



招商局港口控股有限公司

CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

2017 Annual Results Press Conference

29th March , 2018



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2. Business Analysis
3. Operation Overview
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Performance Highlights - P&L and Dividend Payout

- ◆ Container throughput surpassed 100million TEUs, Bulk Cargo throughput surpassed 500million tonnes
- ◆ Revenue derived from ports operation rose 9.6% , Recurrent profit rose 19.9%

Items	2017	2016	Y-o-Y Change
Container throughput (million TEUs)	102.90	95.77	7.4%
Bulk cargo throughput (million Tonnes)	507	460	10.3%
	HK\$'million	HK\$'million	
Revenue ¹	43,484	44,221	-1.7%
Revenue derived from ports operation	26,856	24,506	9.6%
EBITDA ²	15,329	14,678	4.4%
EBITDA derived from ports operation	12,693	11,542	10.0%
Profit attributable to equity holders of the Company	6,028	5,494	9.7%
Derived from ports operation	5,551	5,558	-0.1%
Recurrent profit	5,492	4,581	19.9%
Basic EPS (HK cents) ³	183.90	175.58	4.7%
Interim dividend per ordinary share (HK cents)	22.00	22.00	Flat
Final dividend per ordinary share (HK cents)	59.00	65.00	-9.2%
Total dividend per ordinary share (HK cents) ⁴	81.00	87.00	-6.9%
Payout Ratio	43.7%	41.5%	Up 2.2 ppts

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. All outstanding Mandatory Convertible Securities ("MCS") have been converted into ordinary shares of the Company

4. Exclude the 2017 interim special dividend of HK\$1.35 per share



Performance Highlights - Financial Position

- ◆ Total assets increased by 28.0% to HK\$ 13.2 billion
- ◆ Due to the completion of CIMC disposal transaction, net gearing ratio decreased to 21.5 %

Items	31 Dec 2017	31 Dec 2016	Change
	HK\$'million	HK\$'million	
Total assets	131,951	103,113	28.0%
Net assets attributable to equity holders of the company	73,447	65,908	11.4%
NAV per share (HK\$)¹	22.41	21.06	6.4%
Interest-bearing debts ²	28,560	22,434	27.3%
Cash and bank balances	9,247	3,637	154.2%
Net interest-bearing debts	19,313	18,797	2.7%
Net gearing ratio³	21.5%	25.5%	Down 4 pts

Notes: 1. All outstanding MCS have been converted into ordinary shares of the Company

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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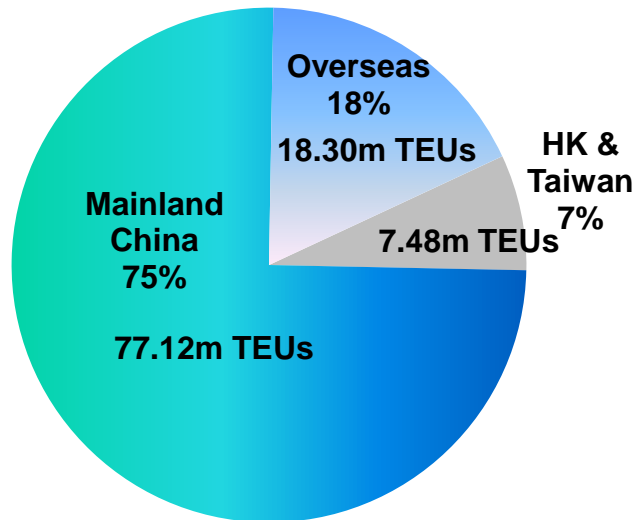


Business Analysis - Container Operation

- ◆ CMPort recorded a historical breakthrough of 103 million TEUs in 2017, up by 7.4% YoY
- ◆ Similar proportions on contribution by regions compared with 2016

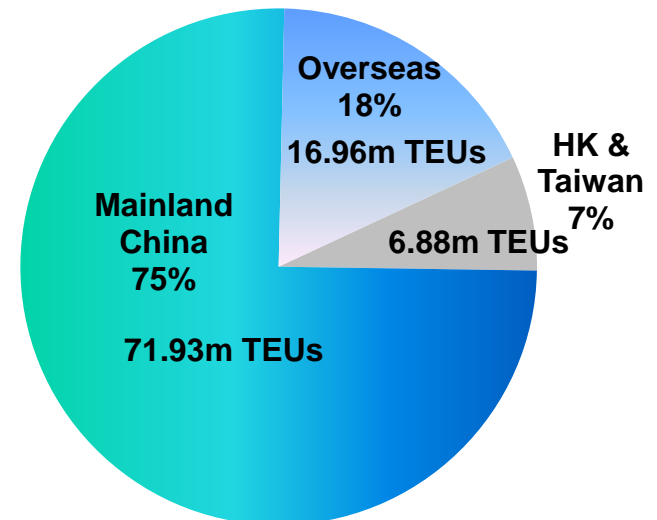
2017 Container Throughput

103m TEUs(+7.4%)



2016 Container Throughput

95.77m TEUs

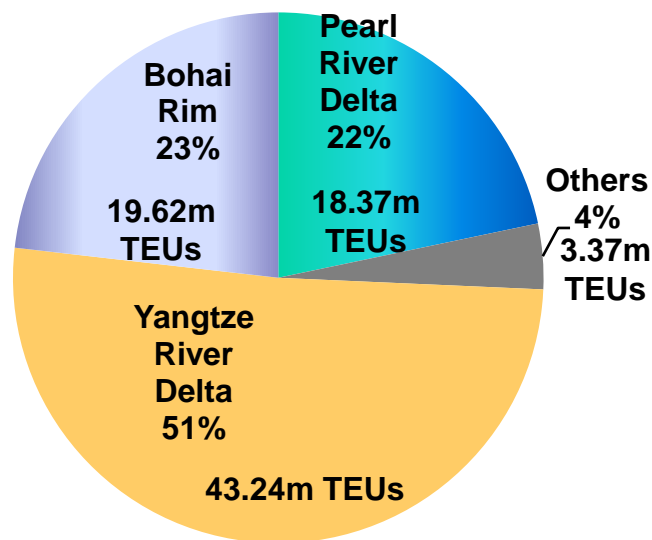


Business Analysis – Greater China

- ◆ Greater China (Mainland, HK & Taiwan) reached 84.60million TEUs , up 7.3%
- ◆ Shunde and Shantou added-contribution of 0.43million TEUs in 2H2017

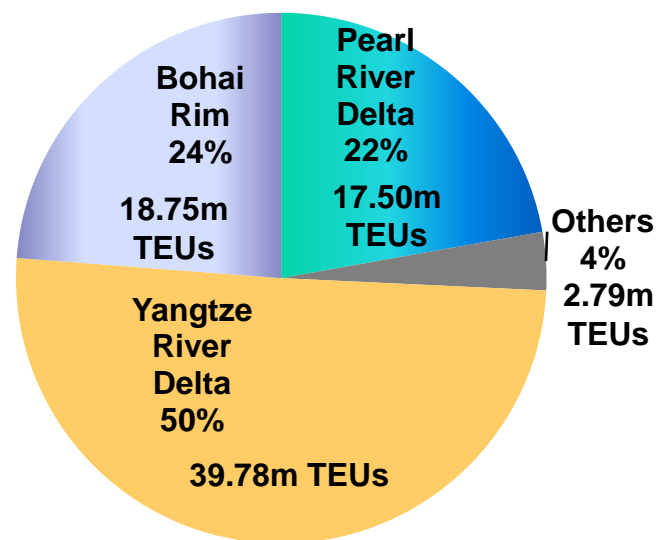
2017 Container Throughput – Greater China

84.60m TEUs (+7.3%)



2016 Container Throughput – Greater China

78.82m TEUs

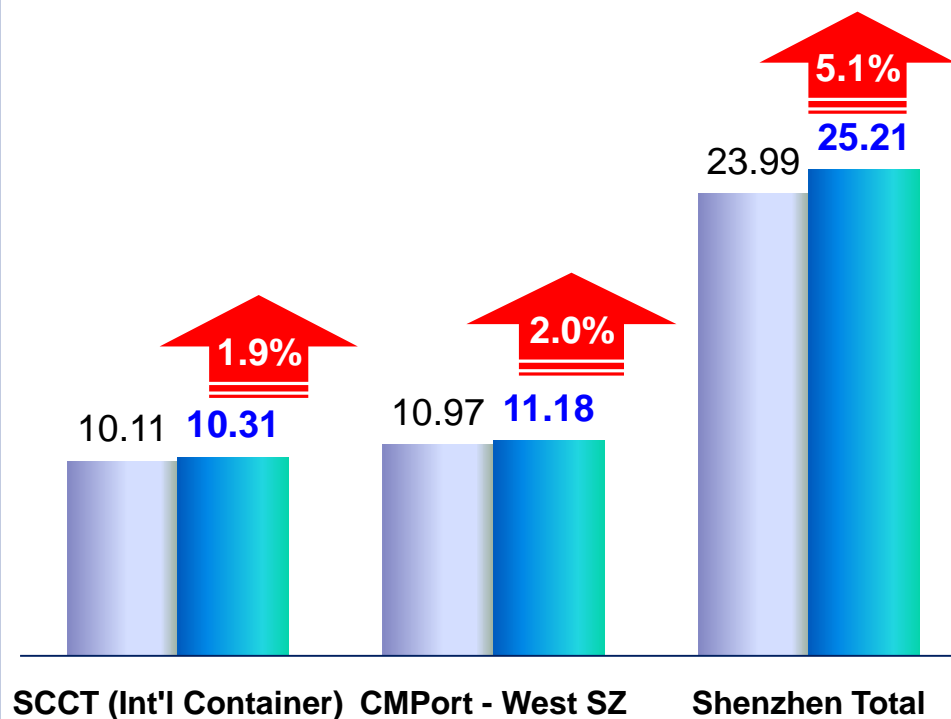


Business Analysis – Pearl River Delta

- ◆ CMPort's West Shenzhen ports rose 2.0%
- ◆ CMPort's HK operation outperform overall HK ports with a growth of 12.4% in 2017

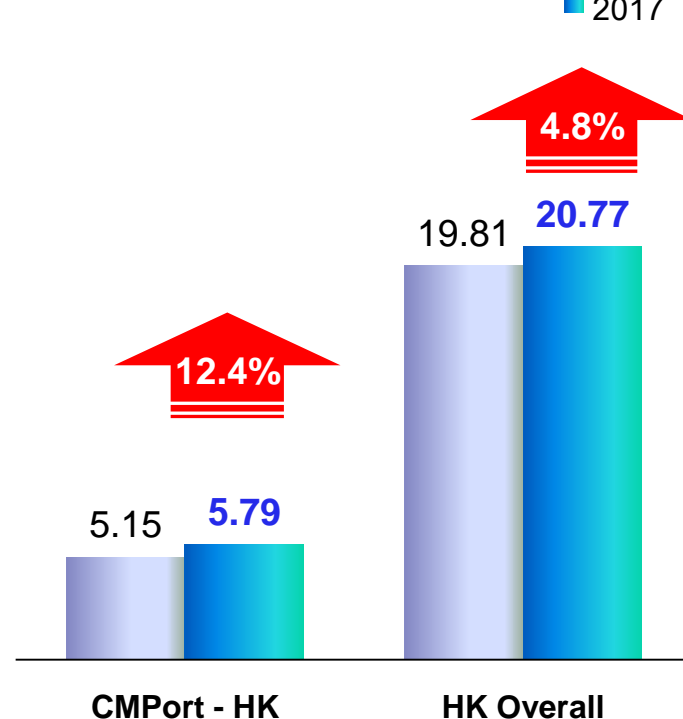
Container Throughput (million TEU)

■ 2016 ■ 2017



Container Throughput (million TEU)

■ 2016 ■ 2017

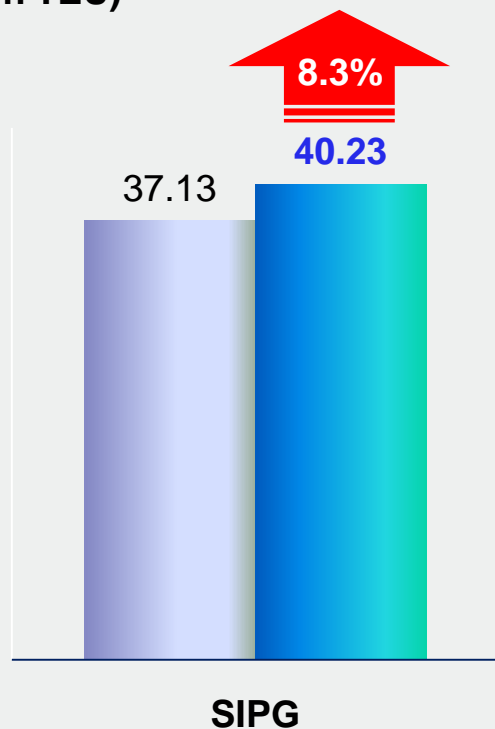


Business Analysis – Yangtze River Delta

- ◆ Yangtze River Delta Region showed excellent growth of 8.7% YoY
- ◆ Continued to be the World's No. 1 port, SIPG surpassed 40million TEUs

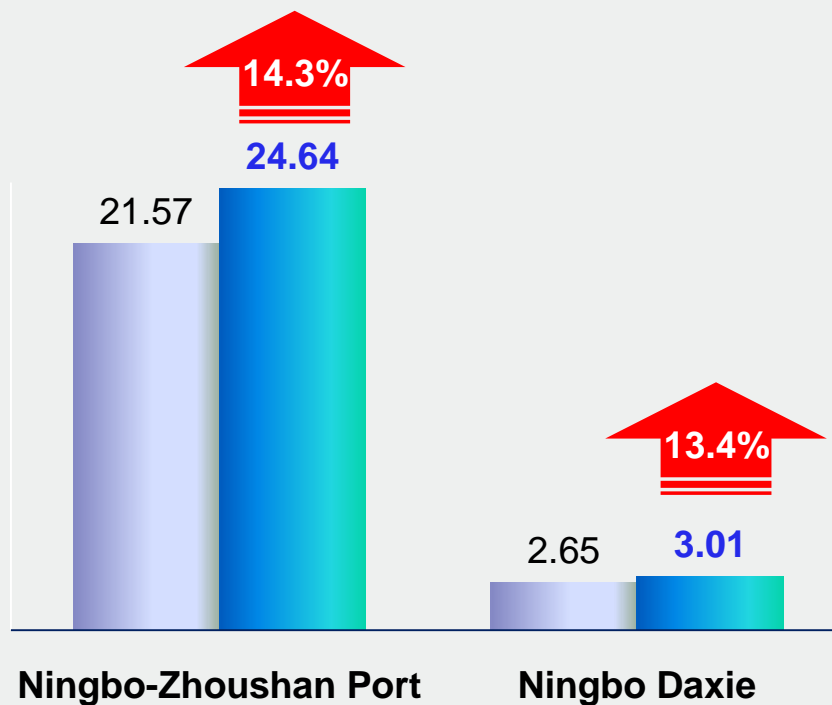
Container Throughput
(million TEU)

■ 2016 ■ 2017



Container Throughput (million TEU)

■ 2016 ■ 2017

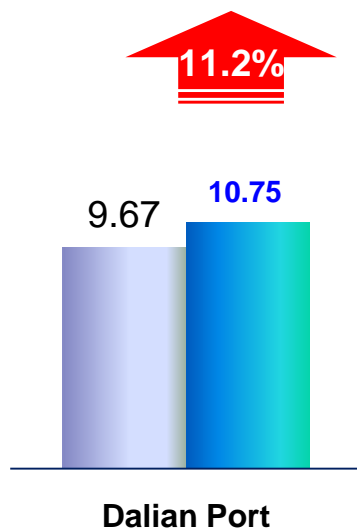


Business Analysis – Bohai Rim

- ◆ Overall Bohai Rim rose 4.7%
- ◆ Benefited from new shipping route and Sino-Europe Railway, Dalian port project grew 11.2%
- ◆ CMPort Tianjin turned positive in 2H2017

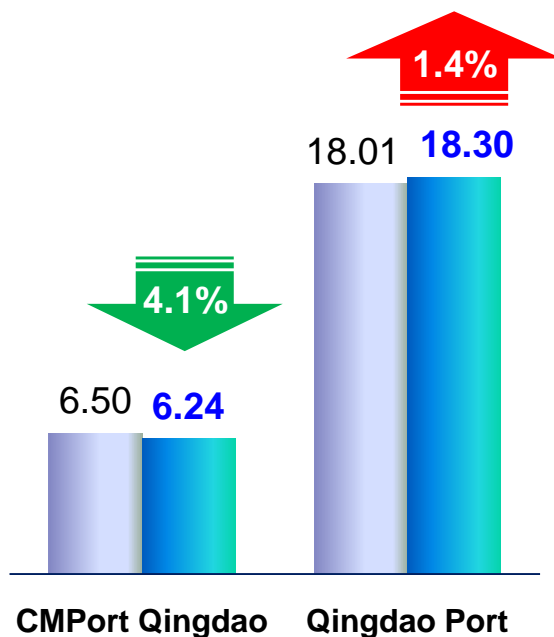
Container Throughput
(million TEU)

■ 2016
■ 2017



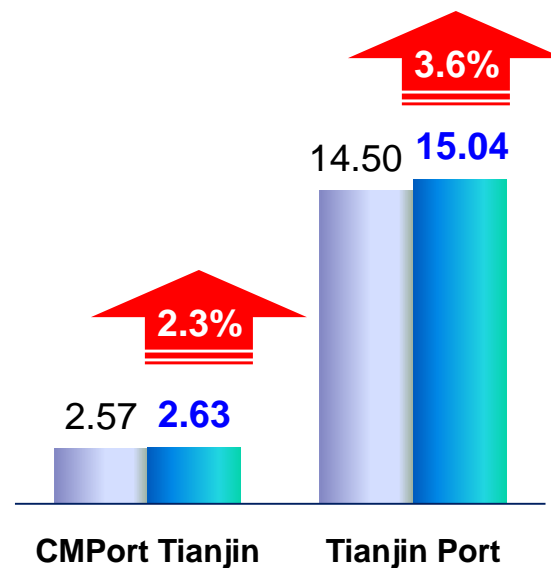
Container Throughput
(million TEU)

■ 2016
■ 2017



Container Throughput
(million TEU)

■ 2016
■ 2017

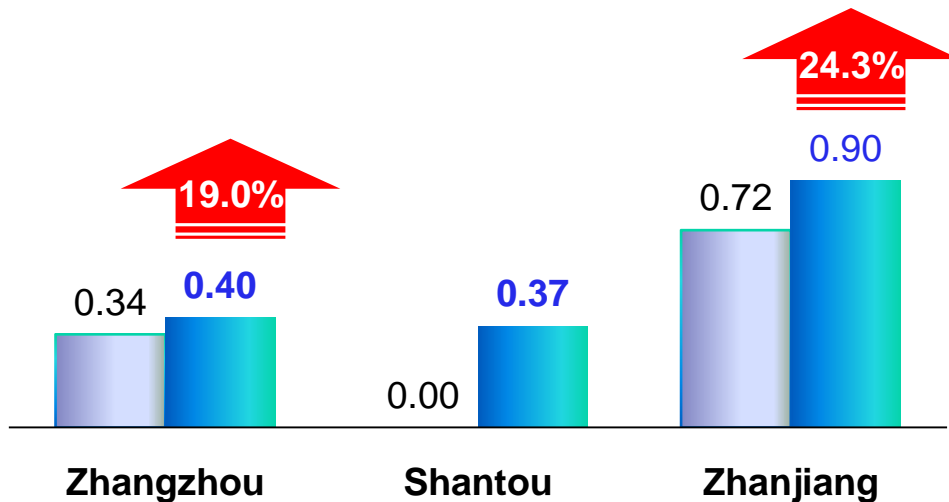


Business Analysis – Mainland Others & Taiwan

- ◆ Zhangzhou and Zhanjiang ports grew 19.0% and 24.3% respectively
- ◆ Shantou port contributed 0.37 million TEUs from August to December
- ◆ Taiwan KMCT recorded 1.8% decline

Container Throughput
(million TEU)

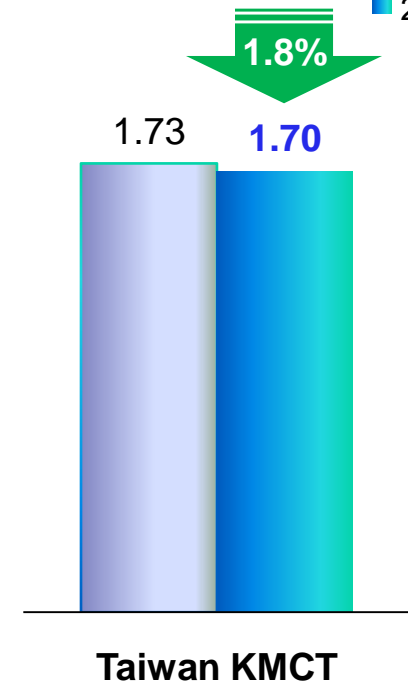
2016 2017



Container Throughput
(million TEU)

2016

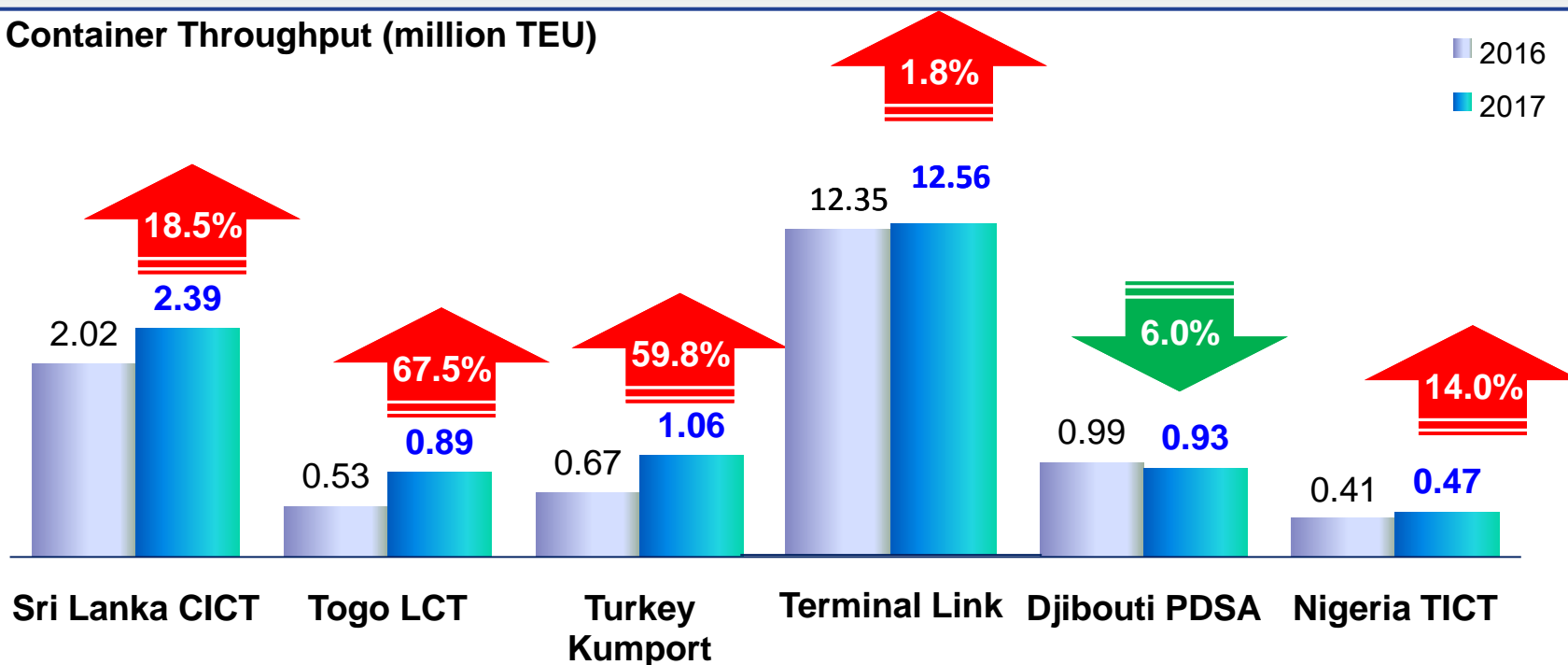
2017



Business Analysis – Overseas

- ◆ Container throughput handled by overseas projects totaled 18.30million TEUs, up 7.9% YoY
- ◆ CICT in Sri Lanka reached its deigned capacity with the growth of 18.5%
- ◆ Benefitted from increase in routes, LCT in Togo and Kumport in Turkey grew significantly

Container Throughput (million TEU)



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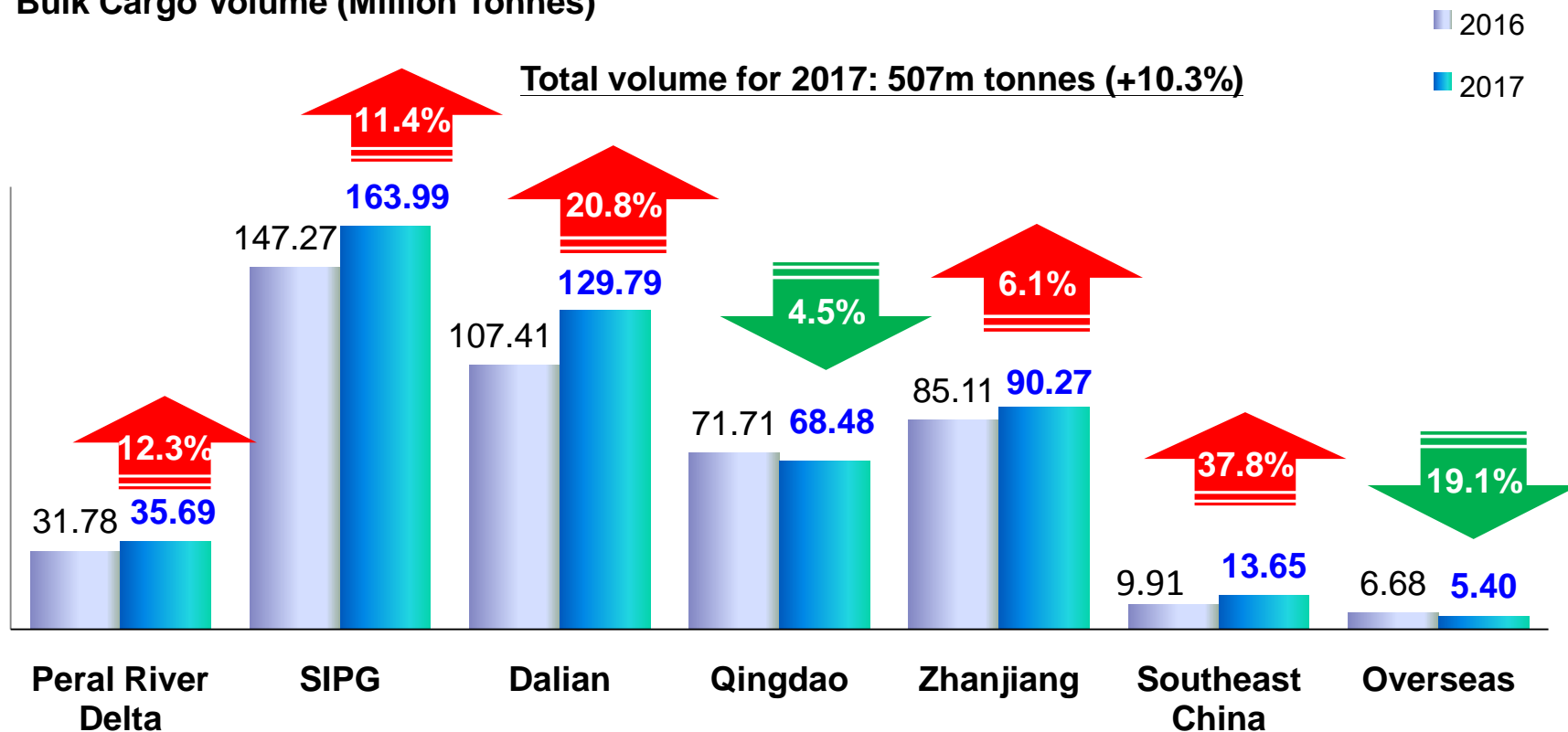
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Business Analysis – Bulk Cargo Operation

- ◆ Bulk Cargo volume surpassed 500million tonnes, up 10.3% YoY
- ◆ Major contribution derived from SIPG and Dalian, overseas dropped by 19.1%

Bulk Cargo Volume (Million Tonnes)



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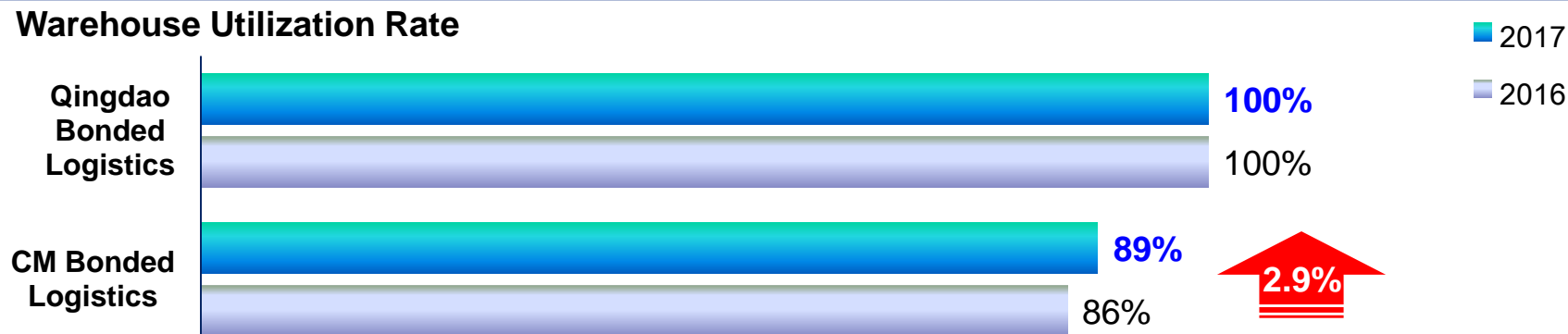
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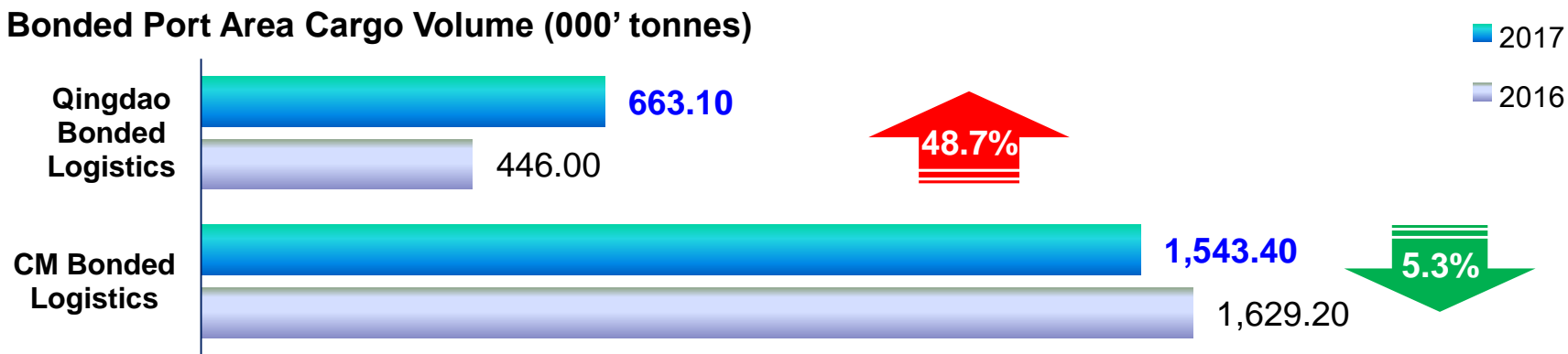
Business Analysis – Bonded Logistics

- ◆ By utilizing resources on self-operate business , Qingdao bonded logistics warehouse was fully utilized
- ◆ Getting rid of the negative effect from custom policies, the utilization growth rate of CM Bonded logistics turned positive in 2H2017

Warehouse Utilization Rate



Bonded Port Area Cargo Volume (000' tonnes)



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Operations Overview – Homebase Port Development

- ◆ Actively promote the resources consolidation in our homebase port to enhance the “Hard Power”
- ◆ Improve operational efficiency to strengthen the “Soft Power”

Improve Operational Efficiency

- ◆ Construction of bonded logistic integrated service platform
- ◆ “E-port” Phase 2 construction
- ◆ Qianhai “Single Window” online

Sharpen the Competitive Edges of Homebase Port

- ◆ Optimize the payment methods of “epay”
- ◆ Facilitate simplification of the custom clearance process
- ◆ Construct and optimise cargo collection-distribution system

Homebase Port Development

Construction and Upgrade of Homebase Port

- ◆ Tonggu Channel Phase II
- ◆ Renovation of Haixing Port
- ◆ Launching of “Mawan Smart Ports”

Operations Overview – Overseas Expansion

- ◆ Completion of Hambantota Project
- ◆ Acquisition of TCP in Brazil
- ◆ Djibouti DMP Port begins to operate in April
- ◆ Explore “PPC” overseas development
- ◆ Tackle opportunities from “Belt & Road” initiative to enhance port network.



Operations Overview – Domestic Network & Capital Management with Finance

Improve Domestic Network

- ◆ Acquire 60% share from Shantou SPG to strengthen the layout in Southeast China
- ◆ Actively participate in domestic regional ports consolidation
- ◆ Discover and enhance the construction of “Guangdong HK Macau Big Bay Area”



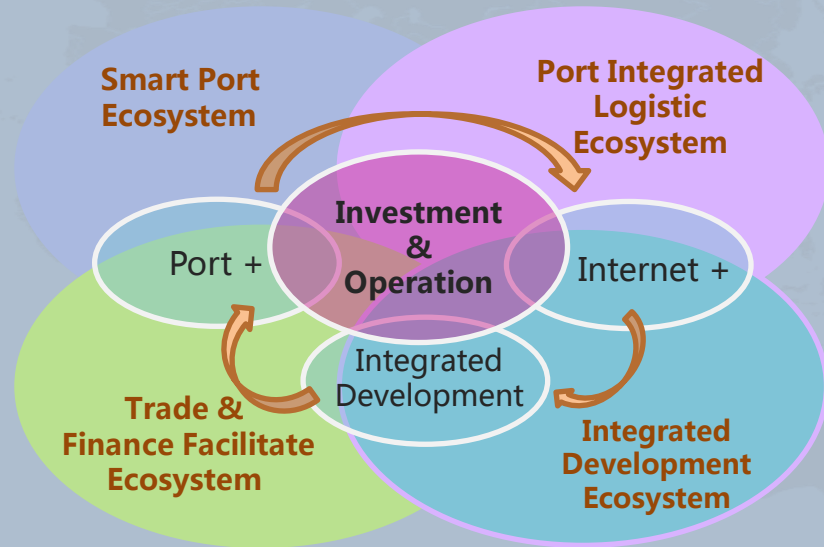
Capital Management with Finance

- ◆ Dispose shares of CIMC in return of HKD813 million disposal gain
- ◆ Increase Shares of SIPG to reduce taxation
- ◆ Optimise asset structure and increase asset return
- ◆ Enhance cost efficiency and reduce financial cost on a reasonable basis

Operations Overview – Operation Transformation & Business Innovation

Operation Transformation

- ◆ Systematically study “Port-Park-City” model with an aim to nurture a comprehensive port ecosystem.



Business Innovation

- ◆ “E-port” : One-stop service platform of West Shenzhen port zone phase 1 online
- ◆ “Internet + Port” innovative business model
- ◆ Global intelligent container project
- ◆ “E-Port” unified customer service platform
- ◆ “Iport” new media investment

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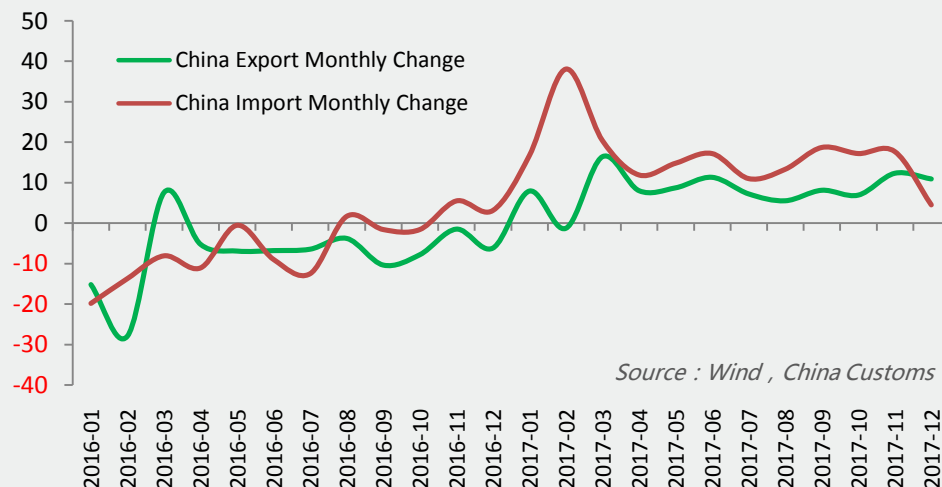


Outlook – Global Economic Environment

- ◆ Strong recovery in global economy
- ◆ Mild rebound in international trade
- ◆ Stable growth in China trade
- ◆ Increase demand in international shipping

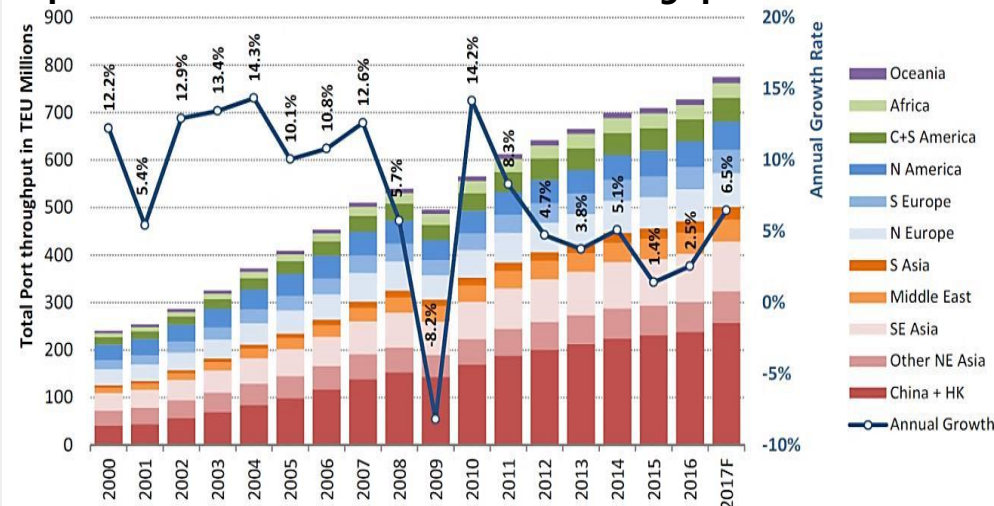
IMF World Economic Outlook (January 2018)

Country/Region	Actual Economic Growth	Forecast Economic Growth		2018 vs 2017
	2017	2018	2019	Change
Global	3.7	3.9	3.9	0.2
Developed Countries	2.3	2.3	2.2	Flat
USA	2.3	2.7	2.5	0.4
Euro Zone	2.4	2.2	2.0	(0.2)
Japan	1.8	1.2	0.9	(0.6)
UK	1.7	1.5	1.5	(0.2)
Developing Countries	4.7	4.9	5.0	0.2
ASEAN	5.3	5.3	5.3	Flat
China	6.8	6.6	6.4	(0.2)
India	6.7	7.4	7.8	0.7
Brazil	1.1	1.9	2.1	0.8
Russia	1.8	1.7	1.5	(0.1)
Int'l Trade Volume	4.7	4.6	4.4	(0.1)



Source : Wind , China Customs

Alphaliner Global Ports Container Throughput



Outlook –International Strategy



■ “Port-Park-City”
Model

■ Oversea Homebase
Port Development

■ Opportunities from
“Belt & Road”

“PORT-PARK-CITY” (P-P-C) Model



China : West SZ Homebase Port Overseas : Sri Lanka



Outlook –Domestic Strategy



Leverage on the advantages in brand and resources of being the world's leading comprehensive port service provider in a hope to maintain the cooperation with major port groups along the coastal regions and fully leverage the positive role of domestic ports consolidation

Enhance synergies within the Group's domestic port network and its resources and thus further elevating the Group's influence in the domestic and foreign port market

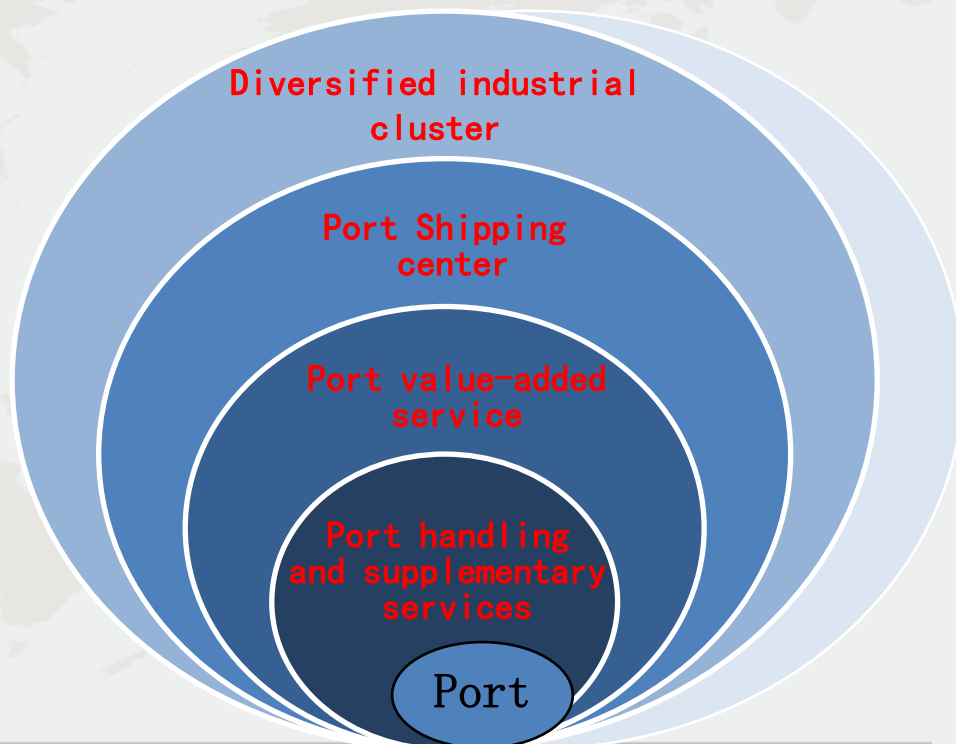
Outlook –Innovation Strategy



Continue to take follow-up actions on “RTG remote control” , digital port and other technology innovation projects

West Shenzhen “E-port Phase II & III” , “EDI” system, call center, Big data platform and Visible platform etc.

With Port as the Core, explore cross-boarder businesses to nurture a comprehensive port ecosystem.



Q & A

CMPort Global Layout (by 31st December 2017)

