



招商局港口控股有限公司

CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED



2019 Annual Results

15th April, 2020

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2. Business Analysis

3. Operation Overview

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Performance Highlights – Profit & Lost

Items	2019	2018	Y-o-Y Change
Container throughput (million TEUs)	111.72	109.06	2.4%
Bulk cargo throughput (million Tonnes)	449	502	-10.5%
	HK\$'million	HK\$'million	
Revenue	8,898	10,160	-12.4%
Revenue derived from ports operation	8,243	9,544	-13.6%
Profit attributable to equity holders of the Company	8,362	7,245	15.4%
Derived from ports operation	9,721	8,408	15.6%
Recurrent profit ¹	4,163	4,294	-3.1%
Derived from ports operation	5,594	5,716	-2.1%
Basic EPS (HK cents)	247.84	219.54	12.9%
Interim dividend per ordinary share (HK cents)	22.00	22.00	flat
Final dividend per ordinary share (HK cents)	58.00	73.00	-16.4%
Annual dividend per ordinary share (HK cents)	80.00	95.00	-15.8%

Note: 1. Profit attributable to equity holders of the Company net of non-recurrent gains after tax. Non-recurrent gains include: for 2019, change in fair value of financial assets and liabilities at fair value through profit or loss, change in fair value of investment properties, gain on deemed disposal of interest in a joint venture and gain on resumption of certain land parcels at Qianhai and Shantou; while for 2018, gain on disposal of subsidiaries, change in fair value of financial assets and liabilities at fair value through profit or loss and change in fair value of investment properties.

Performance Highlights – Financial Position

- Total assets increased by HKD9,145 million, mainly attributed to a gain on resumption of certain land parcels at Qianhai which was used for capital contribution to an associate during the year
- Net gearing ratio decreased by 2.4ppts to 33.6% compared with 31 Dec 2018

Items	31 Dec 2019	31 Dec 2018	Change
	HK\$'million	HK\$'million	
Total assets	149,082	139,937	6.5%
Net assets attributable to equity holders of the company	79,783	75,321	5.9%
NAV per share (HK\$)	23.13	22.62	2.3%
Interest-bearing debts²	39,416	38,856	1.4%
Cash and bank balances	7,800	7,175	8.7%
Net interest-bearing debts	31,616	31,681	-0.2%
Net gearing ratio³	33.6%	36.0%	Down by 2.4 ppts

Notes: 2. Interest-bearing debts include bank loans, listed notes and loans from China Merchants Group, and loan from a non-controlling equity holder of a subsidiary

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

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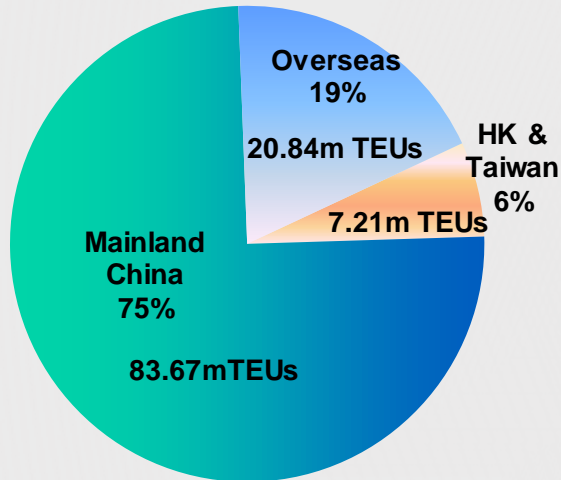
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Business Analysis – Container Operation

- Total container throughput grew by 2.4% with the proportion of Mainland China increased by 1ppt.
- CMPort's container business in Mainland China grew by 3.6%, overseas grew by 0.9%

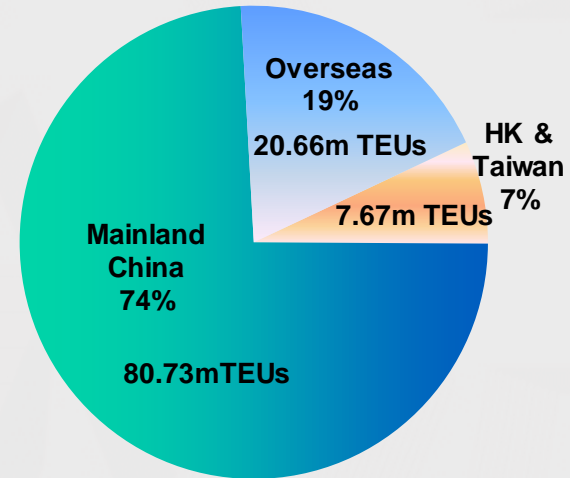
2019 Container Throughput

111.72m TEUs (+2.4%)



2018 Container Throughput

109.06m TEUs

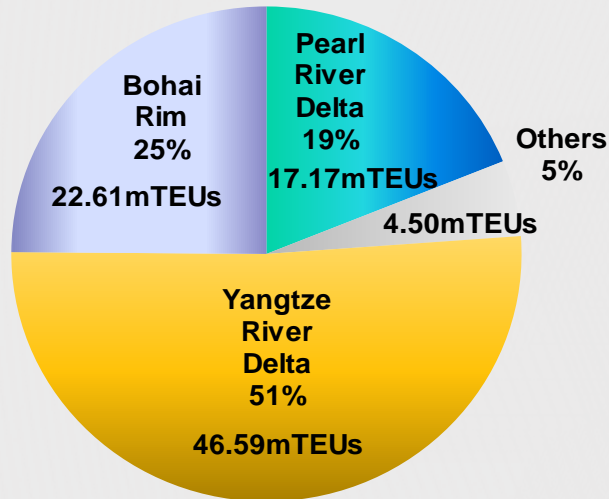


Business Analysis – Greater China

- Performance in Greater China (Mainland, HK & Taiwan) was better off in 2H 2019 than 1H 2019
- Bohai Rim was the best performer with 8.9% y-o-y growth and 1ppt proportion expanded.

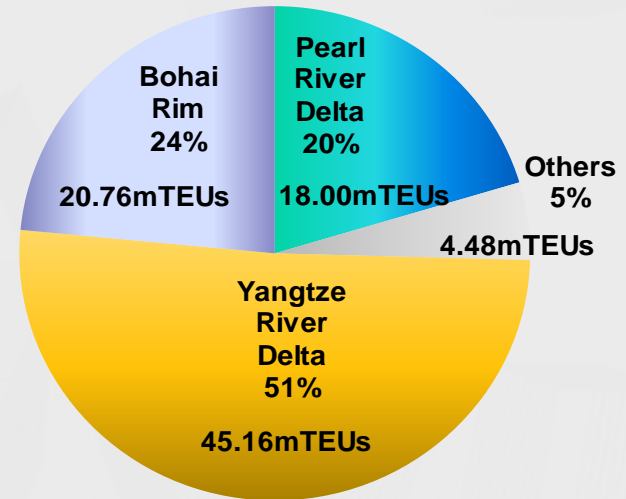
2019 Container Throughput – Greater China

90.88mTEUs (+2.8%)



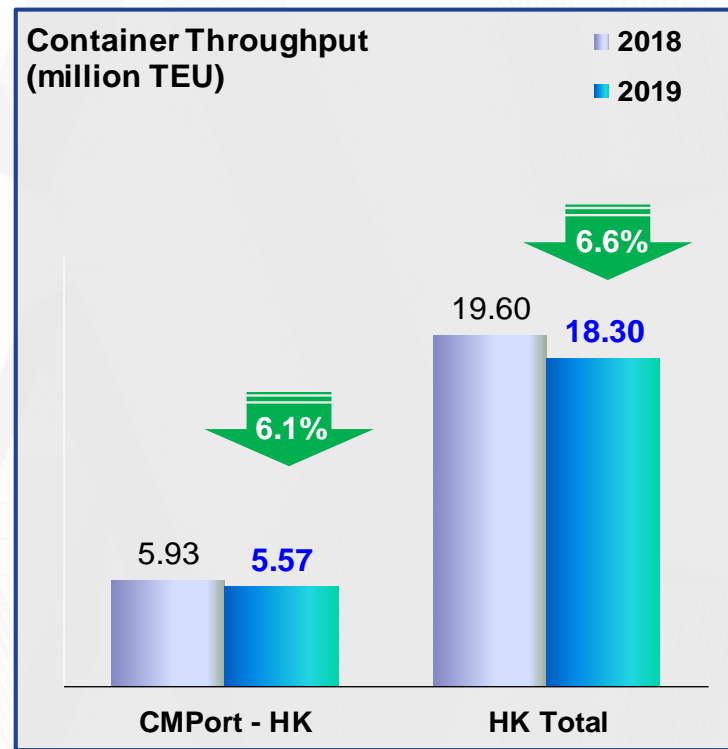
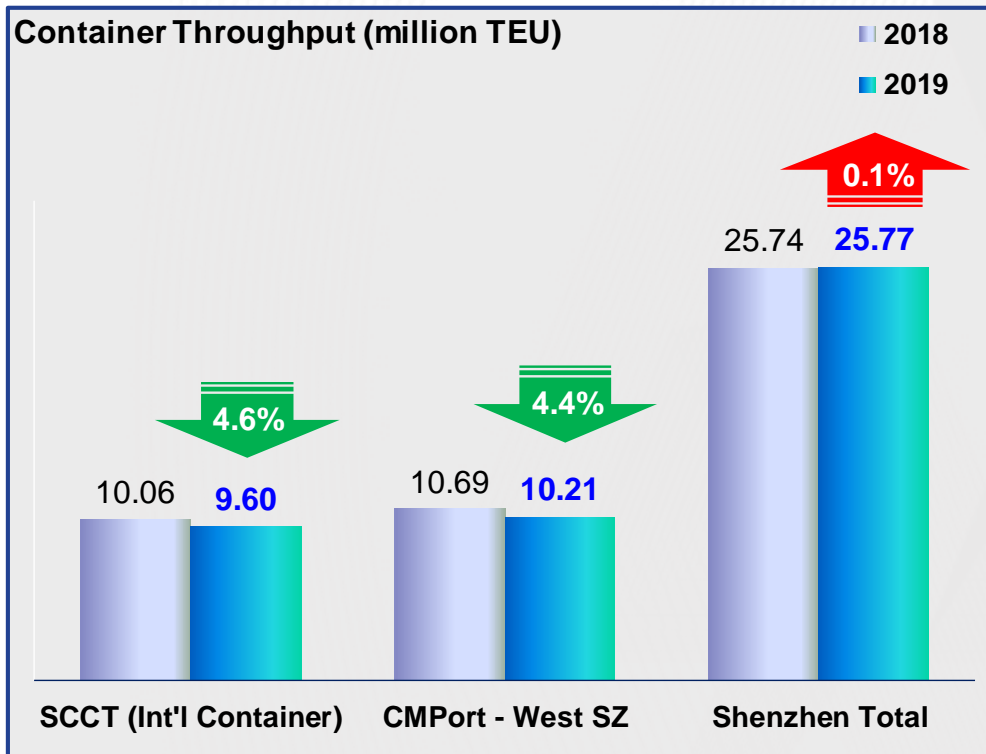
2018 Container Throughput – Greater China

88.40m TEUs



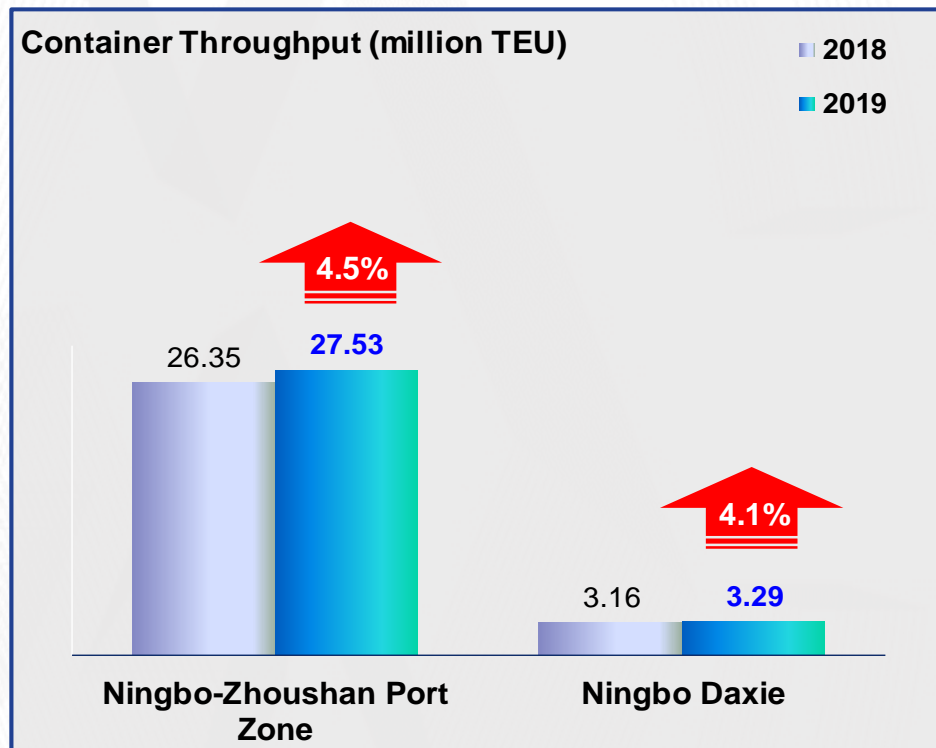
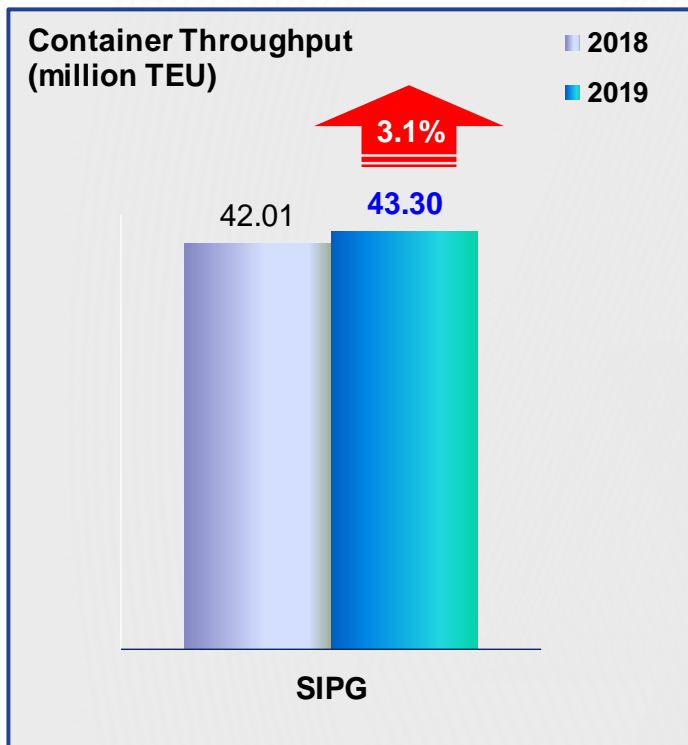
Business Analysis – Pearl River Delta

- West SZ container volume decreased mainly due to the disposal of Shenzhen Chiwan
- CMPort HK outperformed overall HK port market



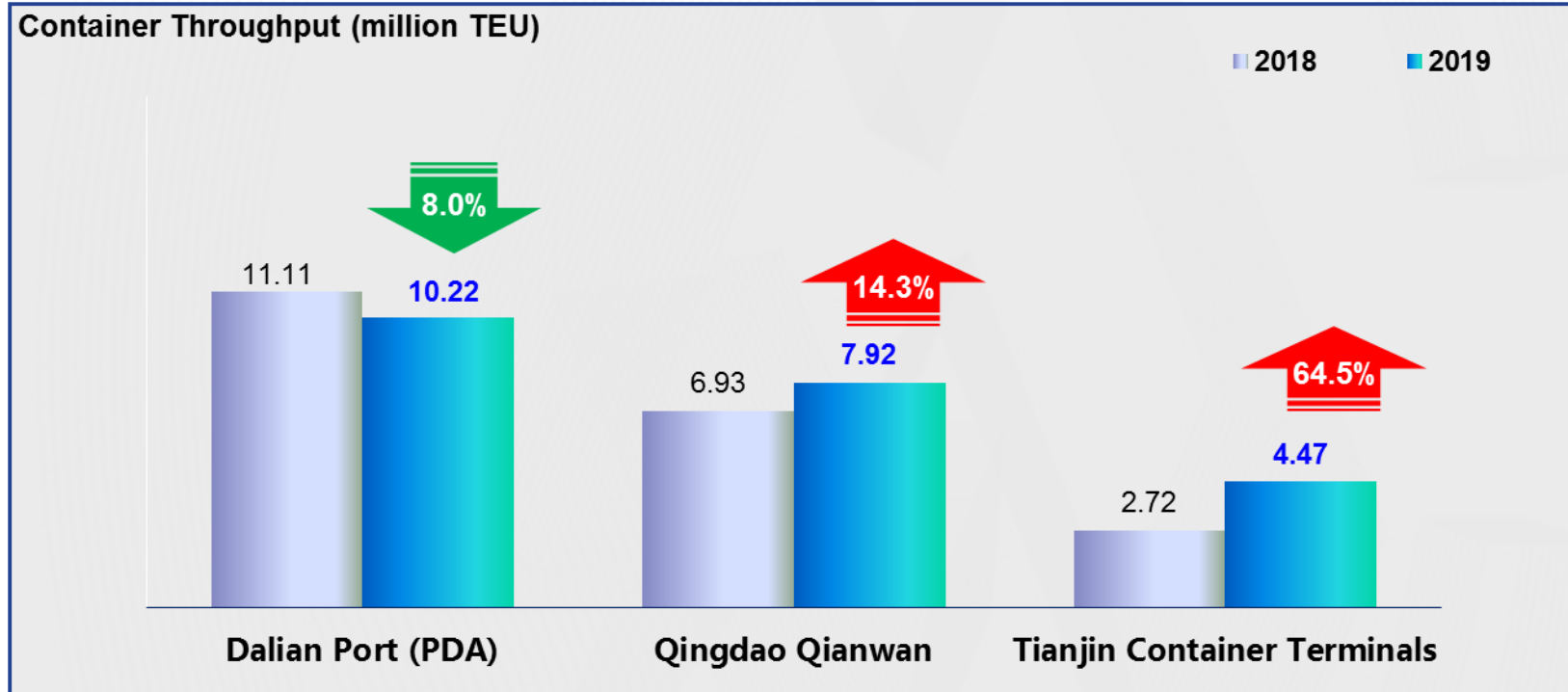
Business Analysis – Yangtze River Delta

- Continued to be the World's No.1 Port for the 10th year, SIPG rose by 3.1%
- Benefitted from the adjustment of certain shipping routes, Ningbo Daxie rose by 4.1%



Business Analysis – Bohai Rim

- Tianjin project rose significantly due to the integration project of container terminals in Tianjin
- Driven by the growth of new international and domestic routes, Qingdao Qianwan rose by 14.3%
- Container throughput of Dalian Port (PDA) dropped by 8.0% due to business restructure

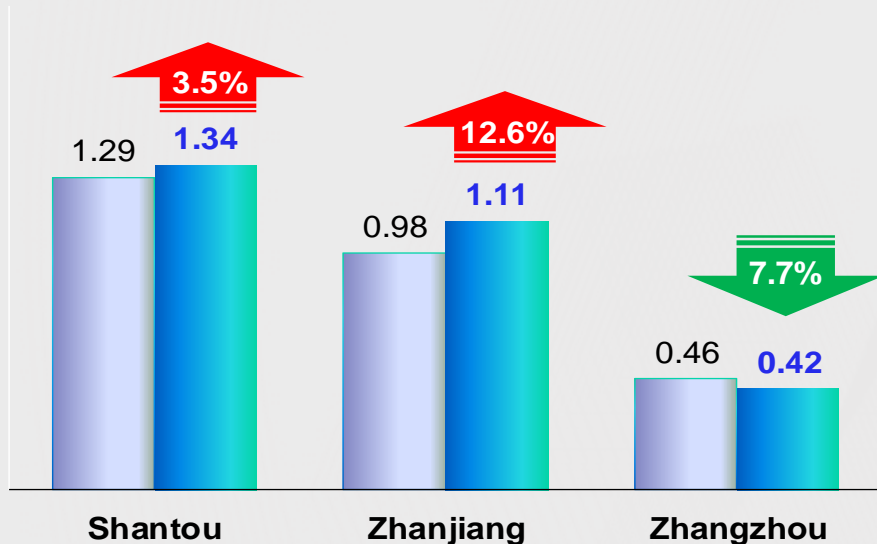


Business Analysis – Mainland Others & Taiwan

- Zhanjiang PG rose by 12.6% due to new shipping routes and sea-rail intermodal transport
- Shantou PG rose by 3.5% due to the increase in domestic containers
- Affected by environmental policies and African swine fever, Zhangzhou dropped by 7.7%

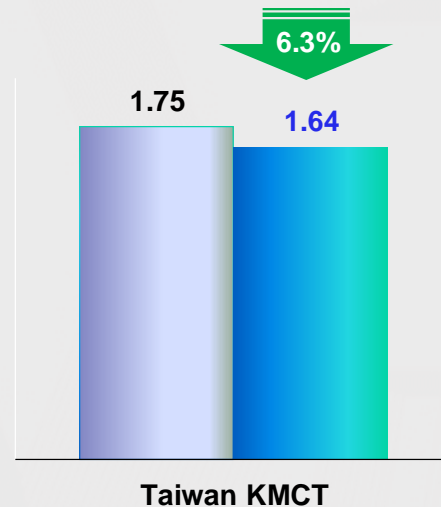
**Container Throughput
(million TEU)**

■ 2018 ■ 2019



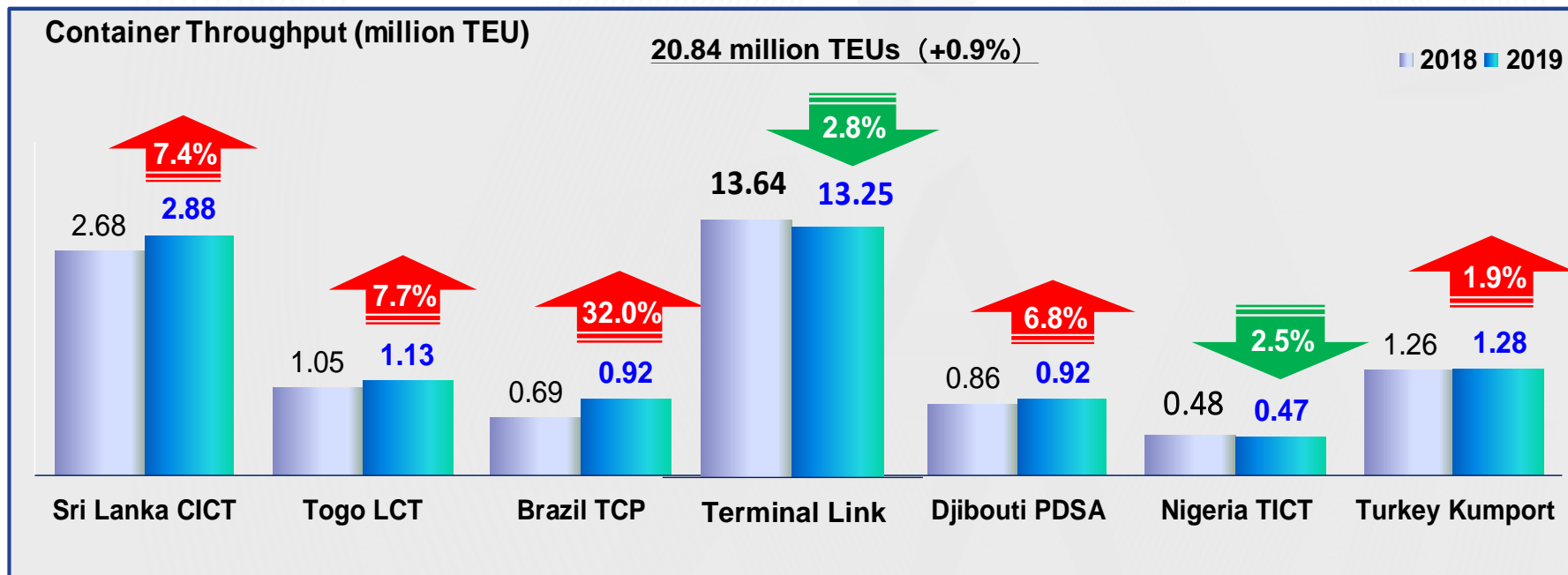
**Container Throughput
(million TEU)**

■ 2018 ■ 2019



Business Analysis – Overseas

- CMPort's greenfield projects CICT&LCT rose 7.4% and 7.7% respectively
- Brasil TCP rose significantly by 32.0% through active exploration of cargo in its hinterland
- Terminal Link dropped by 2.8% due to customer adjustment in one of its port
- TICT and Kumport's performance was better in 2H 2019 than 1H 2019



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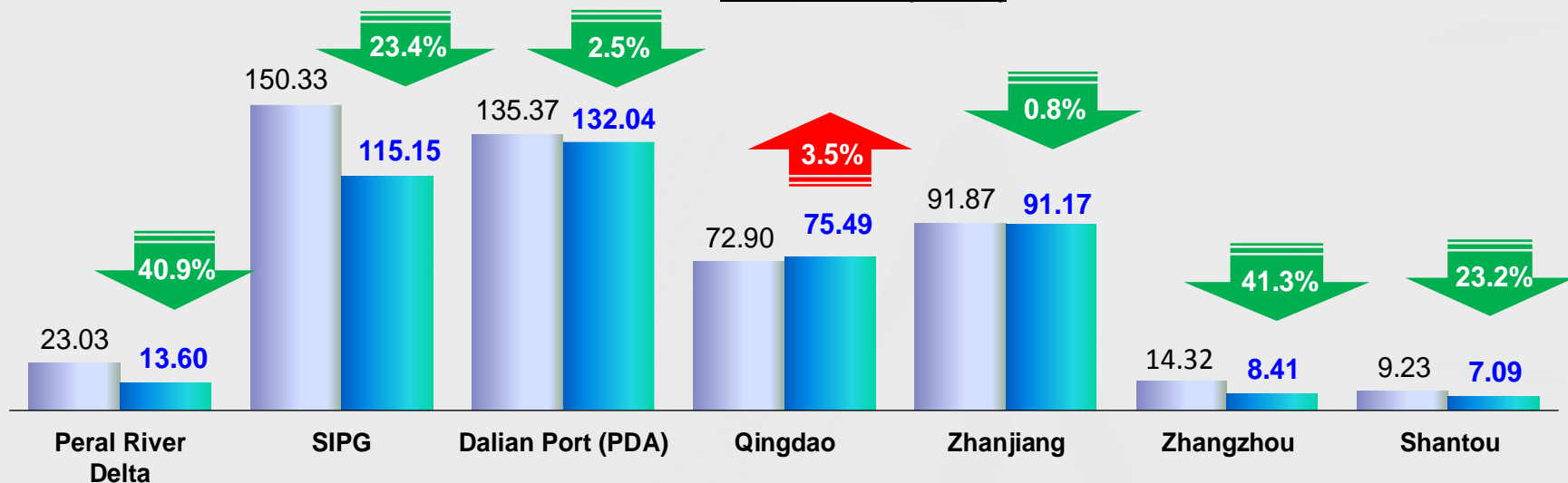
Business Analysis – Bulk Cargo Operation in Mainland China

- CMPort's bulk cargo volume dropped more than 10% in 2019, however overseas volume rose by 26.1%
- PRD's drop was due to the disposal of Shenzhen Chiwan, SIPG's drop was due to business restructure
- Zhangzhou and Shantou business volume decreased due to environmental protection policies

Bulk Cargo Volume (million Tonnes)

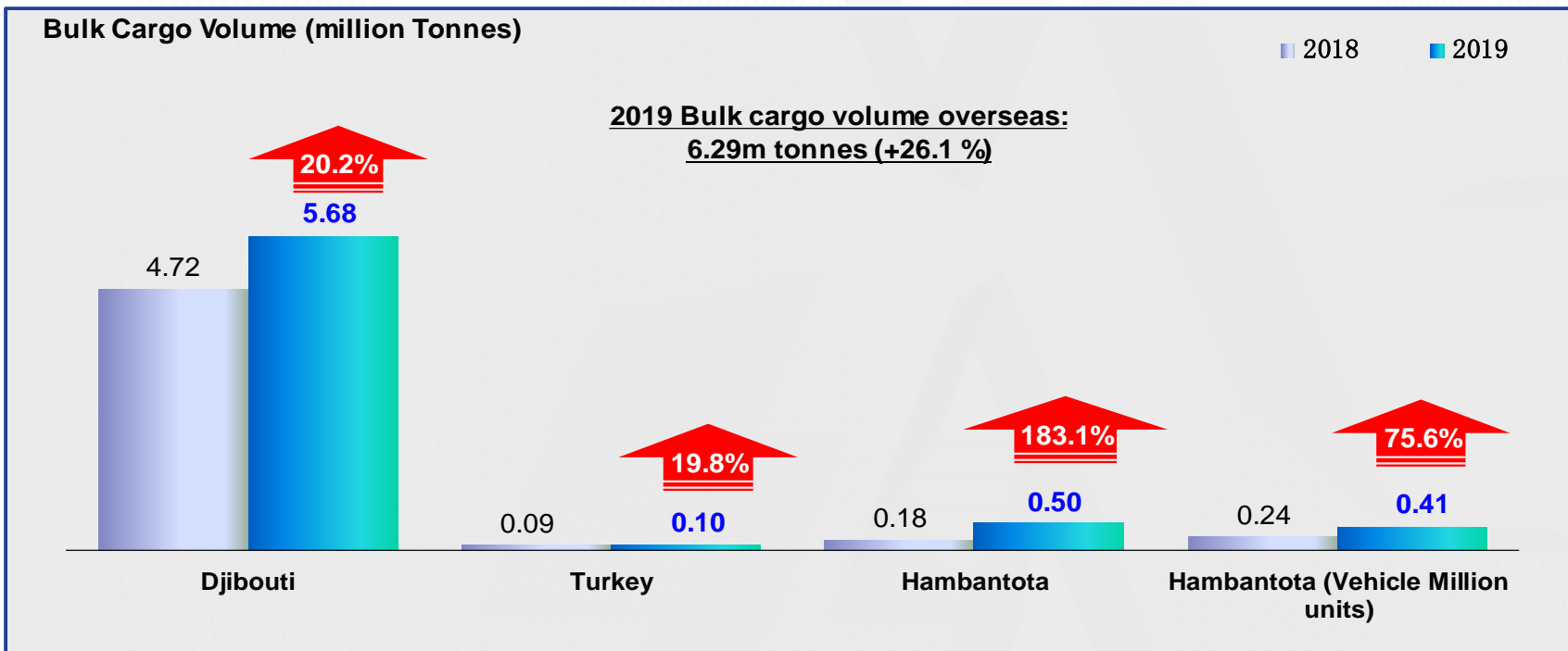
**2019 Bulk cargo volume Mainland China :
443 m tonnes (-10.9%)**

■ 2018 ■ 2019



Business Analysis – Bulk Cargo Operation in Overseas

- Djibouti recorded 20.2% growth due to the increase in import from Ethiopia
- Hambantota's bulk business grew by 183.1% and wheeled business grew by 75.6%



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-Logistics Operation

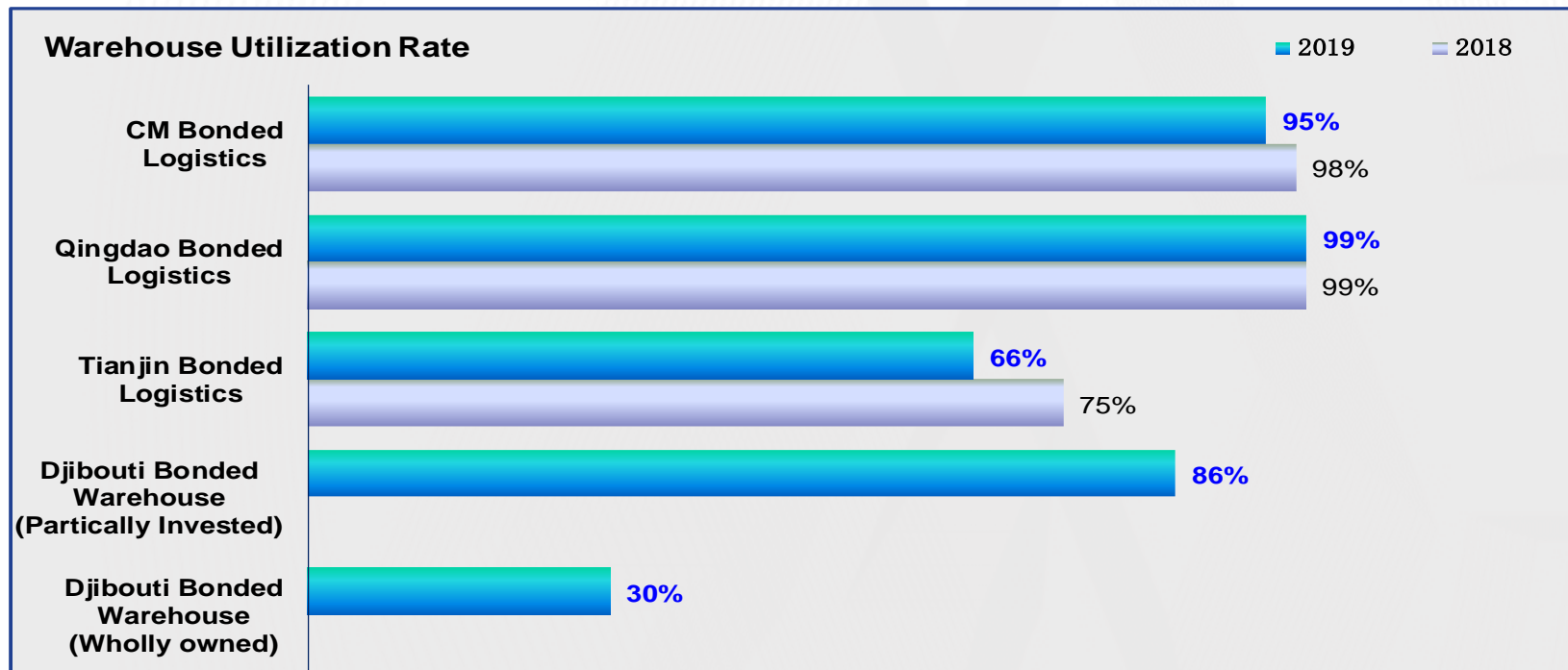
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Business Analysis – Bonded Logistics

- Due to active exploration of new clients and the development of self-operated business, CM and Qingdao bonded logistics presents steady performances.
- CM Port partially invested bonded warehouse in Djibouti commenced operation in 1H 2019 ,utilisation rate reached 86% by year end.



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Operations Overview – Development in Guangdong-Hong Kong-Macao Greater Bay Area

WSZ Homebase Port



Tonggu
Channel
Optimisation

Berths
Upgrade

Haixing
Intelligent
Port

Qianhai-Shekou FTZ



HKD
3,281m

425,300
sqm

Dachan Bay
Port Phase II

Operations Overview – Overseas Expansion

Acquired a portfolio of participations in 10 terminals located in Asia, Europe, Middle-East and the Caribbean through Terminal Link

#	Name of Terminal(s)	Countries	Shareholding
1	Kingston Freeport Terminal Limited	Jamaica	100%
2	Rotterdam World Gateway	The Netherlands	30%
3	First Logistics Development Company	Vietnam	47.25%
4	Qingdao Qianwan United Advance Container Terminal Co., Ltd	China	24%
5	Umm Qasr terminal	Iraq	100%
6	Odessa Terminal Holdco Ltd	Ukraine	50%
7	Mundra Terminal Private Ltd	India	50%
8	CMA CGM PSA Lion Terminal Pte	Singapore	49%
9	Laem Chabang International Terminal Co Ltd	Thailand	14.5%
10	Gemalink (越南)	Vietnam	25%

Operations Overview – Comprehensive Development

Comprehensive development project of Hambantota port

- Completed the revision on the overall planning for the future development
- The one-stop service center for induction of business and investment officially commenced operation



Djibouti International Free Trade Zone

- DIFTZ officially put into operation in early 2019 with positive progress
- Totaled 78 registered enterprises by the end of 2019



Operations Overview – Innovative Development

招商ePort
CM ePort



CM ePort

The e-commerce platform for port and shipping industry was further promoted

Electronic Invoice



The first B2B block chain electronic invoices system for ports in China

5G Laboratory



The first RTG Remote Control operation under 5G network at Mawan Container Terminal

Intelligent Port



Haixing Intelligent Port project & Zhanjiang port automation project were well underway

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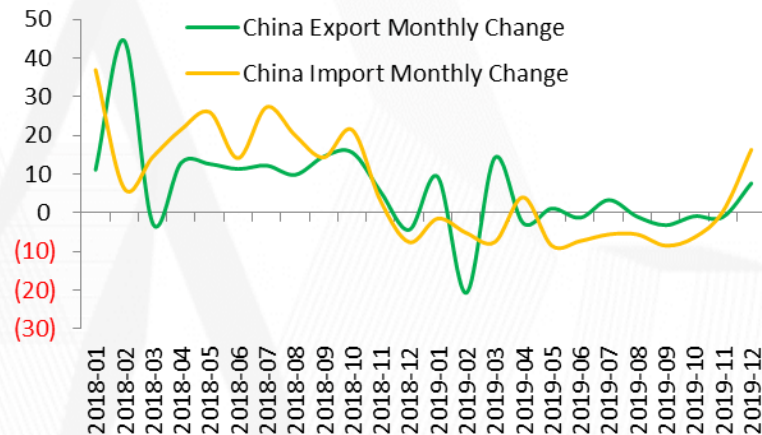
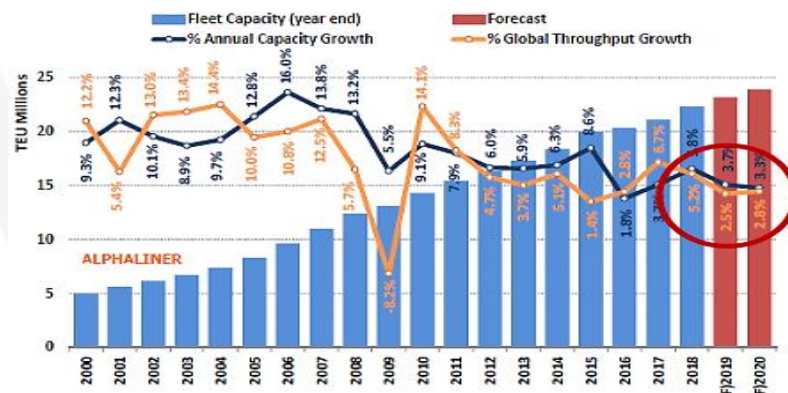
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Outlook – Global Economic Environment

IMF World Economic Outlook (April 2020)

Country/Region	Estimated Economic Growth	Forecast Economic Growth		2020 vs 2019
	2019	2020	2021	Change
Global	2.9	(3.0)	5.8	(5.9)
Developed Countries	1.7	(6.1)	4.5	(7.8)
USA	2.3	(5.9)	4.7	(8.2)
Euro Zone	1.2	(7.5)	4.7	(8.7)
Japan	0.7	(5.2)	3.0	(5.9)
UK	1.4	(6.5)	4.0	(7.9)
Developing Countries	3.7	(1.0)	6.6	(4.7)
ASEAN	4.8	(0.6)	7.8	(5.4)
China	6.1	1.2	9.2	(4.9)
India	4.2	1.9	7.4	(2.3)
Brazil	1.1	(5.3)	2.9	(6.4)
Russia	1.3	(5.5)	3.5	(6.8)
Int'l Trade Volume	0.9	(11.0)	8.4	(11.9)

Alphaliner Global Container Forecast



Outlook – 2020 Major Strategies

Homebase Port Development

- WSZ homebase port: actively expand ocean-going routes in tandem with the optimisation of channels and other resources.
- CICT: optimise customer structure, promote synergy with Hambantota Port
- Hambantota: develop oil & gas business, container business and maritime services

Overseas Expansion

- Complete the acquisition of the 10 terminals located in Asia, Europe, Middle-East and the Caribbean through Terminal Link
- Work diligently on the overall planning of overseas development

Comprehensive Development

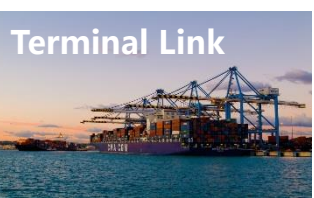
- Hambantota: carry out the work of inducing business and investment by following the overall plan for future development
- Djibouti: push forward the construction and development of the DIFTZ and the transformation projects the old ports

Outlook – Strive for World Class Standard





World's Leading Comprehensive
Port Service Provider



WE CONNECT THE WORLD