



招商局港口控股有限公司

CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED



CMPort 2021 Annual Results

30th March, 2022



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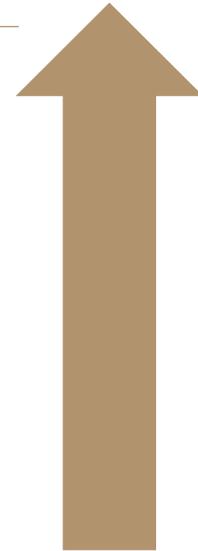


Financial Highlights

Net profit and recurrent net profit attributable to equity holders of the Company increased significantly

Net Cash inflow generated from operating activities increased drastically

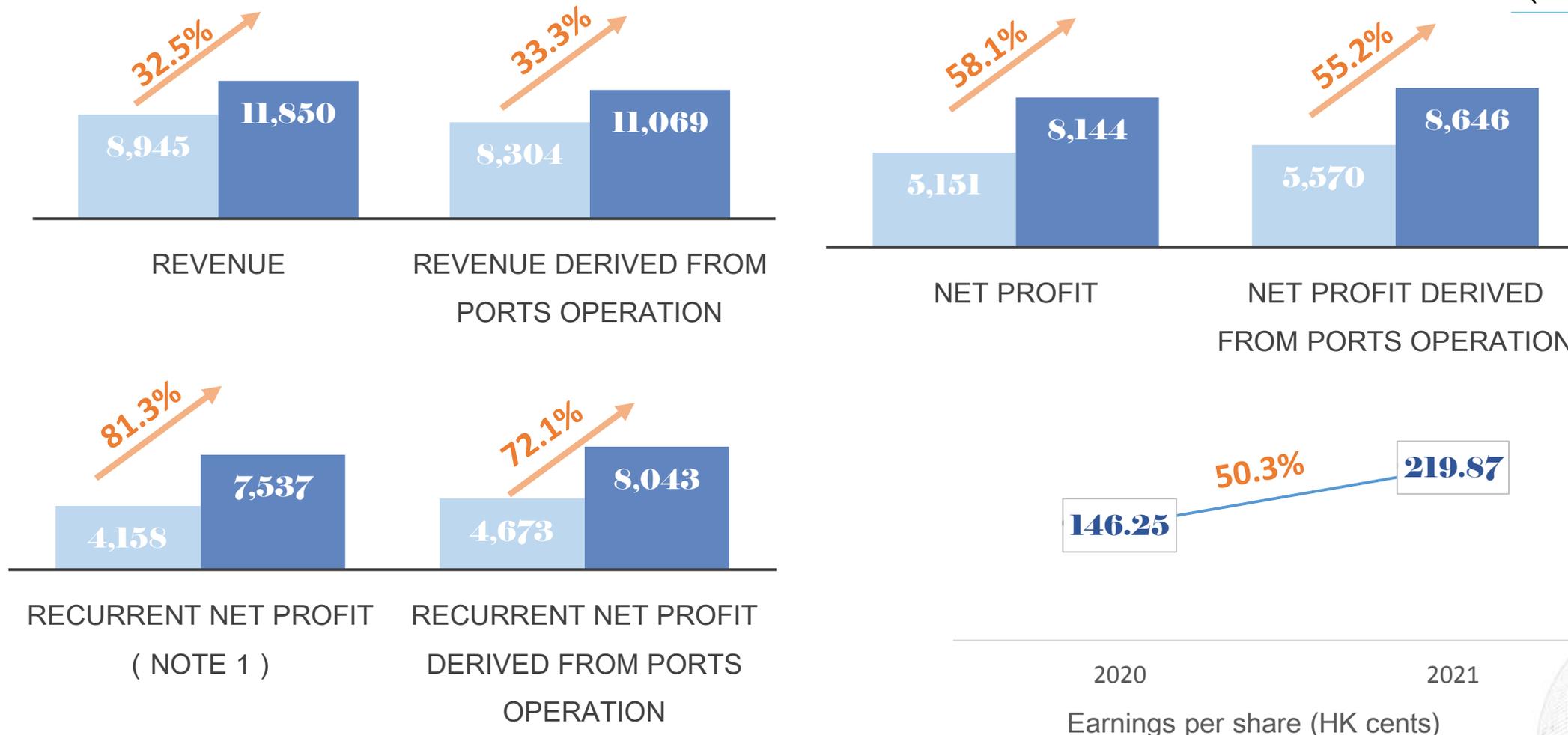
Assets and Liabilities management enhanced



Net profit and recurrent net profit attributable to equity shareholders of the Company increased significantly

2020: 2021

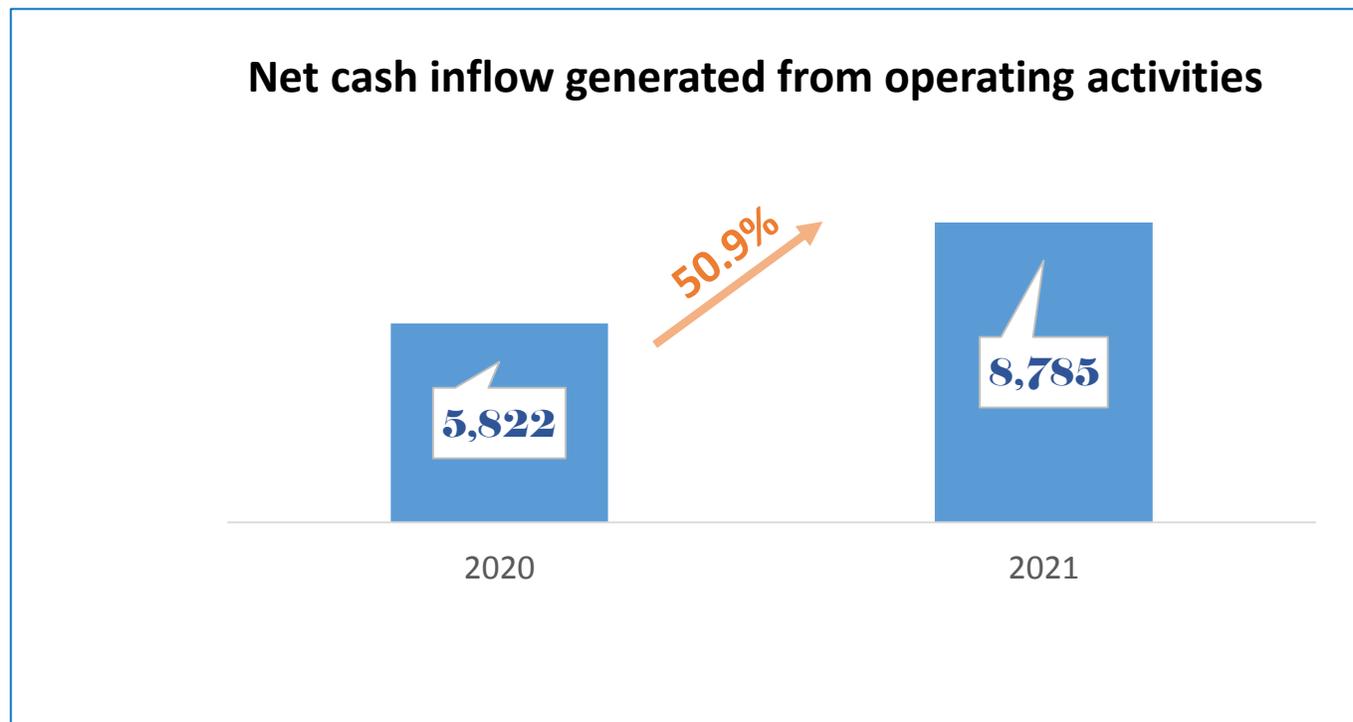
(HK\$' million)



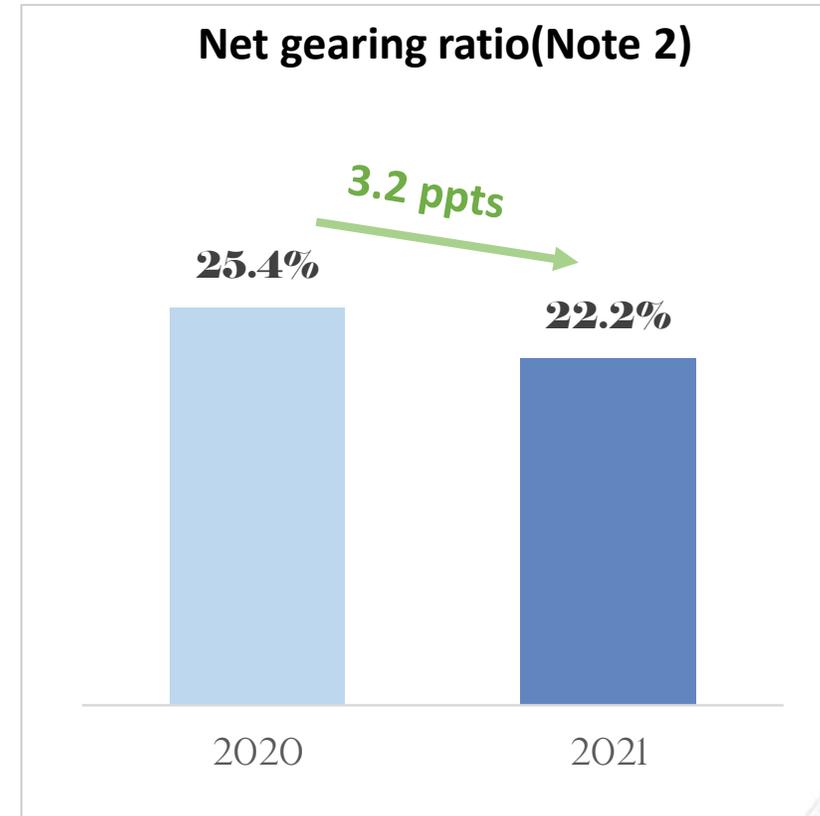
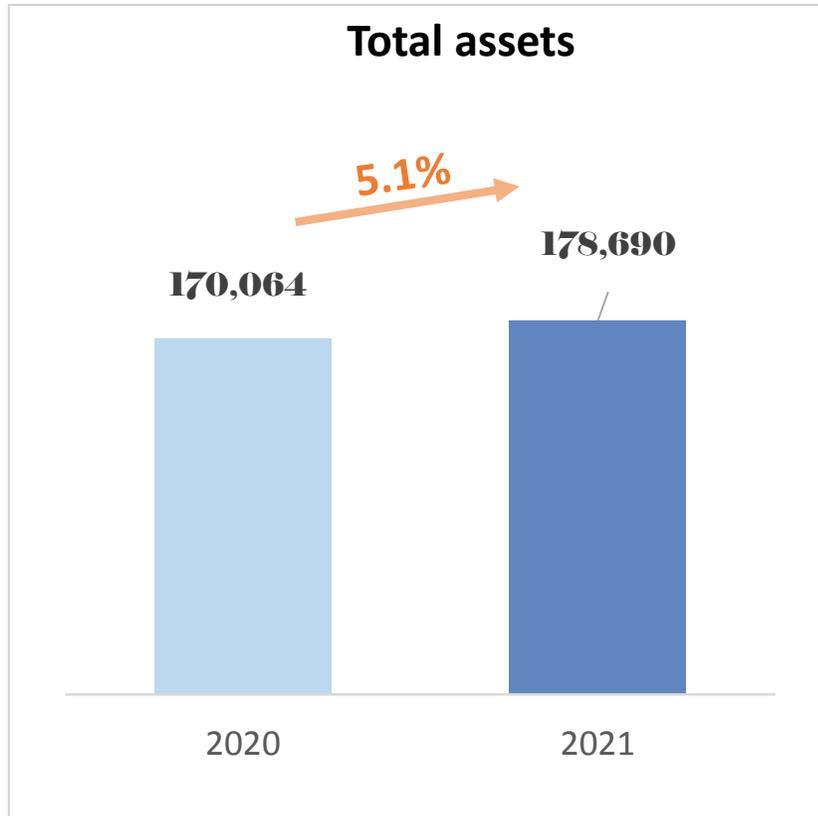
Note 1 Profits attributable to equity holders of the Company net of non-recurrent gains after tax. Non-recurrent gains include: for 2021, net change in fair value of financial assets and liabilities at fair value through profit or loss, net change in fair value of investment properties, gain on modification 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.

Net cash inflow generated from operating activities increased drastically

- Port business continued to generate stable operating cashflow
- Cash dividends from associates and joint ventures increased significantly
- As of 31 December 2021, the Group's net cash inflow from operating activities was HK\$8.785 billion, a year-on-year increase of 50.9%



Assets and liabilities management enhanced



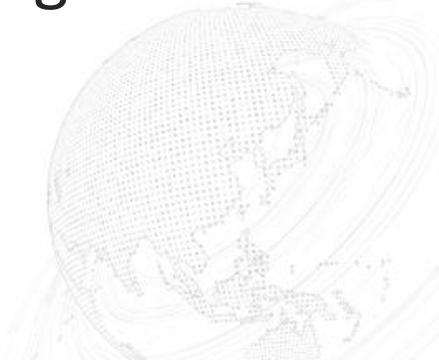


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Business Analysis



Container and bulk cargo volume demonstrated strong growth

West Shenzhen and overseas homebase ports achieved record high container volume

Bonded logistics business development made steady progress

Comprehensive development sector performed well



Continued to strengthen the developments of homebase ports in China and overseas



Innovative development projects was fruitful

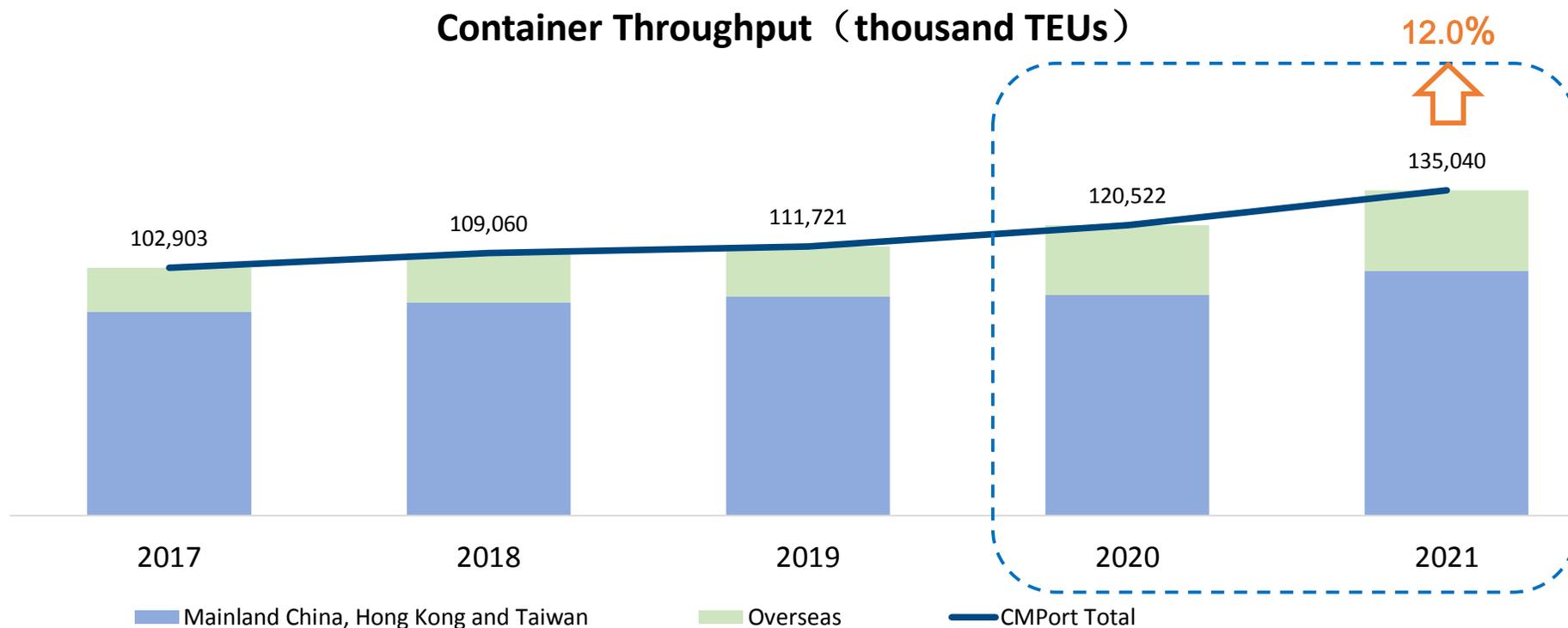
Ensured stability of the industrial chain and supply chain amid pandemic

Continued to build green and low-carbon ports



1. Sound performance on core business

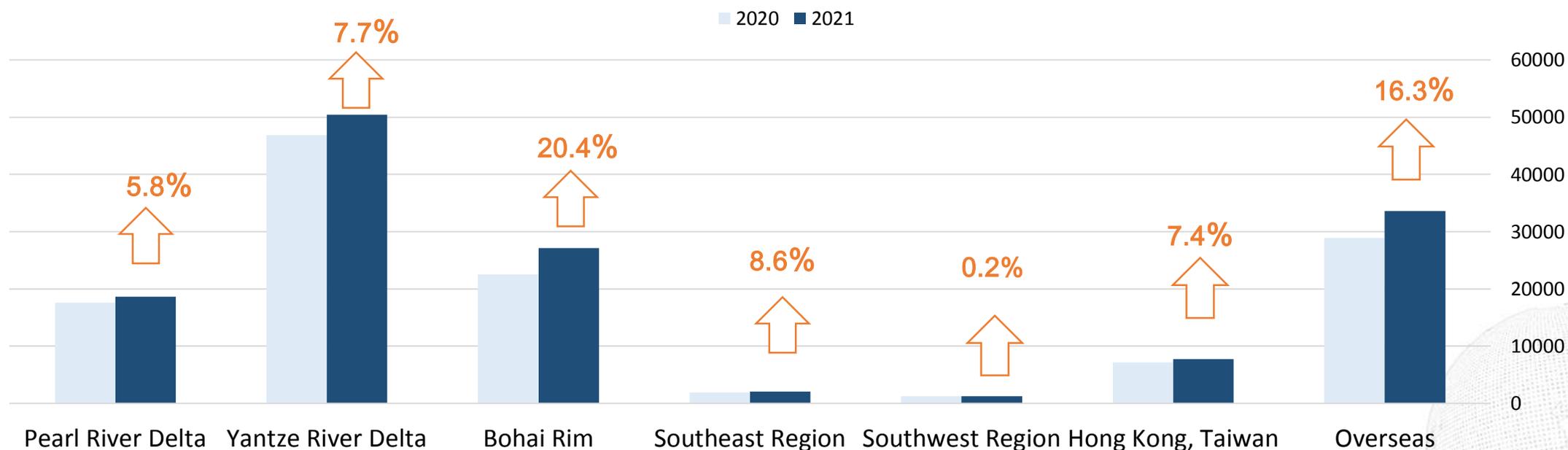
- Container throughput achieved remarkable record
- Container throughput in Greater China exceeded over 100 million TEUs for the first time
- The proportion of container throughput from overseas region further increased



1. Sound performance on core business

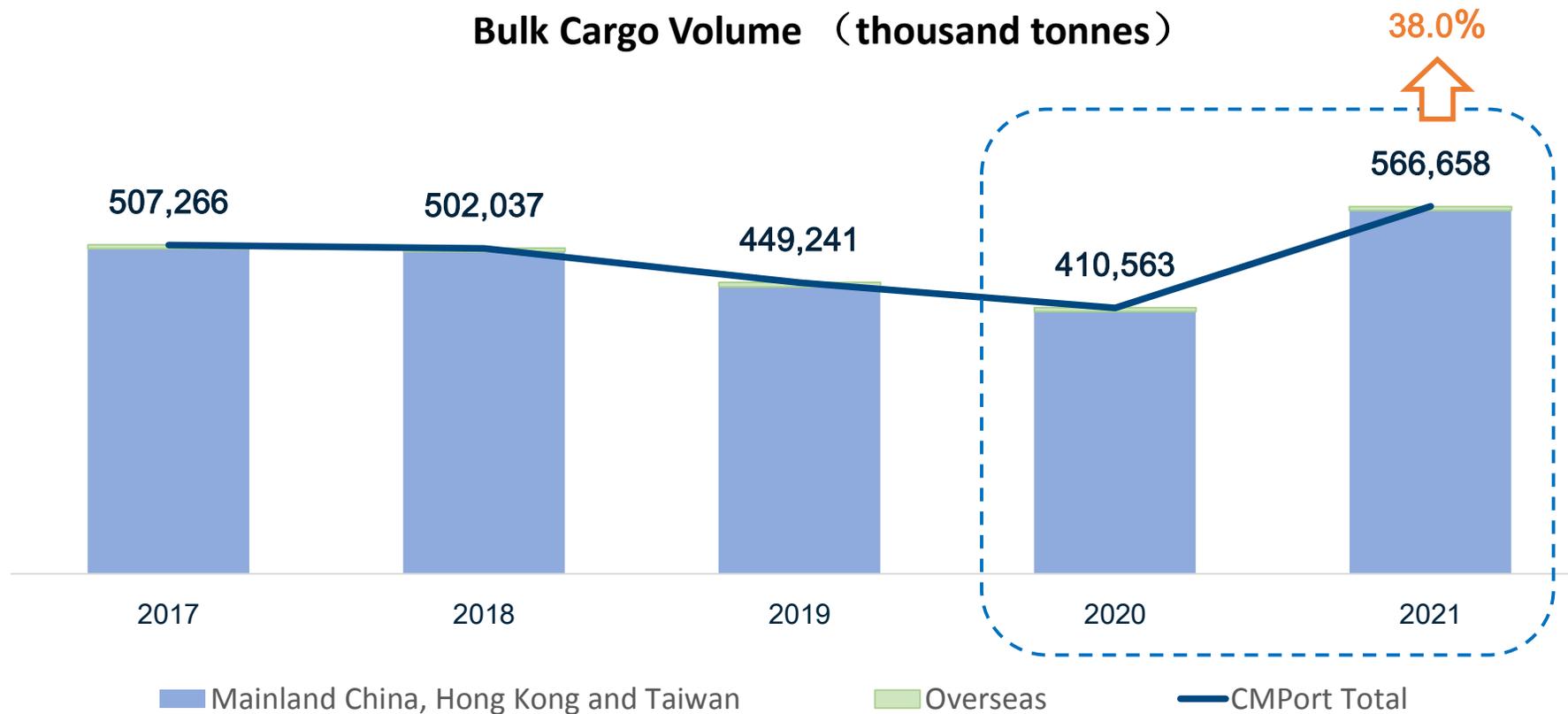
- Container throughput in Greater China exceeded over 100 million TEUs due to strong growth in Pearl River Delta and Yangtze River Delta
- West Shenzhen homebase port added new shipping routes and served as a “trunk port” under the pandemic. Container throughput had year-on-year increase of 8.7%
- CMPort's consolidated overseas terminals grew rapidly and further contribution from newly acquired terminals by Terminal Link

Container Volume by Regions (thousand TEUs)



1. Sound performance on core business

- Bulk cargo volume recovered from the bottom to achieve record high

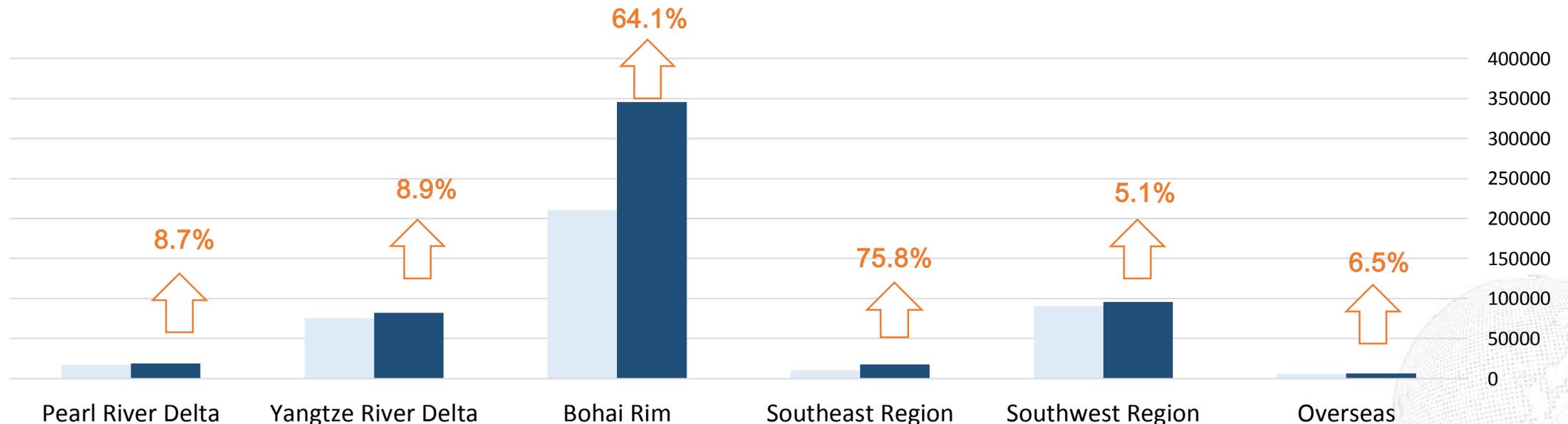


1. Sound performance on core business

- Bulk cargo in Mainland China increased drastically which caused by the optimization of cargo mix and opportunities seized from China's North-South business synergy
- Business volume in Bohai Rim doubled due to merger Yingkou Port to Liaoning Port Group whereas volume in southeast region increased by seven times due to new cargo type development in Zhangzhou
- Hambantota Port in Sri Lanka signed a strategic cooperation contract with a major client in the cement industry so as to greatly increased in imported raw material. Also, its ro-ro business exceeded 500,000 vehicles for the year

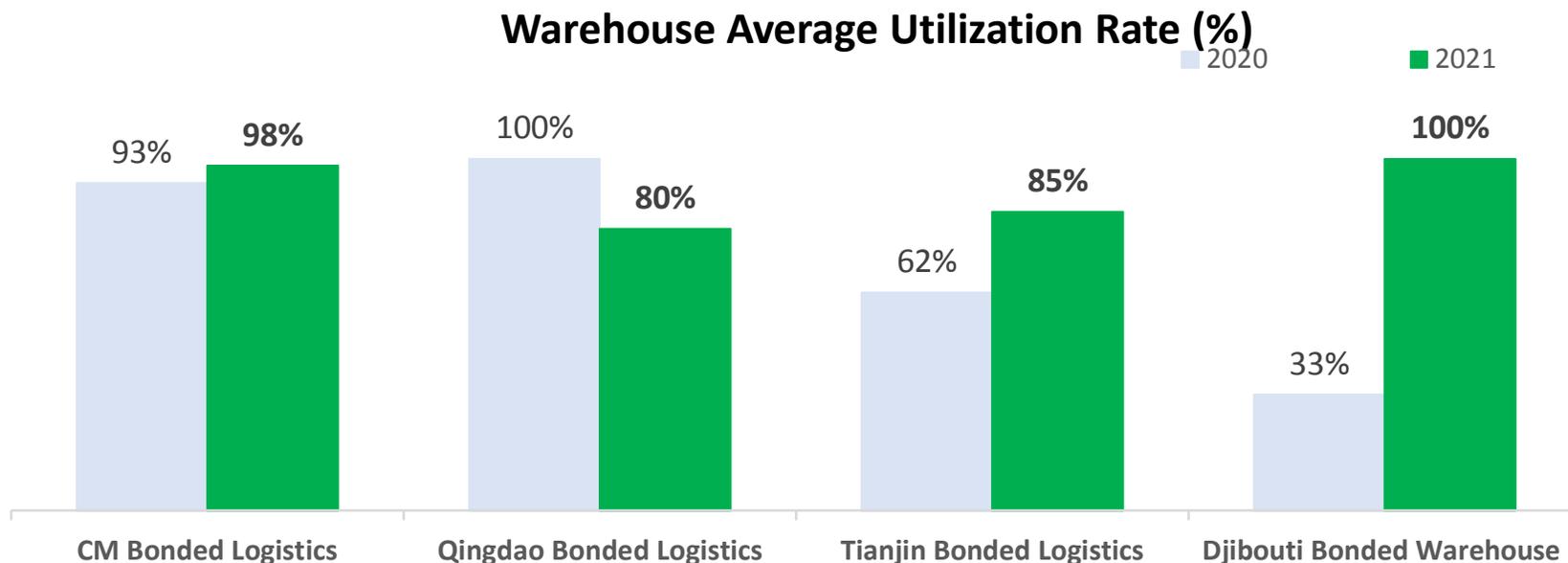
Bulk Cargo Volume by Region (thousand tonnes)

2020 2021



2. Cultivate special characteristics of the “Port-Park-City” model

- Bonded logistics business continued to promote business innovation and achieved steady progress in its business expansion



Shenzhen CM Bonded Logistics: actively explored new customers and new business models. Its warehouse average utilization rate rose to 98% while actively promoted its management consulting business.

Qingdao Bonded Logistics: actively expanded its new businesses such as ocean-rail business, “e-commerce and export LCL”, etc., and these businesses has gradually scaled over time.

Djibouti Bonded Warehouse (wholly owned) has been operating since May 2019. In 2020, its average warehouse average utilization rate was 33% and reached full capacity in 2021.

2. Cultivate special characteristics of the “Port-Park-City” model

- Progress has been made in oversea comprehensive development park

Contracted enterprises reached **231, +91** compared to beginning of the year

Djibouti

International Free Trade Zone contracted **196** enterprises

Business innovation has been fruitful. Business transformation made major breakthrough and attracted new ocean-air freight business

Sri Lanka **HIPG**

Contracted **35** enterprises

Signed with 3 new major projects in 2021, “Xinji High-tech Electronic Industrial Park”, “Intertek Oil Test Lab” and “Maldives Yacht Assembly Plant”, which improved the overall capacity of the park

The major investment projects of the Ceylon Tire Factory and the Xinji started construction in March and on 1st July respectively to demonstrate the efficiency of Hambantota

3. Consolidated core competencies to build “world-class leading ports”

● Shenzhen

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”.

It won many awards, such as the Gold Award in the 4th “Blossom Cup” 5G Application Competition Benchmarking Competition, 2021 Sustainability Award by the International Association of Ports and Harbors (IAPH), etc. It also obtained 17 patents, 16 software copyrights and participated in the creation of 2 industry standards.



Sri Lanka ●

CICT’s container throughput exceeded 3 million TEUs and was awarded “Asia’s Best Container Terminal” for the 5th time.

HIPG became the first port in Sri Lanka to be ISO IMS certified.



4. Fruitful achievements in port technology transformation



Technology upgrade improved the quality of service

The development and promotion of the CMCore platform continued to advance, CTOS' user base increased to 19 enterprises and BTOS increased to 9.

CM ePort users exceeded over 15,000 enterprises helping clients in the container and bulk cargo businesses.

Actively explored innovation on business model

Hydrogen-powered trucks were put into operation to create an international hydrogen-powered pilot port

Innovation laboratory set up to build Smart Port operating platform

Completed the restructuring of China Merchants International Technology Company Limited, which will become a key platform for the Company's innovation developments

Expanded the combined ports in the Greater Bay Area to 10 feeder terminals such as Shunde and Beijiao in order to continuously boost trade facilitation in the Greater Bay Area



Intelligent management system empowered the construction of an international management system

Constructed a Smart operation Management Platform system which promotes "management, professionalism and value".

5. ESG governance and sustainable development

Actively responded to the national strategies of “carbon peaking” and “carbon neutrality”

Continued to promote new energy-saving technologies and products such as *Shore-Powered Supply for Vessels*, *Substitution of Fuel Powered Equipment with Electricity-Powered Equipment*, *Engine Upgrade Replacement* and *Belt Conveyor Reformation*.



Focused on the charity theme of “Shaping Blue Dream Together (C-Blue)”. Completed the 9th “21st Century Maritime Silk Road Talents Programme” and hosted “Accompanying with Volunteer Blue” youth development program.



Participated in the Hong Kong Youths Exchange program.

6. Pandemic control to maintain the stability of the industrial chain and supply chain

The Group placed high importance on its pandemic prevention and control measures. The Group was able to maintain a high standard for its 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 location.

At the same time, the Group enforced joint prevention and control mechanism to effectively coordinate all relevant parties to ensure safe operation at its ports and maintain the stability of the industrial chain and supply chain.





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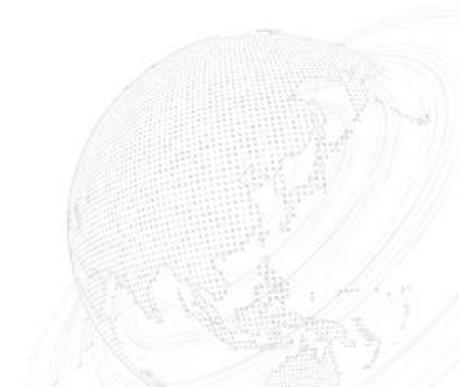
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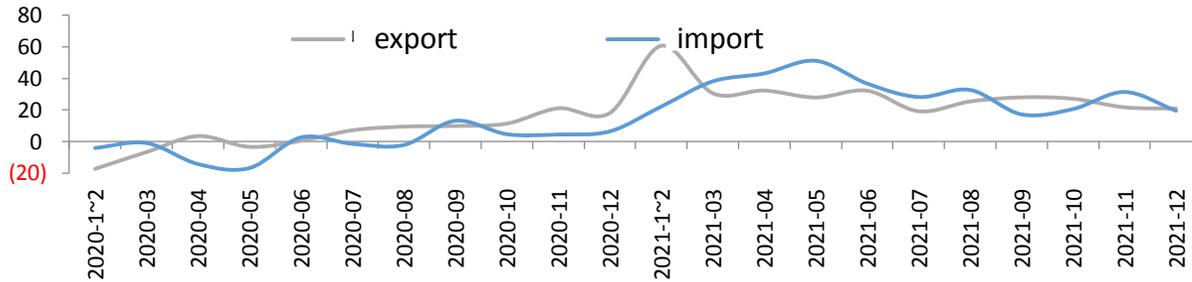
Strategic Outlook

- Digitalization and intelligentization with the “Belt and Road” Initiative to seize industry opportunities
 - Seize opportunities and meet new challenges. Actively focus on endogenous growth and accelerate innovation transformation
 - Continue to perform well in key tasks such as operation management, capital management, innovation development, etc.
 - Achieve the strategic goal of **“to be a world’s leading comprehensive port service provider”**
-



Grasp major changes in the world paradigm and seize industry development opportunities

From September 2020 to present, the month-on-month data of China's exports and imports maintained continuous growth



Digitalization and intelligentization has triggered changes in the port and shipping industry and improved port services



IMF World Economic Outlook (Jan 2022): developing countries lead global economic development

Country/Region	Actual Economic Growth		Forecast Economic Growth		2022 vs 2021 Change
	2021	2022	2022	2023	
Global	5.9	4.4	3.8		-1.5
Developed Countries	5.0	3.9	2.6		-1.1
Developing Countries	6.5	4.8	4.7		-1.7
China	8.1	4.8	5.2		-3.3

□ Opportunities

- China's imports and exports are expected to maintain sustained growth under dual circulation
- Technological innovation become a key element of the transformation and development of the port and shipping industry
- Value contribution to key investments of the "Belt and Road" projects continue to increase

□ Challenges

- IMF predicts that the global economic growth rate will slow down in 2022
- There's still uncertainty about the disruption to the supply chain caused by the pandemic outbreak
- Container shortages and port congestion still needs to improve in the short term

Focus on endogenous growth and speed up innovation transformation



Endogenous growth

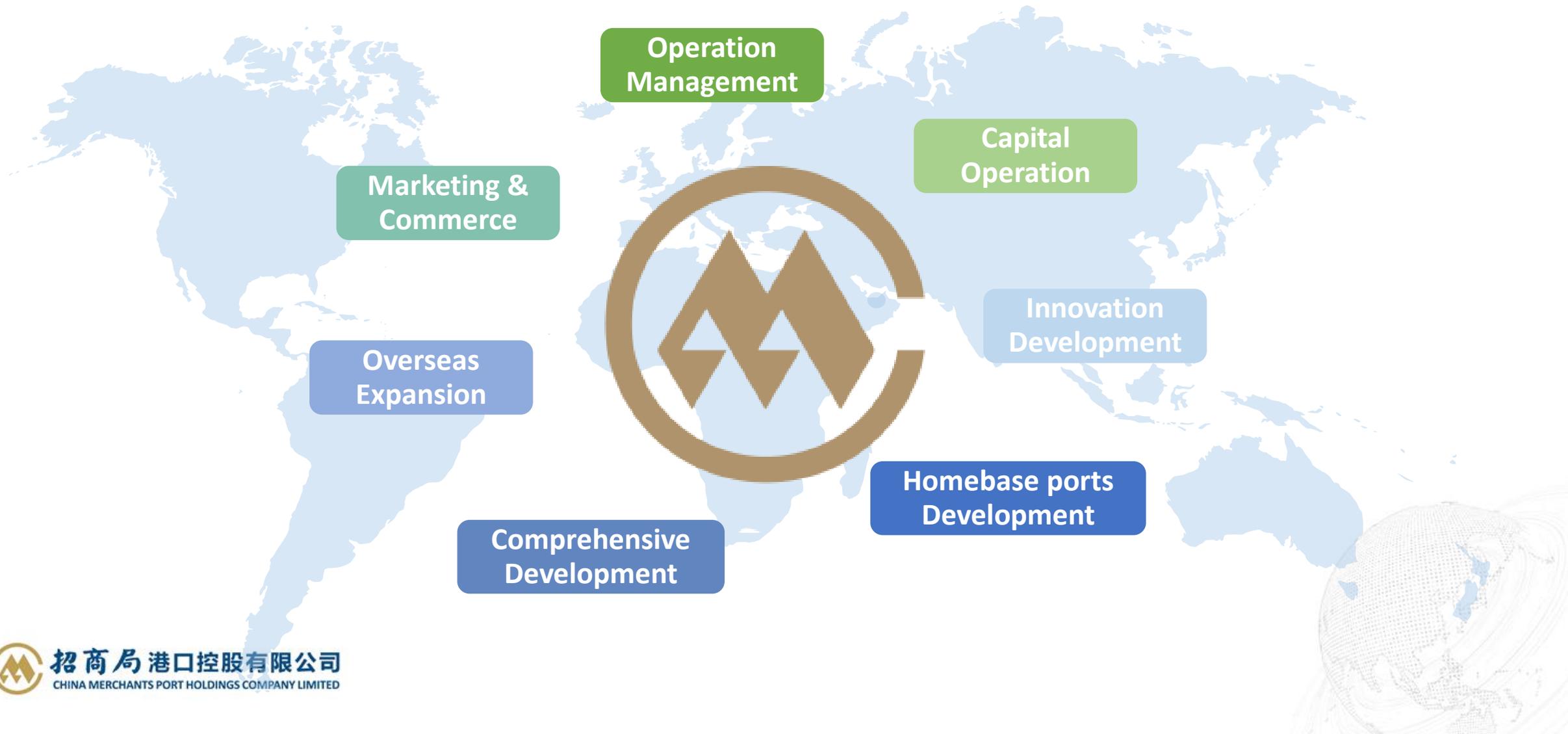
- Continue to strengthen homebase ports development while focusing on consolidated ports
- Optimize the cargo distribution and transportation system and strength the ability of ports to serve their hinterland
- Focus on the regional supply chain and exert network effect between consolidated ports



Innovation transformation

- Evolve from “scale-driven” to “innovation-driven”
- Leverage on port business to continuously enrich supply chain comprehensive services
- Explore new port business model for the "economic value of the container"

Achieve “World Class” standard through high-quality developments





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Q&A

WE CONNECT THE WORLD