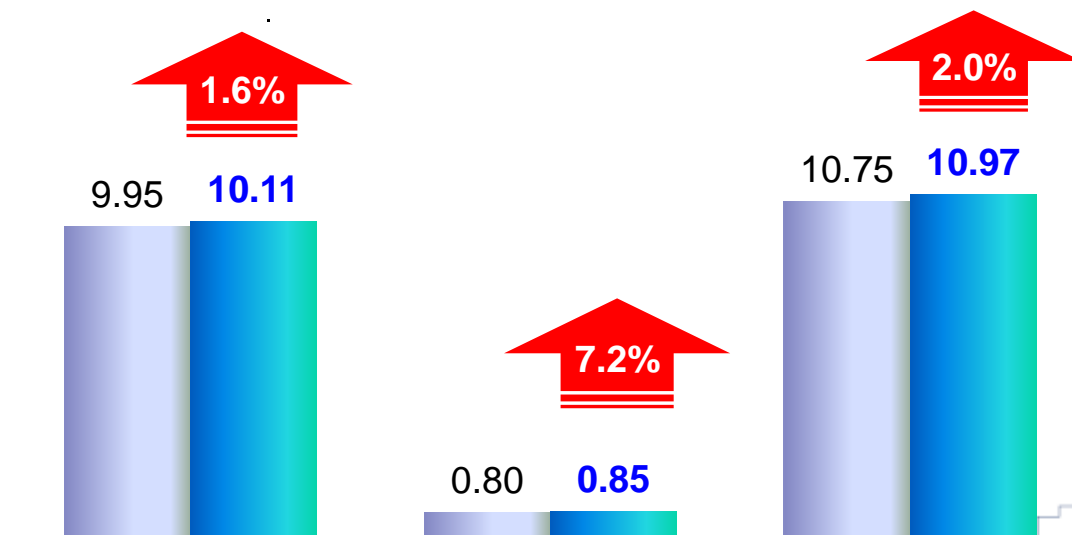
■ 2015 ■ 2016



Shenzhen

Container Throughput (million TEU)

■ 2015 ■ 2016



SCCT

CMPS & Haixing

CMPort - West
Shenzhen



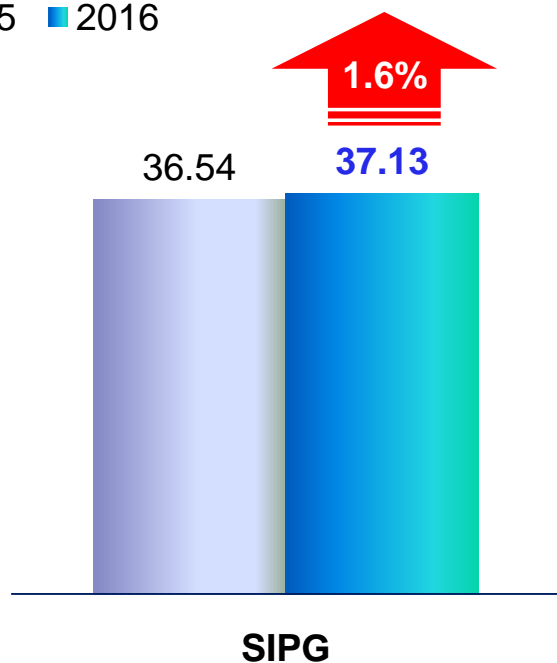
Business Analysis

Container Throughput by Region – Yangtze River Delta

- ◆ SIPG continued to be the largest port among global container terminals in throughput terms
- ◆ The volume drop of Ningbo Daxie was due to the route adjustments of Ningbo Port

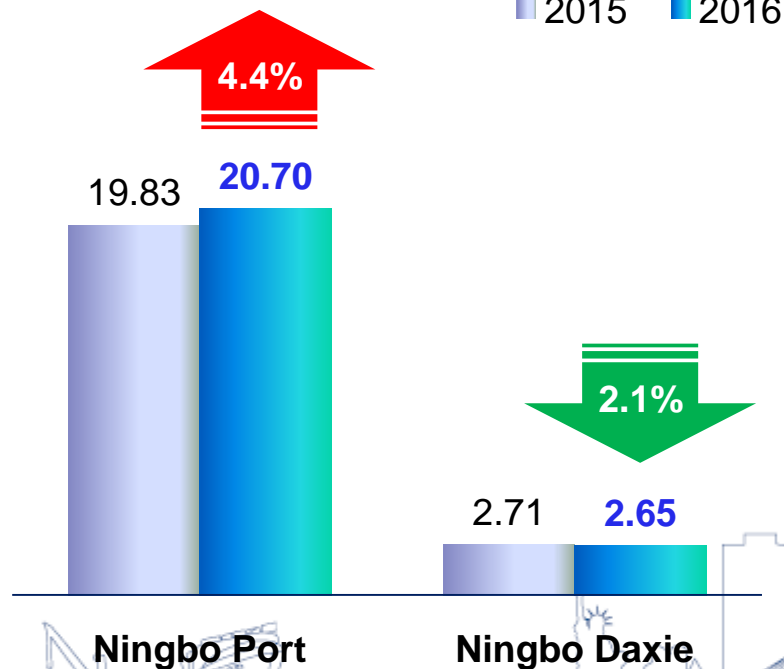
Container Throughput (million TEU)

■ 2015 ■ 2016



Container Throughput (million TEU)

■ 2015 ■ 2016



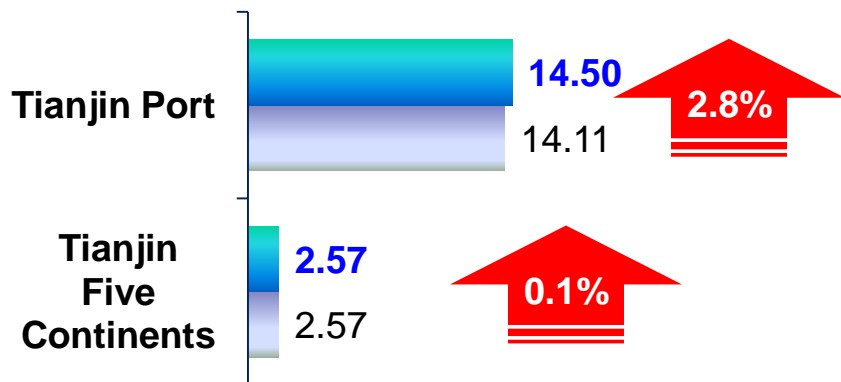


Business Analysis

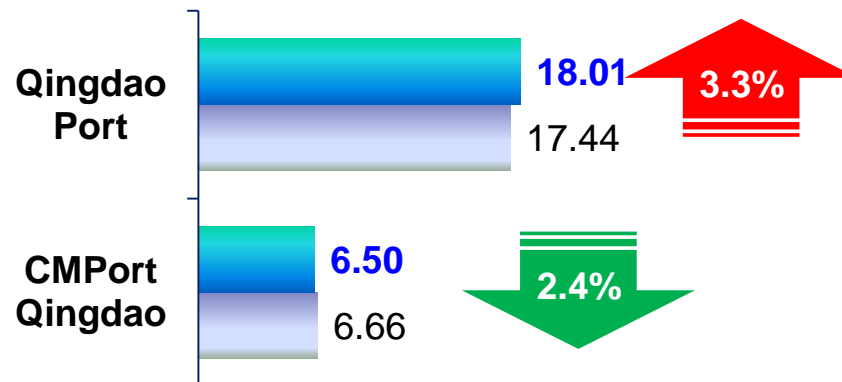
Container Throughput by Region – Bohai Rim

- Driven by the newly-acquired Dalian port project, container throughput derived from Bohai Rim was doubled

Container Throughput (million TEU)



Container Throughput (million TEU)



Container Throughput (million TEU)



2015

2016

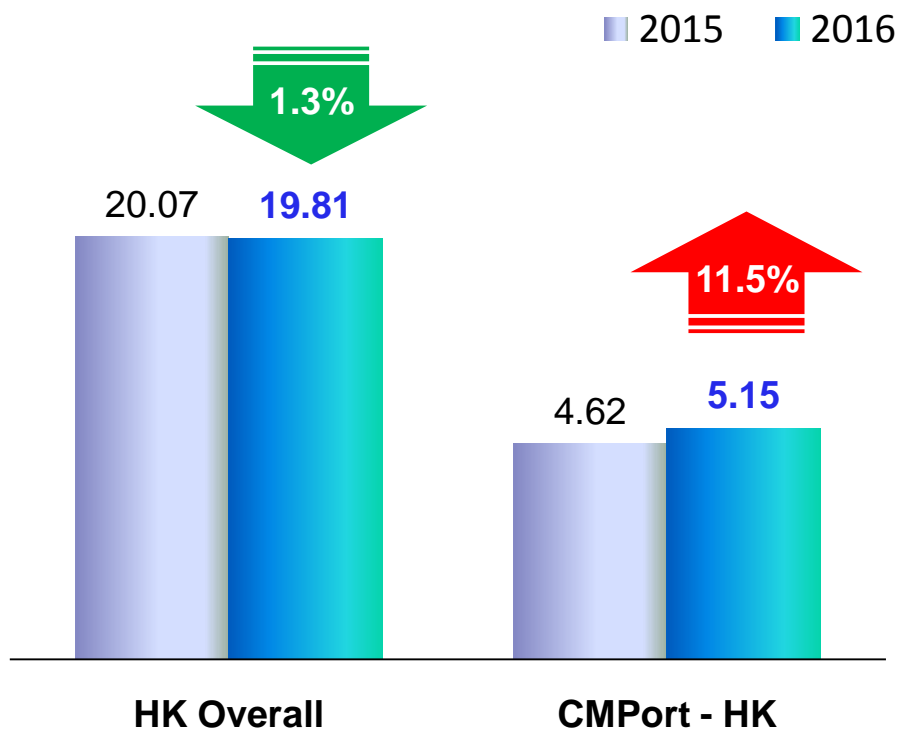


Business Analysis

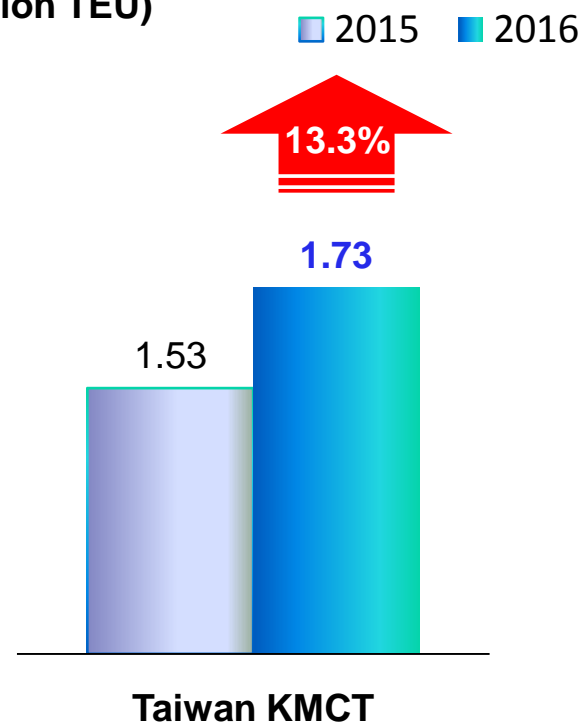
Container Throughput by Region – Hong Kong and Taiwan

- ◆ CMPort-invested Hong Kong ports resulted a better performance than that of overall HK Ports
- ◆ CMPort's projects in Taiwan continued its rapid growth in business volume

Container Throughput (million TEU)



Container Throughput (million TEU)



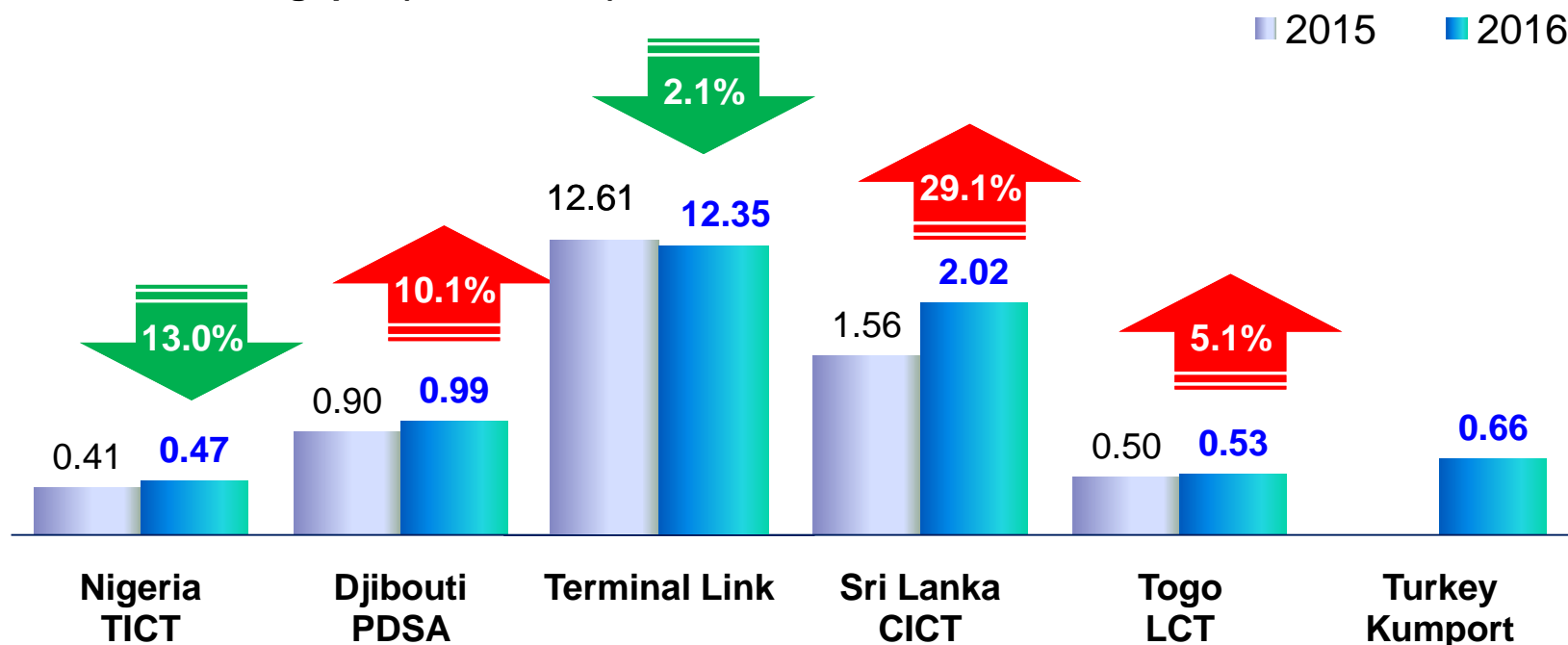


Business Analysis

Container Throughput by Region – Overseas

- ◆ Container throughput handled by overseas projects totaled 16.96million TEU, or a growth of 5.7% year-on-year
- ◆ CICT surpassed 2million TEU, playing a leading role amongst CMPort's overseas projects

Container Throughput (million TEU)





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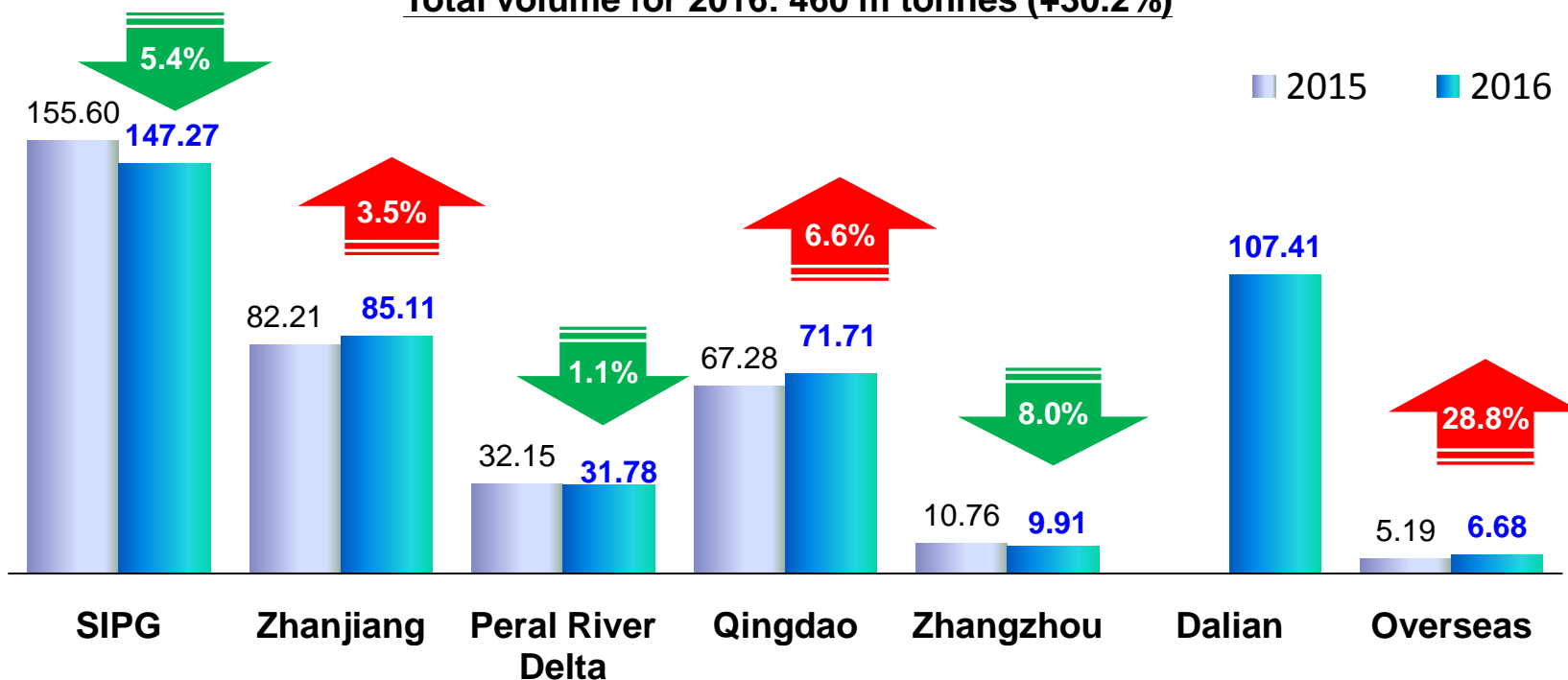
Business Analysis

Ports - Bulk Cargo Operation

- ◆ Growth of bulk cargo throughput was driven by incremental contribution from newly-acquired projects

Bulk Cargo Volume (Million Tonnes)

Total volume for 2016: 460 m tonnes (+30.2%)





Performance Highlights

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- Ports Operation
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- **Logistics Operation**
- Port-related Manufacturing Operation

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Business Analysis

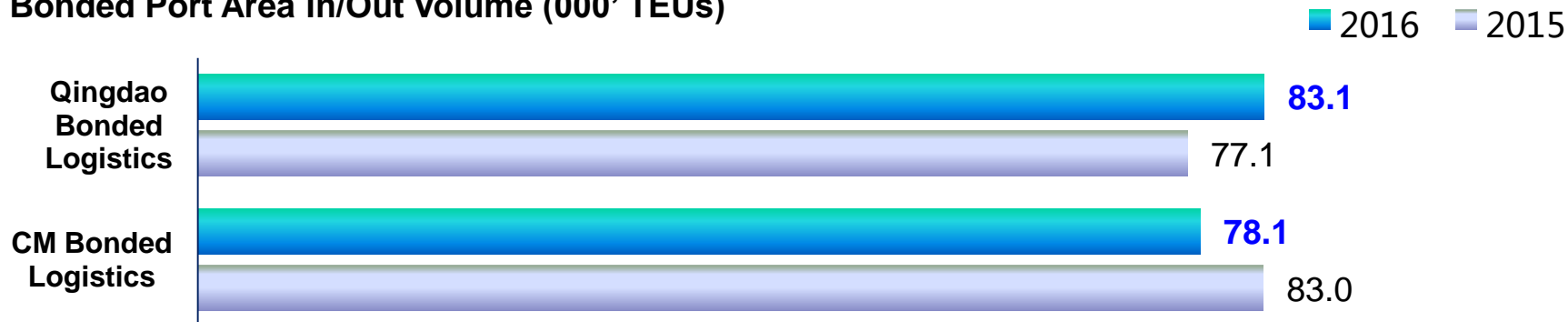
Logistics Operation

- ◆ Traditional bonded logistic business face intense competition , whereas the contribution from cross-border e-commerce and innovative businesses increased

Warehouse Utilization Rate



Bonded Port Area In/Out Volume (000' TEUs)





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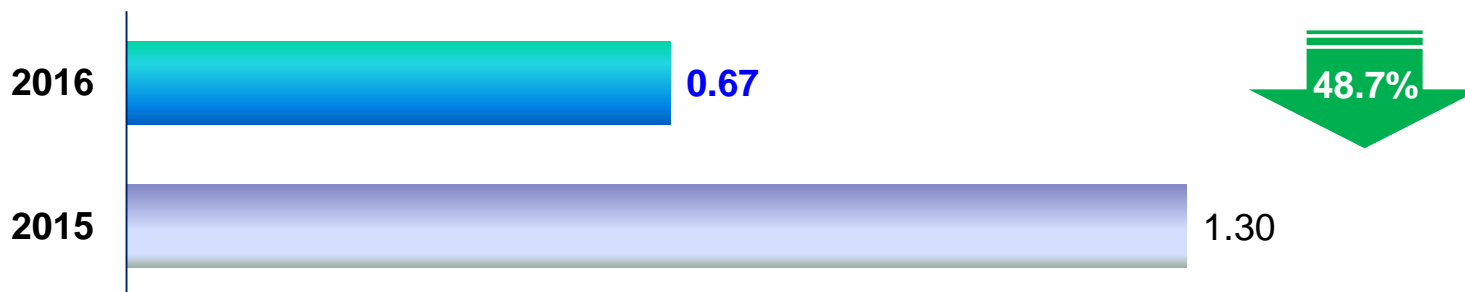


Business Analysis

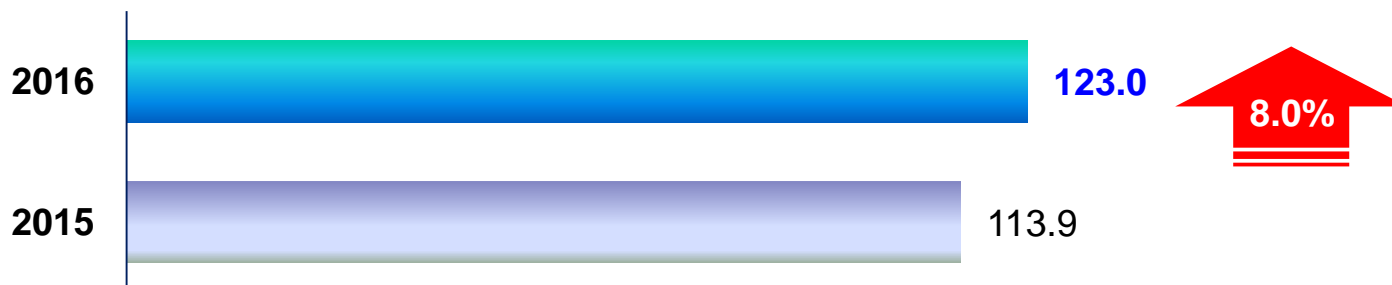
Port-related Manufacturing Operation

- ◆ Continuous downturn of shipping market has affected the sales of containers
- ◆ Sales volume for road transportation vehicles was relatively stable

Dry Cargo Container and Reefers Sales Volume (million TEUs)



Road Transportation Vehicles Sales Volume (000' Sets)





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Operations Review

SIX Breakthroughs - Homebase Port Development

- ◆ Facilitate the construction and upgrade in our domestic homebase port to enhance the “Hard Power” on an ongoing basis
- ◆ Improve operational efficiency to strengthen the “Soft Power”

Improve Operational Efficiency

- ◆ Operational integration
- ◆ Finalise the plan and design for “E-port”

Sharpen the Competitive Edges of Homebase Port

- ◆ Leverage on the advantages offered by Free Trade Zone
- ◆ Facilitate simplification of the custom clearance process
- ◆ Construct and optimise cargo collection-distribution system

Development of Homebase Port

Construction and Upgrade of Homebase Port

- ◆ Widening of Tonggu Channel
- ◆ Construction of “Mawan Smart Port”
- ◆ Upgrading of berths



Operations Review

SIX Breakthroughs – Port Consolidation & Overseas Expansion

◆ Facilitate in-depth development in domestic and overseas ports layout

Improve domestic network

- ◆ In Feb 16, CMPort completed the acquisition of 21% stake in Dalian Port
- ◆ Increased the Shareholding of SIPG
- ◆ Continuously communicate with regional to deepen mutual cooperation



CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

Enhance International layout

- ◆ “Consolidate Asia, Consummate Africa, Breakthrough Europe, Develop America”
- ◆ Capitalize opportunities derived from the “Belt and Road” Initiative to further expand the ports network
- ◆ Participate in the development of Djibouti FTZ , enhance the “Port-Zone-City” integrated development model

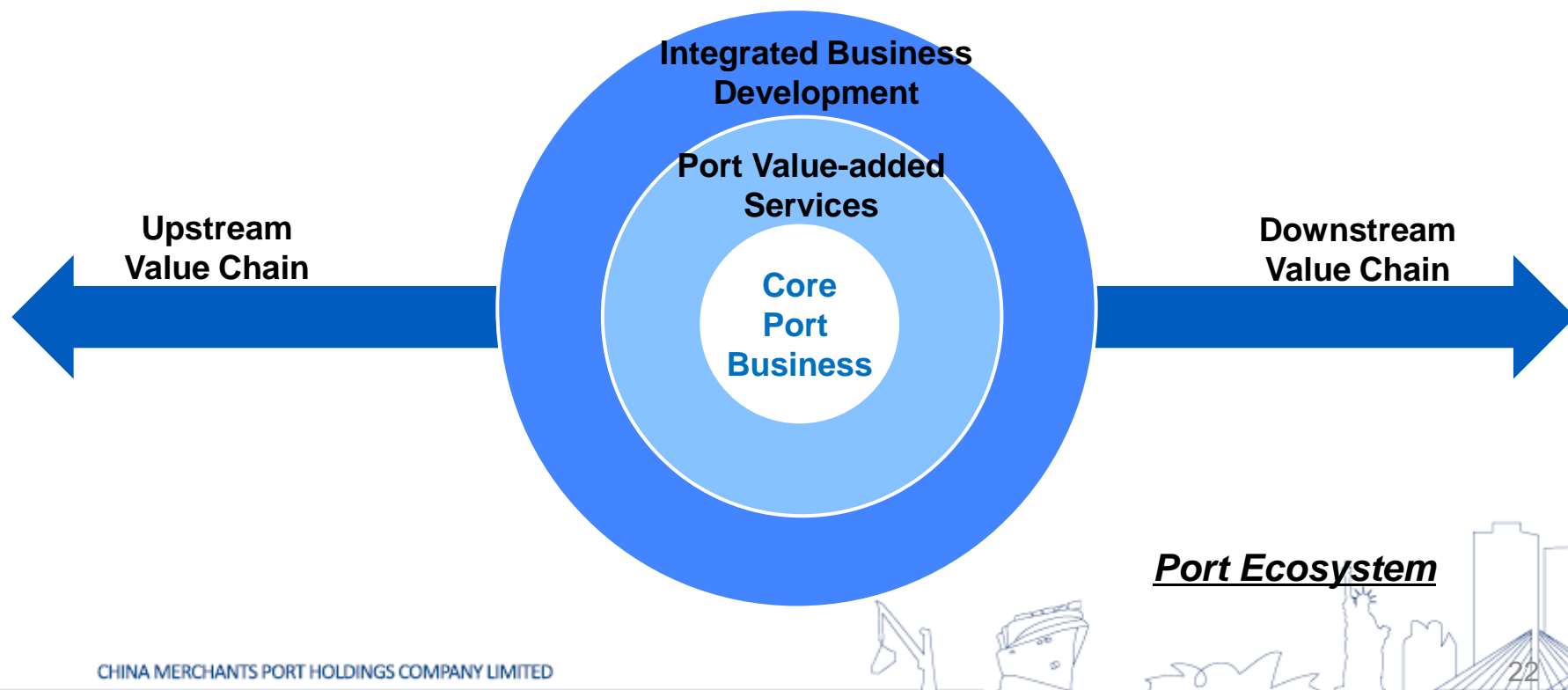




Outlook

SIX Breakthroughs – Operation Transformation (Port Ecosystem)

- ◆ Stem from core ports operation, and expand gradually to other related business with an aim to nurture a comprehensive port ecosystem
- ◆ Penetrate along the upstream and downstream value chain to create and share benefits with different industries





Operations Review

SIX Breakthroughs – Capital Management with Finance Integration & Business Innovation

- ◆ Enhance cost efficiency, capital operation achievements start to reveal
- ◆ Experimenting innovation businesses on different aspects

Capital Management with Finance Integration

- ◆ Enhance cost efficiency to maximise return on existing assets
- ◆ Improve capital structure and asset liquidity
- ◆ Decrease shares in Ningbo Port and increase shares on SIPG to enhance capital return
- ◆ Excavate potential capital operations

Business Innovation

- ◆ The Billion Merchants of Silk Road: Innovative business model overseas
- ◆ exgrain.com: A comprehensive global trade platform for grains
- ◆ E-port: One-stop service platform of West Shenzhen port zone



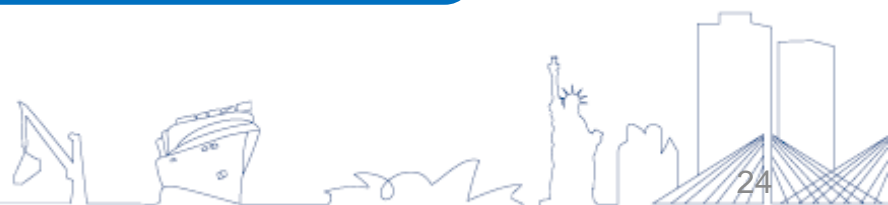
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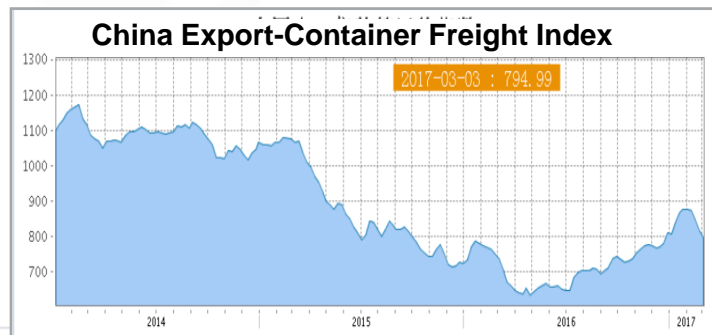
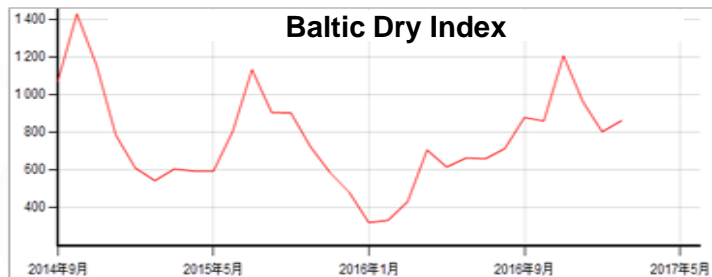




Outlook

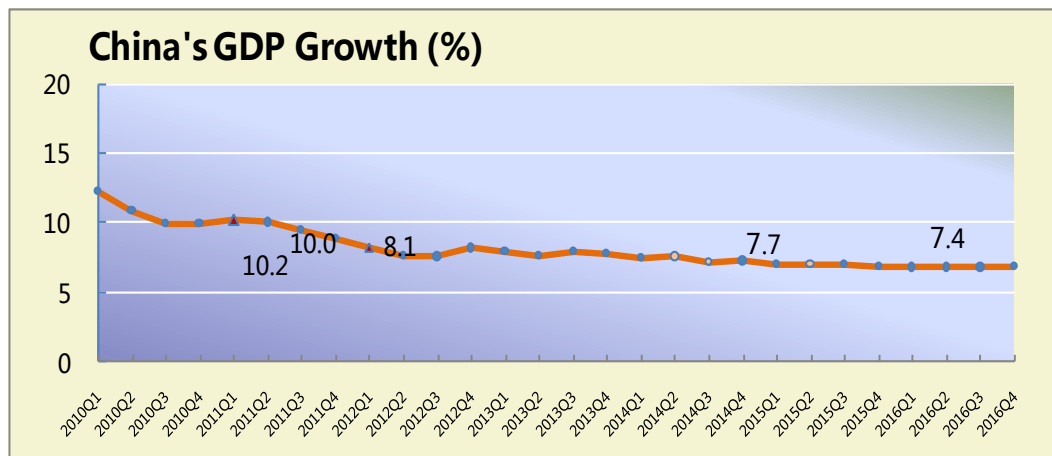
Global Economic Environment

- ◆ Global economy is undergoing profound adjustments
- ◆ International trade is presented with greater challenges
- ◆ China's economy is expected to be stable
- ◆ Shipping industry continues to consolidate



IMF World Economic Outlook Update (16 Jan 2017)

| Country/Region | Actual Economic Growth | | Forecast Economic Growth | | 2017 vs 2016 |
|-----------------------------|------------------------|------|--------------------------|------|--------------|
| | 2015 | 2016 | 2017 | 2018 | Change |
| Global | 3.2 | 3.1 | 3.4 | 3.6 | 0.3 |
| Developed Countries | 2.1 | 1.6 | 1.9 | 2.0 | 0.3 |
| USA | 2.6 | 1.6 | 2.3 | 2.5 | 0.7 |
| Euro Zone | 2.0 | 1.7 | 1.6 | 1.6 | -0.1 |
| Japan | 1.2 | 0.9 | 0.8 | 0.5 | -0.1 |
| UK | 2.2 | 2.0 | 1.5 | 1.4 | -0.5 |
| Developing Countries | 4.1 | 4.1 | 4.5 | 4.8 | 0.4 |
| ASEAN | 4.8 | 4.8 | 4.9 | 5.2 | 0.1 |
| China | 6.9 | 6.7 | 6.5 | 6.0 | -0.2 |
| India | 7.6 | 6.6 | 7.2 | 7.7 | 0.6 |
| Brazil | -3.8 | -3.5 | 0.2 | 1.5 | 3.7 |
| Russia | -3.7 | -0.6 | 1.1 | 1.2 | 1.7 |
| Int'l Trade Volume | 2.7 | 1.9 | 3.8 | 4.1 | 1.9 |

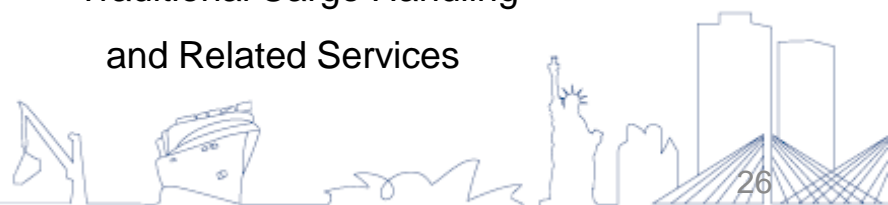
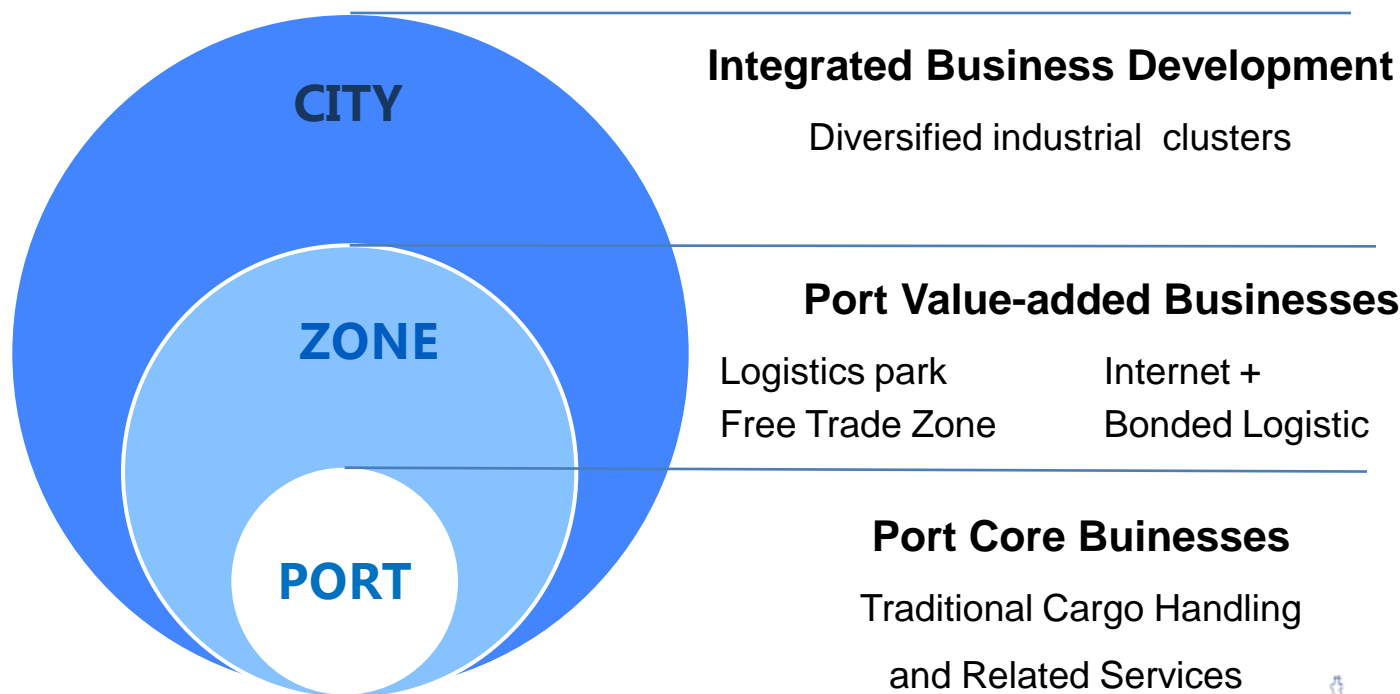




Outlook

“Port-Zone-City” Development

- ◆ Adapt to the World's trend of Port City development, create new source for profit growth
- ◆ To bring the successful experiences overseas, enhance regional integrated development with port as the core business





Outlook

Business Expansion

- ◆ Capitalise on the opportunities derived from the “Belt and Road” Initiative to “Solidify ports layout in Asia, improve ports network in Africa, expand footprint in Europe, and acquire new exposure in Americas”
- ◆ Actively seek to seize the opportunities arise from the consolidation of domestic coastal ports

Domestic Regional Port Integration:

- ◆ Transformation and Integration of Shenzhen Homebase port
- ◆ Seize the opportunities arise from the consolidation of domestic coastal ports
- ◆ Strengthen the business cooperation with overseas ports

Enhance International Layout :

- ◆ “Consolidate Asia, Consummate Africa, Breakthrough Europe, Develop America”
- ◆ Capitalize opportunities derived from “The Belt and Road Initiative”
- ◆ Enhance the development of overseas integrated port development model



Further widen and deepen the scope of CMPT's domestic and overseas expansion





Outlook

Strategic Objective & Major Tasks

- ◆ Conduct tasks by adhere to the strategic objectives of becoming a “world-class comprehensive port services provider”
- ◆ Promote the upgrade of homebase port, business development, business model innovation, improvement in management efficiency and effectiveness
- ◆ With an aim to secure sustainable growth in core operations and financial performance, and in turns CMPort’s overall competitiveness



Strategic Vision:

Becoming
“**world-class
comprehensive
port services
provider**”





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招商局港口 梦想启航

Q&A

成为世界一流的港口综合服务商

Aspiring to be a world's leading comprehensive port service provider

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