



CHINA MERCHANTS PORT GROUP CO., LTD.

INTERIM REPORT 2020 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the Interim Report of China Merchants Port Group Co., Ltd. (hereinafter referred to as the “Company”). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text on the media designated by the China Securities Regulatory Commission (the “CSRC”).

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Independent auditor’s modified opinion:

☐ Applicable ☒ Not applicable

Board-approved interim cash and/or stock dividend plan for ordinary shareholders:

☐ Applicable ☒ Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

Board-approved interim cash and/or stock dividend plan for preferred shareholders:

☐ Applicable ☒ Not applicable

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

1. Stock Profile

Stock name	CM Port Group/ CM Port Group B	Stock code	001872/201872
Stock exchange for stock listing	Shenzhen Stock Exchange		

Contact information	Board Secretary	Securities Representative
Name	Huang Chuanjing	Hu Jingjing
Office address	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC
Tel.	+86 755 26828888	+86 755 26828888
E-mail address	Cmpir@cmhk.com	Cmpir@cmhk.com

2. Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

	H1 2020	H1 2019	Change (%)
Operating revenue (RMB)	5,922,497,158.48	5,834,353,421.33	1.51%
Net profit attributable to the listed company's shareholders (RMB)	632,798,585.83	2,299,181,330.61	-72.48%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	544,591,914.54	569,405,330.09	-4.36%
Net cash generated from/used in operating activities (RMB)	2,071,426,144.92	2,556,861,915.52	-18.99%
Basic earnings per share (RMB/share)	0.33	1.28	-74.22%
Diluted earnings per share (RMB/share)	0.33	1.28	-74.22%
Weighted average return on equity (%)	1.77%	7.24%	-5.47%
	30 June 2020	31 December 2019	Change (%)
Total assets (RMB)	163,011,419,765.59	156,696,917,845.87	4.03%
Equity attributable to the listed company's shareholders (RMB)	35,116,599,672.07	35,972,804,419.42	-2.38%

3. Shareholders and Their Holdings as at the End of the Reporting Period

Unit: share

Number of ordinary shareholders	34,601	Number of preferred shareholders with resumed voting rights (if any)	0
Top 10 shareholders			

Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	59.75%	1,148,648,648	1,148,648,648	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	19.29%	370,878,000	0	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Domestic non-state-owned legal person	3.37%	64,850,182	64,850,182	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	3.33%	64,102,564	64,102,564	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.88%	55,314,208	0	0
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign legal person	1.17%	22,425,289	0	Unknown
NORGES BANK	Foreign legal person	0.15%	2,802,863	0	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned legal person	0.13%	2,507,373	0	Unknown
MAI SHUQING	Domestic natural person	0.12%	2,376,747	0	Unknown
ICBC- FULLGOAL CHINA SECURITIES DIVIDEND INDEX STRENGTHEN SECURITIES INVESTMENT FUND	Domestic non-state-owned legal person	0.08%	1,581,401	0	Unknown
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.				
Shareholders involved in securities margin trading (if any)	N/A				

Note: China Merchants Port Investment Development Company Limited (CMPID) was renamed from “China Merchants Investment Development Company Limited” (CMID) on 8 July 2020.

4. Change of the Controlling Shareholder or the Actual Controller in the Reporting Period

Change of the controlling shareholder in the Reporting Period:

☐ Applicable ☒ Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

☐ Applicable ☒ Not applicable

The actual controller remained the same in the Reporting Period.

5. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

☐ Applicable ☒ Not applicable

No preferred shareholders in the Reporting Period.

6. Corporate bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

Yes.

(1) Bond Profile

Bond name	Abbr.	Bond code	Issue date	Maturity	Outstanding balance (RMB'0,000)	Coupon rate
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	20 CMPort 01	149170	7 July 2020	8 July 2023	200,000	3.36%

(2) Relevant Financial Information as at the End of the Reporting Period

Unit: RMB'0,000

Item	30 June 2020	31 December 2019	Change (%)
Debt/asset ratio	42.69%	39.38%	3.31%
Item	H1 2020	H1 2019	Change (%)
EBITDA-to-interest coverage (times)	4.70	10.38	-54.72%

Part III Operating Performance Discussion and Analysis

1. Business Overview of the Reporting Period

Is the Company subject to any industry-specific disclosure requirements?

The Company is not subject to any industry-specific disclosure requirements.

(1) External Environment Analysis

During the first half of 2020, as a result of the global public hygiene crisis due to the continuous spread of the sudden COVID-19 pandemic across the world, various economies showed significant declines. According to the “World Economic Outlook” report published by the International Monetary Fund (“IMF”) in June, the economic forecast for 2020 was further downgraded. The expected global economic growth for the year was downgraded to -4.9%, representing a year-on-year decrease of 7.8 percentage points. Among them, developed economies contracted by 8%, a year-on-year decrease of 9.7 percentage points; emerging markets and developing economies contracted by 3%, a year-on-year decrease of 6.7 percentage points. Besides, impacted by suspension of factories around the world and reduction in market orders, the volume of global merchandise trade in 2020 will fall by 13% in an optimistic scenario or plummet by 32% in a worse scenario according to the forecast of the World Trade Organization (“WTO”) in April.

Facing the complex and challenging internal and external environment, the Chinese government coordinated the promotion of pandemic prevention and control measures as well as economic and social development, and the economy has shown great resilience and potential. During the first half of 2020, the Gross Domestic Product in China amounted to RMB 45,661.4 billion, representing a year-on-year decrease of 1.6% based on comparable prices. On a quarter-to-quarter basis, the first quarter recorded a year-on-year decrease of 6.8%, while the second quarter recorded an increase of 3.2%. Commodity trading experienced stagnancy as affected by the spread of pandemic overseas. According to the statistics published by the General Administration of Customs of China, China’s

total value of import and export of merchandise trade amounted to RMB14.24 trillion during the first half of 2020, representing a year-on-year decrease of 3.2%, among which the export value was RMB7.71 trillion, representing a decrease of 3%; while the import value totalled RMB6.53 trillion, representing a decrease of 3.3%.

During the first half of 2020, the port industry was affected by external environment factors to a certain extent as evidenced by the year-on-year decrease in container business volume. From the nationwide perspective, according to the statistics published by the Ministry of Transport, the container throughput handled by Chinese ports during January to June 2020 totalled 120.19 million TEUs, representing a decrease of 5.4% year-on-year. Furthermore, as shown by the results of monitoring of and analysis on production and operation of the port industry conducted by the China Ports and Harbours Association, container throughput of hub ports in China recorded a year-on-year increase of 0.57% in June, returning to same level as that of the corresponding period last year, among which foreign trade decreased by 0.85% year-on-year, while domestic trade grew by 4.85% year-on-year.

(2)Port Business Review

In the first half of 2020, the Company's ports handled a total container throughput of 55.50 million TEUs, up by 0.7% year-on-year. The Company's ports in China handled container throughput of 39.84 million TEUs, representing a year-on-year decrease of 3.0%, which was mainly due to the decline of import and export trade as affected by the outbreak of pandemic worldwide during the first half of the year. Ports in Hong Kong and Taiwan regions contributed total container throughput of 3.41 million TEUs, indicating a decrease of 3.8% year-on-year. The total container throughput handled by the Company's overseas ports grew by 16.6% year-on-year to 12.24 million TEUs, which was mainly benefitted from the inclusion of the eight terminals newly acquired by Terminal Link S.A.S.(TL) and the business growth of Lome Container Terminal Co., Ltd. (LCT), Togo and TCP Participações S.A.(TCP), Brazil. In terms of bulk cargo business, the volume

handled by the Company's ports decreased by 9.5% year-on-year to 220 million tonnes. The Company's ports in Mainland China handled a bulk cargo volume of 217 million tonnes, down 9.5% year-on-year, which was mainly attributable to the influence of the outbreak of pandemic worldwide during the first half of the year.

(3) Implementation of business plan during the reporting period

In face of the spreading COVID-19 pandemic across the world in the Reporting Period, the Company closely adhered to the strategic principle of "Have a Long-Term Vision, Grasp Current Opportunities, Be Technology-Driven and Embrace Changes". Through the "Quality and Efficiency Improvement Program", the Company assessed market changes in a scientific manner, kept pace with changes to the international business landscape, promoted smart ports by seizing opportunities amid the pandemic, and focused on building world-class ports. Also, it accelerated integration internally, enhanced collaboration externally, strengthened professionalism and enhanced risk control. As a result, positive results have been achieved in terms of home port building, port integration, innovation, comprehensive development, operation and management, capital operation, etc.

(4) Year-on-year changes in key financial data

Unit: RMB

	H1 2020	H1 2019	Change (%)	Main reason for change
Operating revenue	5,922,497,158.48	5,834,353,421.33	1.51%	-
Operating costs	3,716,083,705.90	3,608,020,695.91	3.00%	-
Administrative expense	737,700,277.37	647,244,718.36	13.98%	-
Finance costs	841,659,933.37	873,109,624.88	-3.60%	-
Income tax expense	513,256,488.88	2,017,970,750.16	-74.57%	Income tax on the compensation income from the transfer of land in Qianhai for readjustment in 2019, with no comparable income tax in the current period
R&D expense	66,130,284.81	60,018,835.29	10.18%	-
Net cash generated from/used in operating	2,071,426,144.92	2,556,861,915.52	-18.99%	-

activities				
Net cash generated from/used in investing activities	-7,869,580,476.91	73,786,701.24	-10,765.31%	Subscription for compulsory convertible bonds issued by TL and provision of shareholder loan for TL, as well as investment in Northeast Asia Development and Investment Co., Ltd.
Net cash generated from/used in financing activities	5,356,254,138.54	-2,366,244,781.51	326.36%	Exercise of put options for 10% of TCP by non-controlling interests and the share offering for raising the matching funds
Net increase in cash and cash equivalents	-473,798,039.82	244,903,144.44	-293.46%	Increase in net cash used in investing activities

2. Matters Related to Financial Reporting

(1) Changes to Accounting Policies, Accounting Estimates or Measurement Methods Compared to the Last Accounting Period

√ Applicable ☐ Not applicable

On 14 April 2020, the Company held the 7th Meeting of the 9th Board of Directors and the 7th Meeting of the 9th Supervisory Committee, where the Proposal on Changes in Accounting Estimation of the Depreciable Life of Some Fixed Assets was considered and approved. In accordance with the Accounting Standards for Business Enterprises No. 4 - Fixed Assets and the Company's related regulations, the Company reviewed the expected service life of its fixed assets based on their performance and use conditions, and decided to make adjustment to the depreciable life of some fixed assets to make it more reasonable, thus reflecting the Company's financial conditions and operating results in a more objective and fair manner. For the specific content, please refer to the Announcement on Changes in Accounting Estimates of Depreciation Period of Partial Fixed Assets (Announcement No.: 2020-037) published on www.cninfo.com.cn on 16 April 2020.

For further information, please refer to "(III) Changes in Significant Accounting Policies and Accounting Estimates" in "Part XI Financial Statements" in Interim Report 2020 for details.

(2) Retrospective Restatements due to the Correction of Material Accounting Errors in the Reporting Period

☐ Applicable ☒ Not applicable

No such cases.

(3) Changes to the Scope of Consolidated Financial Statements Compared to the Last Accounting Period

☐ Applicable ☒ Not applicable

No such cases.

For and on behalf of the Board

Bai Jingtao

Legal representative of

China Merchants Port Group Co., Ltd.

Dated 29 August 2020