

**CMPort recorded revenue and profit growth in 1H2022 by
adhering to high quality development**

The Board of Directors (the “Board”) of China Merchants Port Holdings Company Limited (“CMPort” or the “Company”, Hong Kong Stock Exchange code 00144), is pleased to announce the interim results of the Company and its subsidiaries (together the “Group”) or the period ended 30 June 2022.

CMPort 2022 interim results press conference was conducted online on 30 August 2022, and was hosted by Mr. Deng Renjie, the Chairman of the Board. Mr. Wang Xiufeng, the Vice Chairman of the Board and Chief Executive Officer, firstly introduced the Company’s interim operating performance. Mr. Deng Renjie and Mr. Wang Xiufeng then answered questions from the press together with the Company’s Managing Director Mr. Xu Song, Chief Financial Officer Mr. Tu Xiaoping and Deputy General Manager Mr. Li Yubin.

Affected by the recurrence of COVID-19 pandemic and uncertainties in global economic recovery, what will be the performance and profitability of CMPort's port business for the year? Mr. Deng Renjie said, "Along with the normalisation of the pandemic, the negative impact on the port and shipping industry will be further moderated. The Group will continue to strengthen the epidemic prevention and control as well as risk prevention of its terminals, and strive for progress while maintaining stability. It is expected that the business of the Company will maintain steady for the full year. Driven by the expected increase in throughput volume and tariff, the Group’s terminals will generate more profit ; coupled with cost control, the Company's recurrent profit are expected to grow steadily in 2022 ."

Regarding CMPort’s strategic deployment and phase achievement in building high quality enterprise, Mr. Wang Xiufeng said, "In the past 30 years, CMPort has achieved 'world-class' standard in terms of business scale, and the next step will be to promote high-quality in five aspects. The first one is to improve the service quality for shipping cargos, the second one is to enhance the level of scale and profit in the field of comprehensive development, the third one is to enhance digital construction capabilities by exploring the use of self-invented digital products of ports, the forth one is to deploy green and low-

carbon development, and the fifth one is to ensure the smooth operation of the supply chain which is fatal to ports. "

Some reporters are concerning about the impact of freight rate fluctuations and supply chain blockage on the Company's business. Mr. Xu Song said, 'Overall speaking, shipping freight rate and port throughput do not show a strong positive correlation, but the fluctuations in freight rates reflects the reconstruction of the global economic and trade environment. Port serves both internal and external economic cycles, and will play an important role as a linkage to promote economic globalization. At the same time, the supply chain is also adapting to the epidemic and changes under the international condition. Since CMPort has strengthened its own internal control and the integration of the ecosystem, the Company's business volume has achieved good growth from June to July."

With regard to the Company's financial status such as CAPEX and cashflow, Mr. Tu Xiaoping said, "'The cash capital expenditure of CMPort in the first half of 2022 was HK\$3.54 billion, mainly for the acquisition of additional shareholding in Asia Airfreight Terminal Company Limited ("AAT") and Shanghai International Port (Group) Co., Ltd. ("SIPG") with a total of HK\$2.59 billion; Fixed asset expenditure was about HK\$740 million, Mainly used for various projects such as Mawan Smart Port, Ningbo Daxie, LCT and Shantou Port. The estimated annual fixed asset expenditure for 2022 is about HK\$2 billion. As of June 30, 2022, the Company has nearly HK\$9 billion in cash and bank deposits; coupled with the continuous stable operating cash flow generated from the port business in the second half of the year, the Company has sufficient funds to cover future capital expenditures and pay dividends."

The new-generation Container Terminal Operation System (CTOS), which was self-invented by CMPort, successfully launched at the Thessaloniki Port in Greece in June, where will it be promoted in the future? Mr. Li Yubin said: "The launch of CTOS at the Greek terminal marked the successful export of the core operating system of 'CMCore' to European terminals. During its operation, it has achieved many outstanding performances, which not only steadily improves the efficiency of terminal operations, but also effectively supports the

port's services by able to adapt to a richer and more complex operating environment, it has received high compliments by our Greek partners. In the next step, the Company will increase the promotion and application of 'CMCore' products in mainland China, South America, Africa, Europe and South Asia."

Regarding the company's development and cooperation in Guangdong-Hong Kong-Macao Greater Bay Area (the 'Great Bay Area'), Mr. Deng Renjie emphasised, "CMPort is rooted in Hong Kong, and the Company's global layout provides strong support for Hong Kong as an international shipping center. CMPort has always been committed to strengthen cooperation with Ports operators in the Greater Bay Area, to discuss the coordinated development of ports, and to seize the opportunity of port digital transformation. CMPort is keen to share our successful experience on digitalisation of the Mawan Smart Port with the ports in the region, so as to improve the quality and intelligence level of the Ports in the Great Bay Area."

Highlights of the Group's 2022 interim results:

- **Throughput of containers handled reached 66.28 million TEUs, down 0.3% (2021: 66.51 million TEUs)**
- **Throughput of bulk cargoes handled reached 269 million tonnes, down 5.3% (2021: 284 million tonnes)**
- **Revenue amounted to HK\$6,508 million, an increase of 14.9% (2021: HK\$5,663 million)**
- **Recurrent profit attributable to equity holders (Note1) of the Company amounted to HK\$4,974 million, up 9.8% (2021: HK\$4,530 million)**
- **Interim dividend of 22 HK cents per share (2021: 22 HK cents per share)**

In the first half of 2022, with the recurrence of the global COVID-19 pandemic and the Russia-Ukraine conflict, the path to global economic recovery has been slowdown. Under the complex and volatile internal and external economic environment, the Group, with its global port portfolio and its self developed world leading terminal operation system and the import and

export integrated logistics management platform, was committed to provide customers with timely and efficient port and maritime logistics services and a full range of modern integrated logistics solutions. At the same time, the Group has been actively promote bonded logistics and comprehensive development businesses, propel the transformation and upgrading of ports, develop the supporting industry of ports, and give full play to the synergistic effect of the existing terminal network, so as to realize the stable development of the port operation business.

In the first half of 2022, the Group's ports handled a total container throughput of 66.28 million TEUs, down by 0.3% year-on-year. Among them, the Group's ports in Mainland China, Hong Kong and Taiwan contributed an aggregate container throughput of 49.39 million TEUs, representing a decrease of 1.0% year-on-year, which was mainly due to the ongoing impact of the recurring pandemic during the period. The Group's overseas ports handled a total container throughput of 16.89 million TEUs, representing an increase of 1.5% year-on-year, which was mainly contributed from Terminal Link SAS and the growth in throughput volume of controlled overseas terminals of the Group. Bulk cargo volume handled by the Group's ports decreased by 5.3% year-on-year to 269 million tonnes, among which the Group's ports in Mainland China handled a total bulk cargo volume of 266 million tonnes, representing a decrease of 5.2% year-on-year, which was mainly due to the impact of the unstable pandemic situation in various regions.

In terms of financial performances, for the six months ended 30 June 2022, the Group recorded revenue of HK\$6,508 million, up 14.9% year-on-year, which was mainly due to the increase in both the business volume and tariff of ports operation. Profits attributable to equity holders of the Company amounted to HK\$4,825 million, representing an increase of 2.4% year-on-year, while the amount of the corresponding period of last year included a gain of HK\$450 million (net of tax) on the Group's deemed disposal of partial interest in an associate. The recurrent profit Note1 increased by 9.8% year-on-year to HK\$4,974 million, which was due to the combined effect of the increase in revenue and increase in share of profits of associates of the Group.

To appreciate shareholders for their continuous support, the Board of the Company proposed a 2022 interim dividend of 22HK cents per ordinary share. Shareholders may elect to receive the interim dividend in cash or by way of scrip dividend.

**Table : Overview of Container Throughput Volume of CMPort in
1H2022**

Region	Port	1H 2022 Throughput (’0000 TEUs)	Year-on-year change (%)
Pearl River Delta	West Shenzhen Port Zone	598.3	3.4
	Chu Kong River Trade Terminal	42.3	(22.7)
	Shunde Yide Port	21.0	(5.4)
Yangtze River Delta	SIPG	2,254.6	(1.7)
	Ningbo Daxie	172.7	1.8
Bohai Rim	Liaoning Port	468.5	0.9
	Qingdao	443.2	5.9
	Tianjin	431.9	(3.3)
Southwest Region	Zhanjiang Port Group	58.9	1.9
Southeast Region	Zhangzhou	13.6	14.3
	Shantou	74.4	(19.4)
HK & Taiwan	Hong Kong	250.1	(11.2)
	KMCT, Kaohsiung	109.6	15.4
	Total - Mainland China, HK and TW	4,939.1	(1.0)
Overseas	Sri Lanka, CICT	161.7	7.7
	Togo, LCT	71.6	(2.2)
	Terminal Link	1,294.0	1.5
	Djibouti, PDSA	30.3	(13.7)
	Brazil, TCP	56.2	4.3
	Turkey, Kumport	61.3	(0.8)
	Nigeria, TICT	13.6	(7.5)
	Total - Overseas	1,688.7	1.5
CMPort Total		6,627.8	(0.3)

Enhance the comprehensive competitiveness of the West Shenzhen homebase port and its efforts in technology empowerment met initial success

As for homebase port construction, the Group adhered to the strategic objective of “building world-class leading ports” to further improve the comprehensive competitiveness of the West Shenzhen homebase port as a world-class port.

In the first half of 2022, CMPort officially launched the “Global Fruit & Vegetables Inbound Digital Trade Center” to offer efficient, convenient and standardised platform services throughout the whole process of online transactions for fruit and vegetable customers at the port, which continuously facilitated its development into the largest gateway port for fruit in Southern China.

The Mawan Smart Port is an exemplar for transforming traditional terminals into more efficient, safer and green unmanned smart terminals. The Group embarked a new journey of building up the ports equipped with technologies and formed a comprehensive smart port solutions with “China Merchants characteristics”. In the first year of operation, the Mawan Smart Port received 3,710 vessels, and its container throughput reached 1 million TEUs with 28 new shipping routes.

Furthermore, the Group accelerated the development of coordinated ports in the Great Bay Area by its “Coordinated Ports Model” covering the river ports in the Pearl River Delta region from the centre of the West Shenzhen Port Zone. During the period, the Group set up 20 coordinated ports to aid the smooth and stable operation of the logistics, industry and supply chains. The “Coordinated Ports Model” not only increased logistics efficiency, but also reduced transportation costs. Accordingly, the time required for water-to-water transshipment of imported and exported containers was reduced by 60% from 5-7 days to 2 days, which helped the cargo owner to save approximately 30% of the customs costs.

Tackle the pandemic with scientific measures and actively facilitate the supply of Hong Kong

The Group applied a scientific approach to the recurrence of pandemic and emphasised the importance of maintaining “solid pandemic prevention and control measures, well-organised anti-pandemic procedures on production and operation”.

During the Shenzhen outbreak in March 2022, the West Shenzhen homebase port responded with scientific and targeted measures in a balanced, holistic and precise manner. West Shenzhen homebase port was able to restore its operation capacity rapidly and recorded a 3.4% growth in its container throughput volume in the first half of 2022.

Meanwhile, the Group also actively provided supplies and assistance to Hong Kong in support of the fight against COVID-19, and strived to facilitate goods supply to Hong Kong in the Great Bay Area and ensure stable and smooth ports operation of the cargo transportation and logistics supply chain. Currently, the West Shenzhen homebase port had become the port of the shortest distance and time of transport, the highest frequency of shipping and the largest transportation capacity from Shenzhen to Hong Kong. During the first half of 2022, the dedicated route has shipped 1,717 vessels with 100 thousand TEUs of goods towards Hong Kong, accounting for 57% of the cargo volume supplied by waterway from Shenzhen Ports.

Promote port digitalisation and intelligence transformation through innovation development

The Group devoted substantial efforts to smart port construction, taking into account the development needs of the industry and the trend of technological advancement, the Group promoted the digitalisation transformation and smart upgrade of ports through the “CMCore” and “CM ePort”.

As the leading technology for port operation systems, the “CMCore” was fully adopted at domestic and overseas terminals controlled by the Group. Highlighting its Container Terminal Operation System (CTOS) successfully launched at the Thessaloniki Port in Greece in 1H2022, which covered more

than 60 operating procedures and over 20 transaction types at the port. As for “CM ePort”, the Group has commenced a pilot program in the West Shenzhen homebase port to explore new service models for cargo owners by the online platform of container truck assistant service.

In addition, the Smart Management Platform (“SMP”) was officially deployed as the Group’s digital management portal in the first half of the year, which aims to build a “digital CMPort” in an all-round way. Through process integration, data integration, and system connectivity, the port headquarters and its associates can work together to improve quality and efficiency.

Plentiful model in bonded logistics business with improved warehouses utilisation rate

In the first half of 2022, the Group’s bonded logistics business continued to pursue the development direction of diversifying integrated services and enhanced the utilisation rate of resources at existing warehouses and yards, so as to respond to market changes and the unstable situation under the pandemic.

The average utilisation rate of the warehouses of China Merchants Bonded Logistics Co., Ltd. in Shenzhen reached 99%, as a result of active exploration of new clients and business models. China Merchants International Terminal (Qingdao) Co., Ltd. fully utilised its resources to develop the self-operated business and its average utilisation rate of the warehouses reached 100%. Tianjin Haitian Bonded Logistics Co., Ltd., which is an associate of the Group, recorded an average utilisation rate of 71% of its warehouses. In the Djibouti International Free Trade Zone, the average utilisation rate of the bonded warehouse, which the Group invested in, was 100%, and for the wholly-owned bonded warehouse of the Group, it recorded an average utilisation rate of 90%.

Strengthened industrial linkage and deepened comprehensive development

With respect to comprehensive development, the Group was committed to optimising the global network layout and the business synergies for overseas projects, while intensely pushing forward the “Port-Park-City” model for overseas business. Remarkable results was achieved by cultivating new profit growth points for the Company.

During the period, the promotion of induction of business and investment for overseas logistic parks continued to progress steadily despite the adverse impact of the continuous spread of the pandemic. As of the end of June, a total of 274 enterprises from overseas parks had entered the park, an increase of 43 from the beginning of the year. Hambantota International Port Group (Private) Limited (「HIPG」) industrial zone has 37 contracted enterprises. Among which HIPG successfully introduced the largest cement manufacturer of Sri Lanka in terms of production scale INSEE, Ceylon Tire Manufacturing Factory also added 68,000 square meters of land lease for 2nd phase development. In Djibouti, 237 contracted enterprises moved into the Djibouti International Free Trade Zone. The Group partnered with Liaocheng in Shandong to establish the Djibouti Liaocheng Product Distribution Centre, which supported the steady growth in foreign trade business of domestic enterprises.

Improve asset structure through increasing stake of AAT and SIPG

The Group continues to seek solutions to improve asset quality and structure at home and abroad to reduce investment risks. Starting from the direction of "innovation-driven realization of endogenous growth" and "balanced development of light and heavy capital businesses", the Company will improve capital operation plans, optimise asset allocation, promote endogenous growth, and enhance value returns for shareholders.

In order to create synergies among the Group’s terminal operation, bonded warehousing and Hong Kong Airport businesses. In March 2022, the Group completed the acquisition of 14.6% equity interests in AAT to 34.6%. AAT was one of the three air cargo terminal concessionaires franchise awarded by the Airport Authority Hong Kong. In the first half of 2022, AAT handled a total cargo

volume of 0.37 million tonnes with and a market share of 20.7% among the three major air cargo terminals in Hong Kong.

Moreover, based on the financial performance and the prospects of SIPG, which allowed the Group to utilise the available funds for a return. In April 2022, the Group acquired an aggregate of 329 million shares of SIPG. Up to 30 June 2022, the Group's shareholding percentage in SIPG went up from 26.64% to 28.05%. SIPG has maintained its elasticity admit the effect from the pandemic, its container throughput volume growth rate has turned positive in the first 7 months of the year, with a year-on-year growth of 16.2% in July.

Adhere to the development of green energy conservation and environmental protection, and strive to achieve the goal of carbon peaking and carbon neutrality

In active response to the national strategies of “carbon peaking” and “carbon neutrality” and policies of low carbon and energy conservation, the Group devoted great effort in promoting the construction of green and low-carbon ports, and continued to improve the results of energy conservation and emission reduction and its environmental management system. The Group has also stepped up its efforts in environmental protection year by year to enhance the identification of and response to climate risks. Continuing to promote the development of clean and low-carbon energy, the Group advocated the advanced concepts of green and environmental protection and promoted intelligent development so as to make contributions for the goals of “carbon peaking” and “carbon neutrality”.

Firstly, the Group strengthened the environmental management. The Group strengthened the management on the potential risks monitoring of environmental issues in order to effectively perform its environmental responsibilities and continued to strengthen the prevention and treatment of pollution during production and operation, promote recycling and re-use of resources, put more efforts in protection of biodiversity, actively develop the new ecology of a green industry and ports. The West Shenzhen Port Zone

received the most prestigious award as one of the first 4-star “China Green Ports” in China. Secondly, the Group identified climate risks. The Group facilitated the establishment of the commanding platform for emergencies, formulated information exchange mechanism with the local meteorological departments leveraging the weather alert system, so as to increase the ability in risk alert and aversion for emergent climate. Thirdly, the Group promoted the development of clean and low-carbon energy. Continuously promote innovative energy-saving technologies and products such as distributed photovoltaic power generation, energy-saving lighting renovation, permanent magnet motor, “substitution of fuel powered equipment with electricity-powered equipment” and “shore-powered supply for vessels”. CMPort introduced the first “demonstration port for hydrogen energy” in China, which is of guiding significance for the industry. Fourthly, the Group achieved breakthroughs in the development of smart operation. The “Mawan Smart Port”, a fully automated port with nearly zero carbon emission, was established by the Group successfully, which has become the first demonstration project of 5G+ unmanned container truck application at ports in China. Moreover, the Group promoted the digitalization and smart upgrade of ports through the “CMCore”, “CM ePort” and “SMP”, so as to explore the construction of smart management platform for green ports.

High quality development from “endogenous growth” and “innovation and transformation”

Looking forward to the 2nd half of the year, uncertainties in global economy and trade will remain, including the economic recession arising from the global “stagflation”, impacts from the Russia-Ukraine conflict, the political instability of the emerging markets and debt crisis, etc. With the mutual efforts and successive launch of specific policies of various countries globally, the global economy and trade is expected to recover with growth momentum in the second half of 2022, which will present opportunities for the growth of ports operation. Meanwhile, emerging digitalisation technologies will also pave a new development path for the Group to build world-class ports.

The Group will adhere to the keynote of seeking progress while maintaining stability, tapping the new trends and implementing the new concepts. Driven by the principles of “endogenous growth” and “innovation and transformation”, the Group will steadily promote the world-class construction projects with high quality and strengthen the comprehensive service capabilities of supply chain. The Group will strive to realise its strategic goal of becoming a “world’s leading comprehensive port service provider” with high quality via improving digitalisation, marketisation, internationalisation, platformisation and refinement. Furthermore, the Group will constantly enhance its core competitiveness and overall profitability to maximise the interests of its shareholders as the top priority and generate value for all stakeholders.

Note 1: Profit attributable to equity holders of the Company net of non-recurrent losses/gains after tax. Non-recurrent losses/gains include: for the first half of 2022, net changes in fair value of financial assets at fair value through profit or loss, net changes in fair value of investment properties and loss on deemed disposal of partial interest in an associate; while for the first half of 2021, net changes in fair value of financial assets and liabilities at fair value through profit or loss, net changes in fair value of investment properties, gain on deemed disposal of a subsidiary and gain on deemed disposal of partial interest in an associate.

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

2022 Interim Results Press Conference

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Wang Xiufeng
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Tu Xiaoping
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30th Anniversary