Stock Code: 001872/201872 Stock Name: CM Port Group/CM Port Group B Announcement No. 2021-020

CHINA MERCHANTS PORT GROUP CO., LTD.

ANNUAL REPORT 2020 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2020 Annual 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").

This Summary is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

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 final cash and/or stock dividend plan for ordinary shareholders for the Reporting Period:

√ Applicable □ Not applicable

Bonus issue from capital reserves:

□ Yes √ No

The Board has approved a final dividend plan as follows: based on 1,922,365,124 shares, a cash dividend of RMB3.80 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period :

□ Applicable √ Not applicable

Please refer to the 2020 annual report for the abbreviation mentioned in this summary.

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	Li Yubin (Acting)	Hu Jingjing	
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	
Fax	+86 755 26886666	+86 755 26886666	
Tel.	+86 755 26828888	+86 755 26828888	
Email address	Cmpir@cmhk.com	Cmpir@cmhk.com	

2. Main business of the Company during the reporting period

1. Main business scope and business models

The Company is principally engaged in the handling, warehousing and transportation of containers and bulk cargoes, as well as the provision of other ancillary services. It principally operates 24 container berths and 18 bulk cargo berths in the ports in West Shenzhen and Dongguan Machong, 9 container berths, 2 bulk cargo berths, 10 general cargo berths, and 1 coal-handling specific berth in Shantou Port, 2 container berths and 33 bulk cargo berths in Zhanjiang Port, 4 multi-purpose berths in Shunde Port, 2 container berths and 6 bulk cargo berths in Zhangzhou Port, 4 container berths in Ningbo Daxie, 4 container berths in CICT, Sri Lanka, 4 multi-purpose berths, 2 oil berths and 4 container berths in HIPG, Sri Lanka, 3 container berths in LCT, Togo, and 4 container berths in TCP, Brazil. Moreover, the Company invests in container hubs in Shanghai and Tianjin and expands its layout to ports in Asia, Africa, Europe, Oceania, South America and North America.

The major business segments of China Merchants Port Group Co., Ltd. are as follows:

Business Segments	Applications

Cargo handling and warehousing	Container handling and warehousing: the Company provides ship berthing, loading and discharging services to ship companies, offers container storage service to ship companies and cargo owners and provides overhead box services to tractor companies. The Company also engages in the businesses of division or merger of cargoes in containers, container leasing and container maintenance; Bulk cargo handling and warehousing: the Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include food, steel, woods and sandstones.
Ancillary port-related services	The ancillary port-related services of the Company mainly include tugboat berthing assistance and barge services at the arrival of ships to the ports, tallying in the course of cargo handling, and supply of shore power and freshwater for vessels.
Bonded logistics operations	The Company provides various services for clients (including logistics companies, trading companies or cargo owners), for example, warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and division or merger of cargoes at terminals. It also provides documentation services for tractors arriving or leaving the bonded logistics parks.

2. Development stage and cyclical characteristic of the industry in which the Company operates and its industry position during the reporting period

The port industry is a crucial cornerstone industry for national economic and social development, and is closely linked to global economy and trade. In 2020, as the COVID-19 pandemic spread across the world, the global economy took a heavy hit, resulting in a complex and unfavorable international political and economic landscape. In the first half of the year, the shrinking seaborne freight volume of global container throughput, due to the pandemic, posed challenges to port production. During the second half of the year, most of the countries reopened their economy, so the port and shipping market began to recover. With the full resumption of operation and production in China, import and export rebounded by degrees and domestic port production grew steadily. The pandemic has also accelerated the digitalization of the port and shipping industry, which will bring new development opportunities for cost reduction, efficiency enhancement and innovation in the business model.

The Company is the largest port developer, investor and operator in the PRC and the leading comprehensive port service provider in the world, with a well-developed port network at major hub locations along coastal China. It has also successfully established presences in Asia, Africa, Europe, Mediterranean, Oceania, South America and North America. By its proactive, sound and efficient operating style, the Company capitalizes on its global port portfolio, professional management experience, the self-developed state-of-the-art terminal operation system and integrated logistics management platform for exports and imports, thereby providing its customers with timely and efficient port and maritime logistics services along with comprehensive and modern integrated logistics solutions. In addition, the Company also invests in bonded logistics operation and launches integrated park development business, facilitates the transformation and upgrade of port industry, develops comprehensive port services, increases its industry competitiveness, and creates greater value through the synergies of the existing terminal network.

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

Indicate by tick mark whether there is any retrospectively restated datum in the table below.
□ Yes √ No

Unit: RMB

	2020	2019	2020-over-2019 change	2018
Operating revenue (RMB)	12,618,529,996.02	12,123,829,423.74	4.08%	9,703,394,622.58
Net profit attributable to the listed company’s shareholders (RMB)	2,065,322,969.66	2,898,192,168.84	-28.74%	1,090,418,910.77
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	1,262,830,563.26	1,037,766,875.23	21.69%	516,155,803.81
Net cash generated from/used in operating activities (RMB)	5,495,800,917.01	5,501,873,415.94	-0.11%	4,288,575,424.84

Basic earnings per share (RMB/share)	1.07	1.59	-32.70%	0.61
Diluted earnings per share (RMB/share)	1.07	1.59	-32.70%	0.61
Weighted average return on equity (%)	5.66%	8.71%	-3.05%	3.88%
	31 December 2020	31 December 2019	Change of 31 December 2020 over 31 December 2019 (%)	31 December 2018
Total assets (RMB)	168,543,611,777.21	156,696,917,845.87	7.56%	128,018,084,415.68
Equity attributable to the listed company's shareholders (RMB)	37,117,806,052.18	35,972,804,419.42	3.18%	30,760,475,412.93

(2) Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	2,886,025,618.74	3,036,471,539.74	3,239,264,119.14	3,456,768,718.40
Net profit attributable to the listed company's shareholders	149,871,785.99	482,926,799.84	642,339,845.93	790,184,537.90
Net profit attributable to the listed company's shareholders before exceptional gains and losses	199,867,940.76	344,723,973.78	605,513,230.59	112,725,418.13
Net cash generated from/used in operating activities	847,165,371.60	1,224,260,773.32	1,665,387,875.49	1,758,986,896.60

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or semiyearly reports.

☐ Yes √ No

4. Share Capital and Shareholder Information at the Period-End

(1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	32,872	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	32,743	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0

5% or greater shareholders or top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	59.75%	1,148,648,648	0	1,148,648,648	0	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	19.29%	370,878,000	0	0	370,878,000	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	3.37%	64,850,182	0	0	64,850,182	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	3.33%	64,102,564	0	0	64,102,564	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.88%	55,314,208	0	0	55,314,208	0
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign legal person	0.54%	10,410,926	-19,565,670	0	10,410,926	Unknown
NORGES BANK	Foreign legal person	0.15%	2,802,863	0	0	2,802,863	Unknown
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.14%	2,707,901	1,522,020	0	2,707,901	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned legal person	0.14%	2,606,355	93,000	0	2,606,355	Unknown

MAI SHUQING	Domestic natural person	0.11%	2,129,247	-247,500	0	2,129,247	Unknown
Strategic investors or general legal person becoming top-ten shareholders due to placing of new shares (if any)	N/A						
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.						
Above shareholders involved in entrusting/being entrusted and giving up voting rights	None						

Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	64,850,182	RMB ordinary share	64,850,182
CHINA-AFRICA DEVELOPMENT FUND	64,102,564	RMB ordinary share	64,102,564
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	10,410,926	Domestically listed foreign share	10,410,926
NORGES BANK	2,802,863	Domestically listed foreign share	2,802,863
HONG KONG SECURITIES CLEARING COMPANY LTD.	2,707,901	RMB ordinary share	2,707,901
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,606,355	Domestically listed foreign share	2,606,355
MAI SHUQING	2,129,247	RMB ordinary share	2,129,247

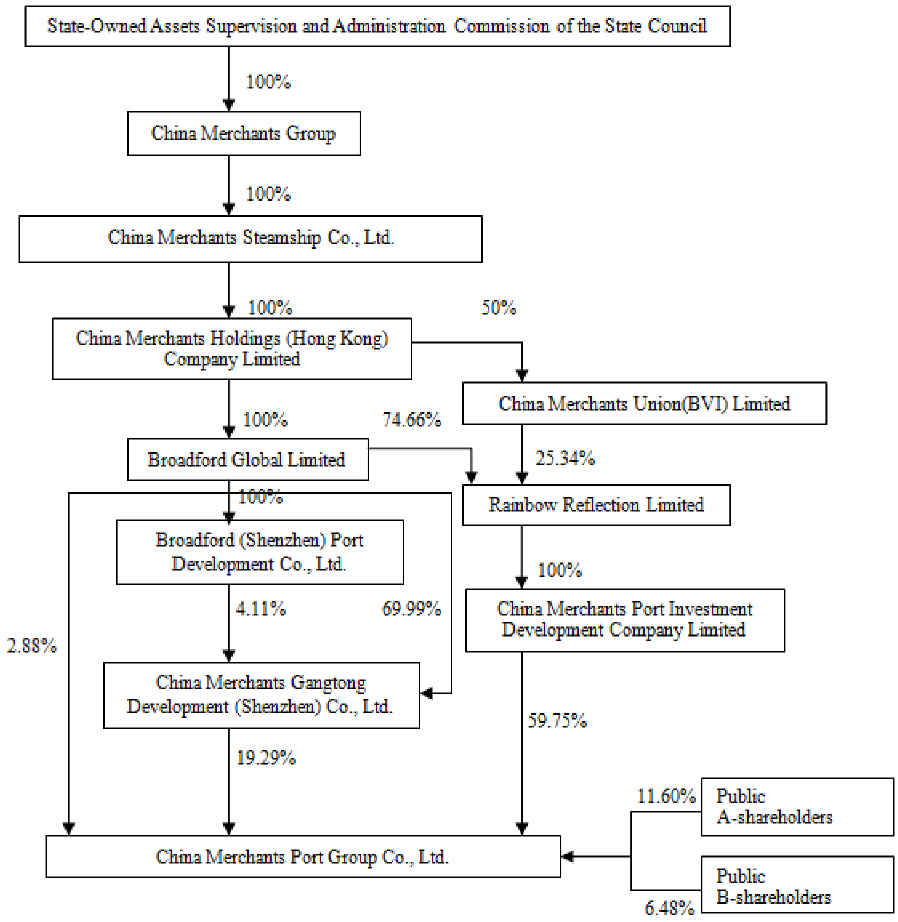
SHEN ZHEN QIAN HAI HUA SHAN CAPITAL CO.,Ltd-HUA SHAN YONG XU PRIVATE EQUITY MANAGEMENT	2,005,091	RMB ordinary share	2,005,091
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	N/A		

(2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

□ Applicable √ Not applicable

No preferred shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company



5. 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 ☐ No

(1) Basic Information of the Corporate Bonds

Name	Abbr.	Code	Release date	Maturity date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors)	20 CMPort 01	149170	7 July 2020	8 July 2023	200,000	3.36%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last

(Phase I)							installment, the interests are paid together with principal repayment.
Listed or transferred trading place of the Company bonds	List on the SZSE.						
Appropriate arrangement of the investors	The Company's bonds are publicly issued to eligible investors who comply with the Measures for Issuance and Trading of Corporate Bonds and have opened an eligible A-share securities account with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. (CSDC).						
Interest payment during the Reporting Period	During the Reporting Period, "20 CMPort 01" did not enter the payment period.						
Execution of the relevant regulations during the Reporting Period such as the affiliated option clause of the issuers or investors, special clauses such as the exchangeable regulations of the Company bonds (if applicable)	Not applicable						

(2) Latest Rating and Rating Change

On 24 June 2020, China Chengxin International Credit Rating Co., Ltd. (CCXI) issued a credit rating notice (XPWHZ [2019] No. G564). CCXI granted the corporate credit rating of AAA to the Company with a rating outlook of Stable, and the credit rating of AAA to the "2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)".

During the Reporting Period, there was no rating difference in the corporate credit ratings of other bonds and debt financing instruments issued by the Company in China.

(3) The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Unit: RMB '0,000

Item	2020	2019	Increase/decrease
EBITDA	1,176,301.96	1,576,181.91	-25.37%
Current ratio	82.99%	68.44%	14.55%
Debt/asset ratio	37.30%	39.38%	-2.08%
Quick ratio	82.27%	68.00%	14.27%
Debt/EBITDA ratio	18.71%	25.54%	-6.83%
Interest cover (times)	3.38	5.09	-33.60%
Cash-to-interest cover (times)	4.14	3.95	4.81%
EBITDA-to-interest cover (times)	5.84	7.42	-21.29%
Debt repayment ratio (%)	100.00%	100.00%	-
Interest payment ratio (%)	100.00%	100.00%	-

Main reason of the above accounting data and the financial indicators with the YoY change exceeded 30%

√ Applicable □ Not applicable

The interest cover (times) declined 33.60% compared with last year mainly due to a decrease in total profit.

Part III Operating Performance Discussion and Analysis

I Overview

1. External Environment Analysis

(1) Macroeconomic environment

In 2020, the increasingly complex international environment was characterized by the significant increase in uncertainties and the far-reaching and unprecedented impact brought by COVID-19. According to the “World Economic Outlook” report published by the International Monetary Fund in January 2021, the global economy is expected to shrink by 3.5% year-on-year in 2020. Developed economies and emerging economies are expected to decline by 4.9% and 2.4% respectively, while the America and Eurozone economies are expected to record a decrease of 3.4% and 7.2% respectively due to the severe impact from COVID-19 pandemic. The COVID-19 pandemic started to spread across East and Southeast Asia in early 2020. Since the second quarter, America and Europe have become the pandemic epicenters and witnessed the second and third waves of the outbreak, posing serious challenges to global economic recovery. Facing the complicated and difficult international environment, China organized and promoted pandemic prevention and control along with economic and social development. Its efforts not only effectively facilitated the restoration of normal production and everyday life, but also yielded significant strategic achievements in disease prevention and control. In the meantime, China accelerated the establishment of the new development pattern in which the domestic economic cycle is the mainstay and the domestic and international economic cycles boost each other. As a result, the national economy recovered steadily and recorded an annual GDP growth of 2.3% in 2020, making China the only major economy with positive economic growth in the world. In the second half of 2020, the infrastructure constructions, along with other fixed asset investments, provided greater supports to economy recovery and China recorded better-than-expected growth in foreign trade driven by regional trade and cooperation. Consumption demand gradually picked up and the economy showed positive signs of recovery. Overall, China’s economy maintained its upward trend in the long-run. To achieve high-quality economic growth, China will intensify the supply-side restructuring and pay attention to demand-side management in the meantime. According to the statistics published by the General Administration of Customs, China's total import and export value amounted to RMB32.16 trillion in 2020, representing an increase of 1.9% year-on-year. Among which, the export value was RMB17.93 trillion, representing an increase of 4.0% year-on-year, while the import value was RMB14.23 trillion, representing a decrease of 0.7% year-on-year. Trade surplus amounted to RMB3.7 trillion, representing an increase of 27.4% year-on-year.

(2) Market environment of the port and shipping industry

In 2020, the global container shipping market suffered from volatile demand. During the first half of the year, the container shipping market was severely impacted by the pandemic, which resulted in the idling of shipping capacity to a certain extent. In the second half of the year, various countries implemented economic stimulus policies and commerce demand rebounded. These factors, coupled with high demand in traditional peak season and the shortage of containers, led to ongoing strong demand in the container shipping market and the utilization of idle capacity in a gradual pace. The significant improvement in business performances of shipping companies in general was driven by rising freight rates.

The COVID-19 pandemic led to the decline in global port container throughput in 2020. According to data from Alphaliner, the global container port throughput amounted to 827 million TEUs in 2020, down by 1.4% year-on-year. Benefiting from the success in domestic pandemic prevention and control, China's import and export for foreign trade stabilized rapidly and continued to grow, while the domestic port production maintained an upward trend in general. According to the information published by the Ministry of Transport of the People's Republic of China, the accumulated port container throughput in China amounted to 264 million TEUs in 2020, representing a year-on-year increase of 1.2%.

2. Port Business Review

(1) Overview of port business

In 2020, the Company's ports handled a total container throughput of 121.71 million TEUs, up by 7.8% year-on-year. Bulk cargo volume handled by the Company's ports decreased by 7.1% year-on-year to 450 million tons. During the Reporting Period, operating revenue of the Company amounted to RMB12.619 billion, representing a year-on-year increase of 4.08%.

Table 3-1 Throughput of the Company and changes in 2020

Item	2020	2019	Changes
Container throughput ('0,000 TEU)	12,171	11,293	7.8%
Among which: Mainland China	8,576	8,488	1.0%
Hong Kong and Taiwan	716	721	-0.7%
Overseas	2,878	2,084	38.1%
Bulk cargo throughput (hundred million tonnes)	4.5	4.9	-7.1%
Among which: Mainland China	4.48	4.83	-7.1%
Overseas	0.058	0.063	-7.2%

Note: 1. The statistics represented the total throughput of the holding subsidiaries, associates and joint ventures of the Company. 2. Discrepancies between totals and sums of sub-items listed are due to rounding.

For container business, the Company's ports in China handled container throughput of 85.76 million TEUs, representing a year-on-year increase of 1.0%. Ports in Hong Kong and Taiwan regions contributed total container throughput of 7.16 million TEUs, indicating a decrease of 0.7% year-on-year. The total container throughput handled by the Company's overseas ports grew by 38.1% year-on-year to 28.78 million TEUs, mainly benefiting from the inclusion of the eight newly acquired terminals by TL and the business growth of LCT in Togo and TCP in Brazil. In terms of bulk cargo business, the Company's ports in Mainland China handled a bulk cargo volume of 448 million tons, down 7.1% year-on-year. Overseas ports handled a bulk cargo volume of 5.83 million tons, down 7.2% year-on-year, mainly due to the decrease in throughput at PDSA in Djibouti and Kumport in Turkey.

(2) Operation condition of port business by region

Table 3-2 Container throughput of the Company and changes in 2020

(in '0,000 TEU)

Region and port company			2020	2019	Changes
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,184	1,142	3.6%
		Shunde New Port	43	30	44.1%
	Joint stock company	Chu Kong River Trade Terminal	106	109	-3.4%

Yangtze River Delta	Joint stock company	SIPG Group	4350	4,330	0.5%
	Holding company	Ningbo Daxie	332	329	0.9%
Bohai Rim	Joint stock company	Tianjin Port Container Terminal	787	447	75.8%
		QQCTU	810	792	2.2%
		Dalian Port	654	1,022	-36.0%
South-East region of Mainland China	Holding company	Zhangzhou Port	32	42	-25.4%
		Shantou Port	159	134	18.9%
South-West region of Mainland China	Holding company	Zhanjiang Port	122	111	10.1%
Hong Kong and Taiwan	Holding company/ Joint stock company	CMCS/ Modern Terminals	556	557	-0.2%
	Joint stock company	Taiwan Kao Ming Container	160	164	-2.2%
Overseas	Holding company	CICT	293	288	1.9%
		TCP	98	92	7.4%
		LCT	136	113	20.5%
	Joint stock company	TL	2113	1,325	59.4%
		Kumport	122	128	-5.1%
		PDSA	86	92	-6.3%
		TICT	30	47	-35.3%
Total			**12,171**	**11,293**	**7.8%**

Note: 1. Due to the restructuring of Tianjin Five Continents International Container Terminal Co., Ltd., a former joint stock company of the Company, the Company has adjusted the statistical caliber of Tianjin Port Container Terminal and included it in the statistics since September 2019; 2. Since April 2020, the Company has newly included the business volume of eight new terminals acquired by TL, a joint stock company of the Company; 3. Discrepancies between totals and sums of sub-items listed are due to rounding.

Table 3-3 Bulk cargo volume handled by the Company and changes in 2020

(in ’0,000 tonnes)

<table>
<tr><th colspan="3">Region and port company</th><th>2020</th><th>2019</th><th>Changes</th></tr>
<tr><td rowspan="4">Pearl River Delta</td><td rowspan="3">Holding company</td><td>West Shenzhen Port Zone</td><td>1,807</td><td>1,300</td><td>39.0%</td></tr>
<tr><td>Dongguan Machong</td><td>1,548</td><td>1,227</td><td>26.2%</td></tr>
<tr><td>Shunde New Port</td><td>395</td><td>226</td><td>74.4%</td></tr>
<tr><td>Joint stock company</td><td>Chu Kong River Trade Terminal</td><td>308</td><td>353</td><td>-12.8%</td></tr>
<tr><td>Yangtze River Delta</td><td>Joint stock company</td><td>SIPG Group</td><td>7,565</td><td>11,515</td><td>-34.3%</td></tr>
<tr><td rowspan="4">Bohai Rim</td><td rowspan="4">Joint stock company</td><td>QQTU</td><td>1,629</td><td>1,559</td><td>4.5%</td></tr>
<tr><td>Qingdao Port Dongjiakou</td><td>6,315</td><td>5,990</td><td>5.4%</td></tr>
<tr><td>Dalian Port</td><td>13,124</td><td>13,204</td><td>-0.6%</td></tr>
<tr><td>Laizhou Harbour Affairs</td><td>2,056</td><td>2,272</td><td>-9.5%</td></tr>
<tr><td rowspan="3">South-East region of Mainland China</td><td rowspan="3">Holding company</td><td>Zhangzhou Port</td><td>633</td><td>814</td><td>-22.3%</td></tr>
<tr><td>Xia Men Bay Terminals</td><td>65</td><td>27</td><td>137.7%</td></tr>
<tr><td>Shantou Port</td><td>314</td><td>709</td><td>-55.7%</td></tr>
<tr><td>South-West region of Mainland China</td><td>Holding company</td><td>Zhanjiang Port</td><td>9,087</td><td>9,117</td><td>-0.3%</td></tr>
<tr><td rowspan="3">Overseas</td><td>Holding company</td><td>HIPG</td><td>124</td><td>50</td><td>145.6%</td></tr>
<tr><td rowspan="2">Joint stock company</td><td>Kumport</td><td>7</td><td>10</td><td>-35.9%</td></tr>
<tr><td>PDSA</td><td>453</td><td>568</td><td>-20.2%</td></tr>
<tr><td colspan="3">Total</td><td>45,430</td><td>48,908</td><td>-7.1%</td></tr>
</table>

Note: 1. HIPG has included liquid bulk cargo in the statistics of its business volume since 2020; 2. Discrepancies between totals and sums of sub-items listed are due to rounding.

Pearl River Delta region

The Company's terminals in West Shenzhen Port Zone handled a total container throughput of 11.84 million TEUs, up by 3.6% year-on-year. Bulk cargo volume handled amounted to 18.07 million tons, up by 39.0% year-on-year. Chu Kong River Trade Terminal handled a total container throughput of 1.06 million TEUs and a bulk cargo volume of 3.08 million tons, down by 3.4% and 12.8% year-on-year respectively, mainly due to the suspension of certain foreign trade routes affected by the pandemic. Dongguan Machong Terminal handled bulk cargo volume of 15.48 million tons, up by 26.2% year-on-year, mainly due to the significant increase in imported grains in the region. Guangdong Yide Port Limited (Shunde New Port) handled a container throughput of 0.43 million TEUs, up by 44.1% year-on-year, mainly due to the steady increase in foreign trade volume with the commencement of foreign trade business since July 2019. It also handled a bulk cargo volume of 3.95 million tons, up by 74.4% year-on-year, mainly due to further market expansion.

Yangtze River Delta region

SIPG handled a container throughput of 43.50 million TEUs, up by 0.5% year-on-year. Bulk cargo volume handled declined by 34.3% year-on-year to 75.65 million tons because of the impact of the pandemic and adjustment of business structure. Ningbo Daxie China Merchants International Terminals Co., Ltd. (Ningbo Daxie) handled a container throughput of 3.32 million TEUs, representing an increase of 0.9% year-on-year.

Bohai Rim region

Qingdao Qianwan United Container Terminal Co., Ltd. (QQCTU) handled a container throughput of 8.10 million TEUs, representing an increase of 2.2% year-on-year. Qingdao Qianwan West Port United Terminal Co., Ltd. (QQTU) handled a bulk cargo volume of 16.29 million tons, representing an increase of 4.5% year-on-year. Because the rising domestic demand for iron ore led to the increase in the foreign trade volume of iron ore, Qingdao Port Dongjiakou Ore Terminal Co., Ltd. handled a bulk cargo volume of 63.15 million tons, indicating an increase of 5.4% year-on-year. Dalian Port (PDA) Company Limited handled a container throughput of 6.54 million TEUs, representing a decrease of 36.0% year-on-year, mainly due to the impact of the pandemic and adjustment of business structure. Bulk cargo volume handled decreased by 0.6% year-on-year to 131 million tons. Due to intensifying regional competition and environmental policy, Laizhou Harbour Affairs handled a bulk cargo volume of 20.56 million tons, representing a year-on-year decrease of 9.5%. Since the Company participated in the merger of container terminals in Tianjin which was completed in August 2019, Tianjin Port Container Terminal Co., Ltd. contributed a container throughput of 7.87 million TEUs, representing a year-on-year increase of 75.8%.

South-East region of Mainland China

Zhangzhou China Merchants Port Co., Ltd. ("Zhangzhou Port") handled a container throughput of 0.32 million TEUs, decreased by 25.4% year-on-year, while its bulk cargo volume handled decreased by 22.3% year-on-year to 6.33 million tons, which is mainly affected by the pandemic and the environmental policies in the hinterland. Since May 2019, Xia Men Bay China Merchants Terminals Co., Ltd. (Xia Men Bay Terminals) has initiated its official operation and handled a bulk cargo volume of 0.65 million tons, up by 137.7% year-on-year. Shantou China Merchants Port Group Co., Ltd. handled a container throughput of 1.59 million TEUs, up by 18.9% year-on-year, mainly due to the growth in the volume of domestic trade containers and a bulk cargo volume of 3.14 million tons, down by 55.7% year-on-year, dragged down by the impact of local environmental policies and the vacation of old ports.

South-West region of Mainland China

Zhanjiang Port (Group) Co., Ltd. handled a container throughput of 1.22 million TEUs, up by 10.1% year-on-year, mainly attributable to the expansion of new shipping routes and the new domestic transshipment business. It also handled a bulk cargo volume of 90.87 million tons, down by 0.3% year-on-year.

Hong Kong and Taiwan regions

Modern Terminals Limited and China Merchants Container Services Limited in Hong Kong delivered an aggregate container throughput of 5.56 million TEUs, down by 0.2% year-on-year. Kao Ming Container Terminal Corp. in Kaohsiung, China Taiwan, handled a total container throughput of 1.60 million TEUs, representing a decrease of 2.2% year-on-year.

Overseas operation

In Sri Lanka, CICT handled a container throughput of 2.93 million TEUs, up by 1.9% year-on-year; the bulk cargo volume handled by HIPG was 1.24 million tons, increased by 145.6% year-on-year, mainly due to the growth in cement business in the second half of the year. Its RO-RO volume was 0.375 million vehicles, down by 8.5% year-on-year, mainly due to the pandemic, the suspension of automobile production in Indian factories, and decline in the local vehicle imported. Container throughput handled by LCT in Togo increased by 20.5% year-on-year to 1.36 million TEUs, which was mainly due to the transfer of some transshipment routes from regions seriously impacted by the pandemic to LCT in Togo by shipping companies. Container throughput handled by TICT in Nigeria was 0.30 million TEUs, representing a decrease of 35.3% year-on-year, mainly due to the decrease in import demand affected by the pandemic and the drop of oil prices. Given the declining import and export demand in the hinterland, PDSA in Djibouti handled a container throughput of

0.86 million TEUs, down by 6.3% year-on-year, and a bulk cargo volume of 4.53 million tons, down by 20.2% year-on-year. TL handled a container throughput of 21.13 million TEUs, up by 59.4% year-on-year, which was mainly benefitted from the container throughput handled by the new eight ports whose acquisition was completed in March 2020. Container throughput handled by Kumport in Turkey was 1.22 million TEUs, representing a decrease of 5.1% year-on-year; while bulk cargo volume handled was 70 thousand tons, down by 35.9% year-on-year, which was mainly due to the decline of marble exports affected by the pandemic. Benefitted from the increase in import and export container volume driven by the growth in the trade of agricultural and meat products, TCP in Brazil handled a container throughput of 0.98 million TEUs, up by 7.4% year-on-year.

3. Implementation of business plan during the reporting period

During the Reporting Period, the Company continued to pursue its strategic focus. It adhered to the strategic directives and the general operation philosophy of “enhancing core capability, insisting on both quality and efficiency, capitalizing on opportunities of this era, and striving to become a world’s leading enterprise” with an unwavering aspiration to reinforce its foundation and made innovation with a pragmatic attitude. Striving to achieve breakthroughs in seven key aspects, namely the building of homebase ports, business expansion, innovative development, comprehensive development, operation management, capital operation, and marketing and commerce, the Company actively implemented various key tasks and maintained steady growth in all business segments in 2020.

In terms of the development of homebase ports, the Company accelerated the building of world-class ports in line with the national “Outline for the Construction of a Strong Transportation Country” and the “Guiding Opinions on the Construction of World-Class Ports” promulgated by nine Chinese ministries. Closely following the national development strategy of Guangdong-Hong Kong-Macao Greater Bay Area. West Shenzhen Port Zone promoted high-value-added business with routes and supply chain resources and pushed forward the launch of regular night service along the Tonggu Channel as soon as possible to enhance its navigation capacity and competitiveness. As for Mawan Intelligent Port, two berths, each with a capacity of 200,000 tons, would be in place after the construction is completed, and one of the berths was delivered and accepted on 26 August, 2020. The Company will continue to develop, at full stretch, West Shenzhen Port Zone into an international leading intelligent port in Guangdong-Hong Kong-Macao Greater Bay Area and the world. In terms of the development of overseas homebase ports, CICT and HIPG adopted a market-oriented approach to enhance service capability and expand value-added services. They strengthened the sound momentum of growth, deepened business synergy and collaboration, improved overall planning, and established cooperation with the port segment of major shipping companies, thereby facilitating industry development and boosting regional influence.

In respect of business expansion, the Company completed the acquisition of equity interests in 8 out of 10 target terminals through TL, which is the associate company of the Company, on 26 March 2020. After completion of the investments, the Company expanded its port business into Southeast Asia, Middle East, Europe, Middle East, and the Caribbean, which further optimized its global port network.

In pursuit of innovative development, the Company proactively supported the construction of intelligent ports and the port ecosystem. As to the intelligent port development, the first berth of the Mawan Intelligent Port construction project has been delivered and accepted, and has become the first automated container terminal upgraded and transformed from a traditional multi-purpose terminal in China. The project embodied smart technology, social and economic contributions by incorporating nine major intelligent elements, namely "CM Chip", "CM ePort", artificial intelligence, 5G network application, Beidou system, automation, intelligent ports, blockchain, and green and low-carbon development. It was recognized as a key research and development project by the Ministry of Science and Technology and would be developed into a model for intelligence upgrade of traditional terminals at home and abroad. In terms of service expansion, the Company creatively developed the complex port in the Guangdong-Hong Kong-Macao Greater Bay Area. By combining blockchain, big data, artificial intelligence, and cloud computing, it established the customs and logistics platform for the Greater Bay Area via technology empowerment, so as to promote the healthy and sustainable growth of cross-border trade in the region. For the incubation of business innovation, the Company took initiative to cooperate with leading Internet technology companies to explore the establishment of the open intelligent port platform. Regarding the integration between industry and finance, it invested and established China Merchants Port (Shenzhen) Industrial Innovation Private Equity Investment Fund (招商港口（深圳）产业创新私募股权投资基金) in collaboration with China Merchants Venture, the fund of which will capitalize on the integration between the industrial and the financial sector to promote technological innovation and transformation, and then optimize the industry ecosystem.

In terms of comprehensive development, the Company took a key step forward in the implementation of the PPC model. Focusing on the Djibouti Zone and the HIPG Zone in Sri Lanka, it further improved the international network layout and the synergy among overseas businesses.

Until the end of 2020, HIPG industrial park and Djibouti International Free Trade Zone have entered into contracts with 26 and 114 enterprise tenants, respectively. Despite the adverse impact of the pandemic, it made great progress in the introduction of business and investment.

In terms of operation management, the Company, guided by "empowerment, professionalism and value" and surrounded by five core elements, namely "management standard, professional team, closed-loop procedure, information system and benchmark enhancement", established an operation management system with sustainable value creation, gradually formulated standards for all functional modules, and managed to build a world-class value-oriented headquarters. Taking into account the strategic positioning of its various business segments, the Company, adhering to the principles of differentiation and controllable risks and pushing forward full-cycle asset management, procurement management, and performance evaluation mechanism, continuously promoted the healthy development of its subsidiaries. Besides, focusing on execution quality, the Company intensified the tasks on quality and efficiency improvement and strived to implement related measures to achieve in-depth integration between quality and efficiency improvement and strategic objectives.

In terms of capital operation, the Company promoted regularized dual-platform capital operation and adhered to the working concept of revitalizing existing assets and optimizing asset structure. It introduced Fujian Transportation Maritime Silk Road Investment and Management Co. Limited (福建省交通海丝投资管理有限公司) as the strategic investor of HIPG, with a view to tapping into synergy by optimizing the asset profile and the corporate governance structure. Following its strategic goals, it utilized the dual platform and realized growth in asset size and profit volume through consolidating the financial statements of Ningbo Daxie and optimizing the tax structure and liability management.

In terms of marketing and commerce, the Company continued to organize and make plans of business promotion and marketing campaigns for domestic and international customers. During the pandemic, it maintained proactive communication with customers to ensure smooth business operation. Leveraging its terminal resources across Northern and Southern China, it optimized the route network and built the boutique shipping routes. It also participated in major events such as the China International Import Expo and the China Marine Economy Expo to build the brand image of CMPort.

2. Significant Change to Principal Activities in the Reporting Period

□ Yes √ No

3. Product Category Contributing over 10% of Principal Business Revenue or Profit

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Port operations	12,047,724,502.59	7,407,129,837.37	38.52%	4.34%	3.08%	0.75%
By operating segment						
Mainland China, Hong Kong and Taiwan	9,117,570,900.78	6,080,095,490.47	33.31%	2.77%	1.87%	0.59%
Other countries and regions	3,500,959,095.24	1,793,654,364.38	48.77%	7.66%	6.73%	0.45%

4. Business Seasonality that Calls for Special Attention

□ Yes √ No

5. Significant YoY Changes in Operating Revenue, Cost of Sales and Net Profit Attributable to the Listed Company's Ordinary Shareholders or Their Compositions

□ Applicable √ Not applicable

6. Possibility of Listing Suspension or Termination

□ Applicable √ Not applicable

7. Matters Related to Financial Reporting

(1) YoY Changes to Accounting Policies, Accounting Estimates or Measurement Methods

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.

On 19 June 2020, the Ministry of Finance issued Provisions on the Accounting Treatment of the COVID-19 Pandemic-related Rental Concessions in Cai Kuai [2020] File No.10 (hereinafter referred to as "File No.10"). It's specified in File No. 10 that, for rental concessions, provided that certain conditions are satisfied, an enterprise can conduct accounting treatment according to Accounting Standards for Business Enterprises No. 21—Leases, or adopt the simplified method specified in File No.10. Where the enterprise adopts the simplified method, it's unnecessary to assess whether there is lease changes or re-assess the lease classifications. The enterprise shall apply the option to all the similar lease contracts and shall not change it arbitrarily.

For further information, please refer to (III) Changes in Significant Accounting Policies and Accounting Estimates in Part XII Financial Statements of the full text of the 2020 Annual Report for details.

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

□ Applicable √ Not applicable

No such cases.

(3) YoY Changes to the Scope of Consolidated Financial Statements

On 19 November 2020, Cyber Chic, a subsidiary of the Company, and the other shareholders of CMICT (Ningbo Port and CITIC Port Investment Co., Ltd.) resolved by way of shareholders' resolutions to establish the Budget Committee, and entered into a Cooperation Agreement with Ningbo Port (the "Cooperation Agreement"). The Budget Committee comprised three directors. Each of the shareholders of CMICT nominated one director to be a member of the Budget Committee, and the director nominated by Cyber Chic was the chairman. The Budget Committee is primarily responsible for approving CMICT's annual business plans, annual financial budgets and final accounts, and after-tax profit distribution plans. Any matters to be considered by the Budget Committee shall be approved by a two-thirds majority.

Pursuant to the Cooperation Agreement, Cyber Chic and Ningbo Port will consult and communicate among themselves to reach consensus before exercising their shareholders' rights. If the parties to the Cooperation Agreement cannot reach consensus on any matter in relation to CMICT's operations and management, the matter shall be decided in accordance with the opinion of Cyber Chic. No consideration was payable by either party under the Cooperation Agreement. Upon the completion of the Cooperation Agreement, Cyber Chic and Ningbo Port together had an over-50% interest in CMICT. Accordingly, the Company has included CMICT into its consolidated financial statements since 19 November 2020, and CMICT has since become a subsidiary instead of a joint venture of the Company, with the Company's interest in CMICT remaining the same.

For and on behalf of the Board

Bai Jingtao

Legal representative of

China Merchants Port Group Co., Ltd.

Dated 31 March 2021