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

PRESS RELEASE

COSCO SHIPPING Ports Announces 2018 Interim Results

ROBUST GROWTH CONTINUED
Revenue Surges by 79.7%
Net Profit Soars by 70.1%

Hong Kong, 27 August 2018 – COSCO SHIPPING Ports Limited ("COSCO SHIPPING Ports" or "CSP" or the "Company", SEHK: 1199), the world's leading ports operator, today announced interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018.

RESULTS HIGHLIGHTS

- Revenue surged by 79.7% to US$495.5 million
- Gross profit increased substantially by 59.8% to US$157.5 million
- Share of profits from joint ventures and associates rose by 55.8% to US$151.9 million
- Adjusted EBITDA[1] increased by 61.1% to US$339.8 million
- Adjusted net profit[1] soared by 70.1% to US$169.0 million
- Adjusted earnings per share[1] increased by 68.1% to US5.53 cents
- The Company declared an interim dividend of HK17.3 cents per share and dividend payout ratio remained at 40%.

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[1]Adjusted EBITDA, adjusted net profit and adjusted earnings per share excluded one-off exceptional items in the first half of 2017.

OPERATIONAL REVIEW

2018 is a year full of challenges. Sino-US trade frictions, the rise of trade protectionism, geopolitical uncertainties and the upward trend of interest rates have the potential to place serious pressure on the development of global trade. Despite all these uncertainties, the growth momentum of global economy in 2017 continued in the first half of 2018.

Driven by sustained economic growth, increase in trade volume and increased calls from the OCEAN Alliance, fueled by its acquisitions and least impact by the Sino-US trade frictions, t**he Group has delivered strong results for the six months ended 30 June 2018 and total throughput increased by 26.5% to 56.7 million TEU**. Throughput of QPI has been included since May 2017; excluding QPI, throughput increased by 13.3% to 47.3 million TEU on a comparable basis.

In the first half of 2018, throughput from the Group's subsidiaries increased by 35.0% to 10.9 million TEU, accounting for 19.2% of the Group's total throughput. Throughput from the Group's non-controlling terminals rose by 24.6% to 45.8 million TEU. Total equity throughput rose by 22.3% to 18.0 million TEU in the first half of 2018. Excluding QPI, equity throughput increased by 14.9% to 16.2 million TEU.

For the six months ended 30 June 2018, throughput generated from the Greater China region increased by 23.9% to 44.6 million TEU accounting for 78.6% of the Group's total. Throughput from the Mainland China (excluding Hong Kong and Taiwan) increased by 25.9% to 42.1 million TEU, accounting for 74.2% of the Group's total.

Nantong Tonghai Terminal officially commenced operation on 30 June 2018. The terminal has three container berths and one bulk berth. The Group acquired 51% equity interests in Nantong Tonghai Terminal in 2017 for a total consideration of about RMB105 million. The annual handling capacity for container and bulk will be 1.47 million TEU and 5.37 million tons respectively; apart from the feeder services for export and import, the terminal has Japan and local direct routes. All the domestic and foreign trade companies will be migrated from Langshan Port to Nantong Port phase by phase started from August and will complete the migration from old port to the new one by the end of the month. Nantong Tonghai Terminal is expected to have throughput of approximately 250,000 TEU for 2018.

Currently, the Group is diversifying its business to terminal extended supply chain services to further enhance its profitability. The 5,412 mu of land outside Nantong Tonghai Terminal, which was granted by the Nantong Municipal government, enables the Group to develop container freight station and logistic park, a new model of integrated development and operation of terminal parks. With all these resources, the Group will step up the development of the Nantong Tonghai logistic project to enhance the competitiveness of the terminal and increase its profitability.

Fueled by increased calls by the OCEAN Alliance and shipping alliances, overseas terminals portfolio delivered strong growth with total throughput increased by 36.8% to 12.1 million TEU for the six months ended 30 June 2018 and accounted for 21.5% of the Group's total. Throughput of NPH Group in Spain was 1.8 million TEU in the first half of 2018; throughput of Piraeus Terminal in Greece increased by 18.4% to 2.1 million TEU. With a new berth added in January 2018, throughput of COSCO-PSA Terminal surged 63.3% to 1.6 million TEU.

In May 2018, the Group strategically allied with Port of Zeebrugge, the Port authority of Zeebrugge which will acquire 5% equity interests in CSP Zeebrugge Terminal, and plan not only to develop the terminal into a strategic hub port but also an ultra-logistics platform to serve continental Europe and the British Isles. The Group completed the acquisition of the remaining 76% equity interest in CSP Zeebrugge Terminal in November 2017 and made it a wholly-owned subsidiary. The Group is dedicated to the strategic development of CSP Zeebrugge Terminal by enhancing its management and services, and forming strategic partnerships for its long-term development.

In order to make full use of the existing terminal resources to meet the needs of customers, COSCO SHIPPING Ports actively developed extended terminal services. In May 2018, the Group formed strategic alliance with GLP China Holdings Limited ("GLP") and Eshipping Global Supply Chain Management (Shenzhen) Company Limited by signing a cooperation memorandum of understanding. By partnering with GLP and with its experiences in logistic development and operation, COSCO SHIPPING Ports can better utilise its existing terminals and lands outside the terminals to provide warehousing services to clients, and thus create a new business model and value beyond the limits of traditional seaborne logistics. Cooperation of the three parties will begin in China at COSCO SHIPPING Ports' terminals and gradually expand into its global network.

Prospects

Looking ahead, challenges remain in the second half of 2018 with various uncertainties; Sino-US trade frictions, particularly, may negatively impact economic growth. However, with a solid foundation laid, COSCO SHIPPING Ports remains cautiously positive about the prospect. As one of the world's leading ports operator, COSCO SHIPPING Ports will continue to grow its capacity with the ongoing support from the OCEAN Alliance and the synergies with its parent company, which is its unique competitive advantage. Though expected to be least impact by the Sino-US trade frictions, COSCO SHIPPING Ports will continue to optimise the cost structure and enhance operational efficiency against the backdrop of uncertainties casting shadow over the macro environment.

At present, various trainings on Navis N4 system were held to train staff for a better preparation of deploying the terminal operating system to the terminals of its subsidiaries, so as to enhance terminal operating efficiency. COSCO SHIPPING Ports remains steadfastly committed to building well-balanced terminal network with extended services to meet the needs of shipping alliances; the Group will continue to prudently seize development opportunity to strengthen its global network of terminals –

the investment in one of the local port authorities in China and the projects in Latin America, Africa and Southeast Asia, to provide more efficient and comprehensive services to meet the needs of the shipping alliances.

Abu Dhabi Terminal will start trial operation by the end of this year and will officially commence operation in the first quarter of 2019, with annual designed capacity of 2.5 million TEU. The terminal is the first overseas greenfield subsidiary of COSCO SHIPPING Port, which is of great significance for the Group to build strategic ports. With the support from parent company and the OCEAN Alliance, Abu Dhabi Terminal is set to be a new gateway for the parent company and the OCEAN Alliance in the Middle East.

COSCO SHIPPING Ports continued to extend its international footprint with an aim to build a balanced portfolio of terminals across an extensive network.

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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 Terminals portfolio covers the five main port regions in Mainland China, Southeast Asia, Middle East, Europe and the Mediterranean. 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". 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.

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 2018 Interim Results Announcement.

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