

Press Release



COSCO SHIPPING Ports Limited 中遠海運港口有限公司

COSCO SHIPPING Ports Announces 1Q2018 Results

Strong organic growth

- *Revenue increased by 86.1% to US\$238 million*
- *Operating profit soared 106.0% to US\$53 million*
- *Net Profit increased by 84.3% to US\$69 million*
- *Total throughput increased by 37.7% to 27.2 million TEU*

Hong Kong, 26 April 2018 – COSCO SHIPPING Ports Limited (the “Company” or “COSCO SHIPPING Ports”, SEHK:1199), the world’s leading ports operator, today announced first quarter results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2018.

Driven by the supports from shipping alliances and its parent company, China COSCO Shipping Corporation Limited, as well as contribution from acquisitions, the Group’s total throughput achieved encouraging results for the three months ended 31 March 2018, with total throughput increased by 37.7% to 27,206,500 TEU (1Q2017: 19,760,635 TEU). Equity throughput of the Group for the period increased by 32.5% to 8,622,174 TEU, as compared with last year’s 6,507,477 TEU.

For the three months ended 31 March 2018, throughput of the terminal companies that the Group has controlling stakes amounted to 5,234,257 TEU, up 38.5% from 1Q2017’s 3,778,898 TEU, and accounted for 19.2% of the Group’s total; the Group’s non-controlling terminals achieved throughput of 21,972,243 TEU, representing an increase of 37.5% from 1Q2017’s 15,981,737 TEU.

Greater China

For the three months ended 31 March 2018, throughput of the Greater China region increased by 38.1% to 21,345,121 TEU (1Q2017: 15,451,868 TEU), accounting for 78.5% (1Q2017: 78.2%) of the Group’s total throughput.

Bohai Rim

Throughput of the Bohai Rim region accounted for 32.6% (1Q2017: 18.0%) of the Group’s total, increased by 149.7% to 8,866,311 TEU for the three months ended 31 March 2018 (1Q2017: 3,551,082 TEU). Throughput of Qingdao Port International Co., Ltd. (“QPI”) was 4,550,000

TEU. Throughput of Dalian Container Terminal Co., Ltd. (“Dalian Container Terminal”) grew by 50.0% to 2,158,861 TEU (1Q2017: 1,439,216 TEU), which benefited from the increase in throughput after merged.

Yangtze River Delta

Throughput of the Yangtze River Delta region accounted for 17.1% (1Q2017: 23.7%) of the Group’s total and amounted to 4,636,858 TEU for the three months ended 31 March 2018 (1Q2017: 4,692,381 TEU), a decrease of 1.2% from last year. Impacted by the Chinese New Year holidays and prolonged foggy days in the first quarter, throughput of Shanghai Mingdong Container Terminals Limited decreased by 5.1% to 1,449,416 TEU (1Q2017: 1,526,620 TEU).

Southeast Coast

Throughput of the Southeast Coast region accounted for 5.0% (1Q2017: 5.4%) of the Group’s total, increased by 27.0% to 1,354,840 TEU for the three months ended 31 March 2018 (1Q2017: 1,066,565 TEU). With the increased calls from the OCEAN Alliance, throughput of Xiamen Ocean Gate Container Terminal Co., Ltd. surged by 91.6% to 526,660 TEU (1Q2017: 274,820 TEU).

Pearl River Delta

Throughput of the Pearl River Delta region was 6,211,464 TEU (1Q2017: 5,866,606 TEU) and made up 22.8% (1Q2017: 29.7%) of the Group’s total for the three months ended 31 March 2018, an increase of 5.9%. Throughput of Yantian International Container Terminals Co. Ltd., benefited from the growth in US and European exports, increased by 8.7% to 2,861,024 TEU (1Q2017: 2,632,545 TEU). Throughput of Nansha Stevedoring Corporation Limited of Port of Guangzhou (“Guangzhou Nansha Stevedoring Terminal”) increased by 6.0% to 1,332,038 TEU during the period (1Q2017: 1,256,096 TEU).

Southwest Coast

Throughput of the Southwest Coast region accounted for 1.0% (1Q2017: 1.4%) of the Group’s total for the three months ended 31 March 2018, increased by 0.2% to 275,648 TEU (1Q2017: 275,234 TEU).

Overseas

The overseas terminals’ total throughput increased by 36.0% to 5,861,379 TEU for the three months ended 31 March 2018 (1Q2017: 4,308,767 TEU) and accounted for 21.5% (1Q2017: 21.8%) of the Group’s total. Throughput of Noatum Port Holdings, S.L. in Spain and its subsidiaries (“NPH Group”) was 829,769 TEU. Fueled by increased calls by the OCEAN Alliance and THE Alliance, throughput of Piraeus Container Terminal S.A. in Greece increased by 20.1% to 1,001,438 TEU (1Q2017: 833,947 TEU). Driven by increased calls from the OCEAN Alliance, throughput of COSCO-PSA Terminal Private Limited surged 66.8% to 788,240 TEU (1Q2017: 472,573 TEU).

Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2018

	As at 31 March 2018 <i>US\$'000</i>	As at 31 December 2017 <i>US\$'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	3,075,346	2,980,498
Investment properties	8,595	8,410
Land use rights	294,488	278,706
Intangible assets	455,057	451,859
Joint ventures	1,234,114	1,196,648
Loans to joint ventures	40,003	1,672
Associates	2,680,866	2,579,493
Loans to associates	163,381	158,539
Available-for-sale financial assets	259,599	276,553
Deferred income tax assets	112,068	108,277
Other non-current assets	63,052	61,283
	<u>8,386,569</u>	<u>8,101,938</u>
Current assets		
Inventories	11,058	10,942
Trade and other receivables	279,179	271,430
Current income tax recoverable	2,050	3,370
Restricted bank deposits	6,645	6,333
Cash and cash equivalents	552,980	560,067
	<u>851,912</u>	<u>852,142</u>
Total assets	<u><u>9,238,481</u></u>	<u><u>8,954,080</u></u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	39,254	39,254
Reserves	5,361,368	5,149,313
	5,400,622	5,188,567
Non-controlling interests	<u>700,239</u>	<u>656,807</u>
Total equity	<u><u>6,100,861</u></u>	<u><u>5,845,374</u></u>

LIABILITIES**Non-current liabilities**

Deferred income tax liabilities	134,777	133,439
Long term borrowings	2,204,661	1,823,770
Loans from non-controlling shareholders of subsidiaries	61,072	53,012
Loans from a fellow subsidiary	18,336	20,293
Derivative financial instruments	5,783	6,527
Other long term liabilities	40,896	39,886
	<u>2,465,525</u>	<u>2,076,927</u>

Current liabilities

Trade and other payables	493,917	502,440
Current income tax liabilities	20,726	15,925
Current portion of long term borrowings	34,084	33,858
Short term borrowings	120,446	476,721
Derivative financial instruments	2,922	2,835
	<u>672,095</u>	<u>1,031,779</u>

Total liabilities

<u>3,137,620</u>	<u>3,108,706</u>
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Total equity and liabilities

<u>9,238,481</u>	<u>8,954,080</u>
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Unaudited Condensed Consolidated Income Statement
For the three months ended 31 March 2018

	Note	Three months ended	
		31 March	
		2018	2017
		<i>US\$'000</i>	<i>US\$'000</i>
Revenues		237,938	127,833
Cost of sales		<u>(164,029)</u>	<u>(85,021)</u>
Gross profit		73,909	42,812
Administrative expenses		(29,875)	(18,936)
Other operating income, net		<u>8,621</u>	<u>1,690</u>
Operating profit		52,655	25,566
Finance income		2,595	3,009

Finance costs		<u>(19,417)</u>	<u>(11,446)</u>
Operating profit (after finance income and costs)		35,833	17,129
Share of profits less losses of			
- joint ventures		19,809	16,941
- associates		<u>43,523</u>	<u>19,626</u>
Profit before income tax		99,165	53,696
Income tax expenses		<u>(17,178)</u>	<u>(8,413)</u>
Profit for the period		<u>81,987</u>	<u>45,283</u>
Profit attributable to:			
Equity holders of the Company		69,227	37,558
Non-controlling interests		<u>12,760</u>	<u>7,725</u>
		<u>81,987</u>	<u>45,283</u>
Earnings per share for profit attributable to the equity holders of the Company			
- basic	1	US2.26 cents	US1.25 cents
- diluted	1	<u>US2.26 cents</u>	<u>US1.25 cents</u>

Notes:

1. Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the three months ended 31 March 2018 of 3,057,112,720 (1Q2017: 3,016,018,628).

The outstanding share options granted by the Company did not have any dilutive effect on the earnings per share during the three months ended 31 March 2017, and the diluted earnings per share is equal to the basic earnings per share for the three months ended 31 March 2017. All share options were lapsed during 2017. For the three months ended 31 March 2018, the diluted earnings per share is the same as the basic earnings per share.

2. The accounting policies adopted in preparation of the financial data for the three months ended 31 March 2018 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2017.

The financial data for the three months ended 31 March 2018 are based on the internal records and financial data of the Group and are unaudited.

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About COSCO SHIPPING Ports

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK), is a leading ports operator in the world; its terminals portfolio covers the five main port regions in Mainland China, Southeast Asia, Middle East, Europe and the Mediterranean. As of 31 March 2018, COSCO SHIPPING Ports operated and managed 270 berths at 35 ports worldwide, of which 180 were for containers, with a combined annual handling capacity of 103.72 million TEU.

COSCO SHIPPING Ports has adopted “The Ports for ALL” as its mission and is working towards creating a synergistic platform that offers mutual benefits to all in the shipping industry, connecting global routes and becoming truly “the ports for all people”. COSCO SHIPPING Ports’ controlling shareholder is COSCO SHIPPING Holdings Co., Ltd. (Stock Code: 1919.HK), whose parent company, China COSCO Shipping Corporation Limited is the largest integrated shipping enterprises in the world.

Please visit the Company’s website <http://ports.coscoshipping.com> and the designated website of Hong Kong Exchanges and Clearing Limited <http://www.hkexnews.hk> for 1Q2018 Results Announcement.

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