

## Press Release

# COSCO SHIPPING Ports Takes 60% Stake in Chancay Terminal

## Important Gateway Port in South America

## Global Terminal Network further extends

**Hong Kong – 23 January 2019** – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “CSP” or “Company”, HKEX stock code:1199), a leading ports operator in the world, today announced that the Company will establish its first greenfield subsidiary in South America by acquiring 60% stake in Terminales Portuarios Chancay S.A. (Chancay Terminal) from Volcan Compañía Minera S.A.A., (“Volcan”) for a total consideration of US\$225million, with an initial payment of US\$56million.

At a signing ceremony held today at Davos, Switzerland, Mr. Zhang Wei, Vice Chairman and Managing Director of COSCO SHIPPING Ports and Mr. José Picasso, Chairman of Volcan signed the agreement on behalf of the two parties. The ceremony was witnessed by Her Excellency Mercedes Aráoz, Vice President of Peru, His Excellency Xiao Yaqing, Chairman of State-owned Asset Supervision and Administration Commission of the State Council, PRC, (“SASAC”), His Excellency Dai Dongchang, Deputy Minister of Ministry of Transport of the PRC, His Excellency Luis Chávez Basagoitia, Ambassador of Peru in the Switzerland, Captain Xu Lirong, Chairman of China COSCO Shipping Corporation Limited (“COSCO SHIPPING”) and Mr. Huang Xiaowen, Executive Vice President and Party Committee Member of COSCO SHIPPING.

COSCO SHIPPING Ports will partner with Volcan to build Chancay Terminal into an important gateway port in Peru. Chancay Terminal owns the land of the Terminal and doesn’t need to pay for any concession rights, financial resources thus can be placed mainly on the developments of the terminal.

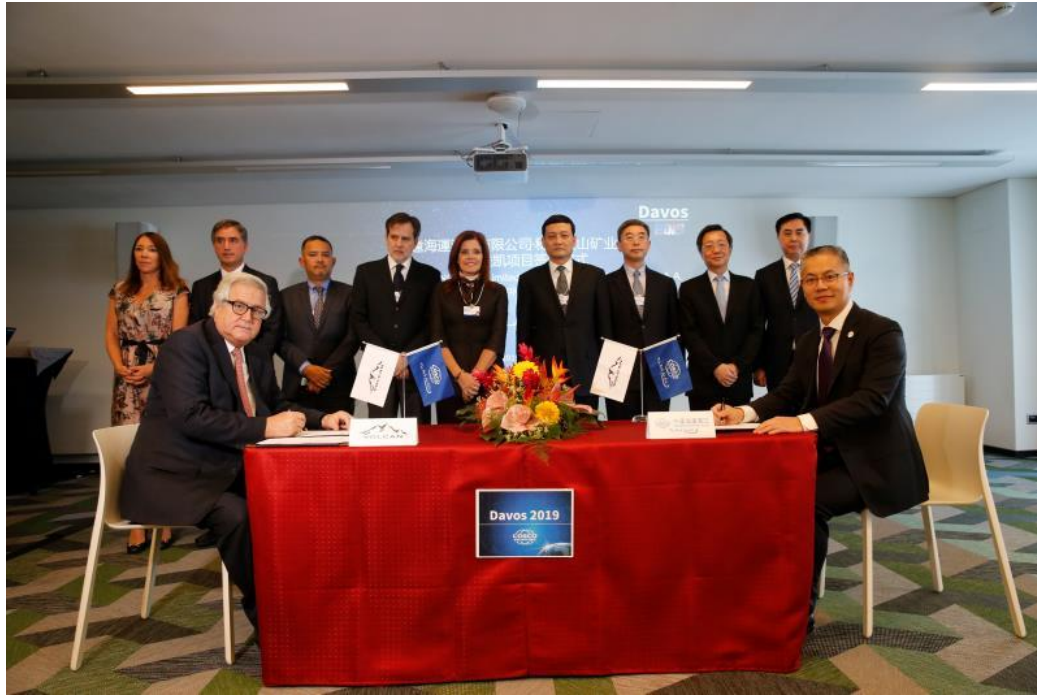
Economic growth of Peru has continued in recent years; container throughput of Peru in 2017 has increased to 2.5 million TEU from 1.5 million TEU in 2010. Located 58 km in the north of the Peruvian capital of Lima, Port of Chancay enjoys favorable location where it has easy access to the economic centre of Peru. About 60% of Peru's economic activities are concentrated in Lima and its

surrounding areas, and thus, the favourable geographic location of Lima is of strategic importance. Port of Chancay is a natural deep-water harbour with a maximum of 16 meters water-depth and is capable of satisfying the needs of mega vessels. The construction of Chancay Terminal includes multi-purpose terminals, container terminals and related infrastructure facilities. Phase one of the terminal will have four berths, of which two are multi-purpose berths, and two are container berths with a total annual designed capacity of one million TEU.

Speaking at the signing ceremony, His Excellency Xiao Yaqing, Chairman of SASAC expressed his view that, "Planned to be a modern terminal, upon completion of the construction of Chancay Terminal, the port will not only further strengthen the international operational capabilities of Chinese corporations, but will also further enhance the economic development of Peru. I hope the two companies will implement the project in a practical way and lay strong foundation for the extensive cooperation between the two countries, thus help promote economic development and prosperity of China and Peru."

Captain Xu Lirong, Chairman of COSCO SHIPPING said "Chancay Terminal is the first terminal project invested by Chinese companies in South America, which has received great attention and support from both Chinese and Peruvian government. Volcan is one of the world's leading polymetallic mining companies. To cope with its business development, Volcan has started the research work of the construction of terminal in the Port of Chancay many years ago. The cooperation will enable the two parties to fully utilize resources and leverage the capabilities to jointly develop Chancay Terminal to an important hub port in Latin America and a gateway port in the Pacific Ocean which should help promote local economic growth."

Mr. Zhang Wei, Vice Chairman and Managing Director of COSCO SHIPPING Ports, said "The investment in Chancay Terminal enabled us to further extend our reach to South America. The prospective terminal at Port of Chancay will be the Company's first terminal in South America and should help reduce the deficiency in port infrastructure in Peru. With an ideal geographical location, Chancay Terminal is poised to be an important gateway port in Peru. With the supports from the parent company and the OCEAN Alliance, we will harness our strengths to enhance the profitability of the terminal in future and achieve sustainable growth to maximize returns to shareholders."



Mr. Zhang Wei, Vice Chairman and Managing Director of COSCO SHIPPING Ports (right) and Mr. José Picasso, Chairman of Volcan (left) signed the agreement on behalf of the two parties

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**About COSCO SHIPPING Ports (<http://ports.coscoshipping.com>)**

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK) is a leading ports operator in the world; its terminal portfolio covers the five main port regions in Mainland China, Southeast Asia, Middle East, Europe and the Mediterranean Sea. As at 30 September 2018, CSP operated and managed 282 berths at 36 ports worldwide, of which 192 were for containers, with a combined annual handling capacity of 104 million TEU. In terms of its total throughput in 2017, CSP ranked no.1 in the world by Drewry Maritime Research. The controlling shareholder of COSCO SHIPPING Ports is COSCO SHIPPING Holdings Co., Ltd. and its ultimate parent company, China COSCO Shipping Corporation Limited is the largest integrated shipping enterprise in the world.

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**COSCO SHIPPING Ports Limited**

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