

Press Release

COSCO SHIPPING Ports Announces Disposal of Interest in Various Port Assets and Possible Disposal of Taicang Terminal and Jiangsu Petrochemical Terminal Committed to Optimizing Terminal Portfolio in the Yangtze Delta and Enhance Profitability

Hong Kong – 20 September 2019 – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “Company”, HKEX stock code:1199), a leading ports operator in the world, announced on 18 September 2019, the Company (as seller) entered into the Longtan Share Purchase Agreement, Yuanyang Share Purchase Agreement and Zhangjiagang Share Purchase Agreement with SIPG (HK) (as purchaser), in relation to the sale and purchase of the Company’s indirect interests in Nanjing Longtan Terminal (via Longtan SPV), Yangzhou Yuanyang Terminal (via Yuanyang SPV and Zhangjiagang SPV) and Zhangjiagang Terminal (via Zhangjiagang SPV), respectively. It is estimated that the Company would get around RMB 2.32 billion, including aggregated consideration under the Share Purchase Agreements of approximately RMB1.06 billion (equivalent to approximately HK\$1.18 billion) and an outstanding amount of approximately RMB 1.26 billion of payables owing to the Company and its associates (as of 31 August 2019). The disposal of interest in various port assets is our response to industrial development and changes in the region. The profit and throughput contribution from Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal is comparatively small. The Company will continue to optimize the terminal portfolio in Yangtze Delta, strengthen the development of Nantong Tonghai Terminal and CSP Wuhan Terminal and continue to develop hub port in the Yangtze Delta region.

After completion of the Share Purchase Agreements, the Company will cease to own any interest in any of the Target Companies, Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal. Each of Longtan SPV, Yuanyang SPV, Zhangjiagang SPV, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal will cease to be a subsidiary of the Company following the Transactions and Nanjing Longtan Terminal will cease to be an associate of the Company.

Pursuant to the Longtan Share Purchase Agreement, the Company agreed to sell and the Purchaser agreed to purchase the Longtan Sale Shares, representing 100% of the total issued share capital of Longtan SPV. The consideration for the sale and purchase of the Longtan Sale Shares pursuant to the Longtan Share Purchase Agreement is approximately RMB367,306,000 (equivalent to approximately HK\$406,607,000). As at 31 August 2019, Longtan SPV and Nanjing Longtan Terminal together have an outstanding amount of approximately US\$27,000,000 (equivalent to approximately HK\$214,000,000) of payables owing to the Company and its associates.

Pursuant to the Yuanyang Share Purchase Agreement, the Company agreed to sell and the Purchaser agreed to purchase the Yuanyang Sale Shares, representing 100% of the total issued share capital of Yuanyang SPV. The consideration for the sale and purchase of the Yuanyang Sale Shares pursuant to the Yuanyang Share Purchase Agreement is approximately RMB316,039,000 (equivalent to approximately HK\$349,855,000). As at 31 August 2019, COSCO SHIPPING Ports Investments (Shanghai) Co. Ltd. and COSCO SHIPPING Ports Development Co., Limited, both being wholly-owned subsidiaries of the Company, and COSCO SHIPPING Finance Co., Ltd., being a subsidiary of COSCO SHIPPING, have provided Yangzhou Yuanyang Terminal the Yuanyang Loan with a total outstanding amount of RMB835,500,000 (equivalent to approximately HK\$925,000,000). In addition, Yuanyang SPV and Yangzhou Yuanyang Terminal together have an outstanding amount of approximately US\$26,000,000 (equivalent to approximately HK\$201,000,000) of payables owing to the Company and its associates as at 31 August 2019.

Pursuant to the Zhangjiagang Share Purchase Agreement, the Company agreed to sell and the Purchaser agreed to purchase the Zhangjiagang Sale Shares, representing 100% of the total issued share capital of Zhangjiagang SPV. The consideration for the sale and purchase of the Zhangjiagang Sale Shares pursuant to the Zhangjiagang Share Purchase Agreement is approximately RMB380,774,000 (equivalent to approximately HK\$421,517,000). As at 31 August 2019, Zhangjiagang SPV and Zhangjiagang Terminal together have an outstanding amount of approximately US\$7,000,000 (equivalent to approximately HK\$56,000,000) of payables owing to the Company or its associates.

In addition, the Board would like to further announce that the Company also intends to dispose all of the Company's indirect interests in Taicang Terminal and Jiangsu Petrochemical Terminal. As at 18 September, no agreement has been entered into by the Group in relation to such disposals.

Mr. FENG Boming, Chairman of COSCO SHIPPING Ports, said, "The Transactions are in line with the Company's strategic plan to divest assets in order to achieve capital recycling, which will add momentum for the future development. The Company aims to improve asset quality, optimize domestic terminal portfolio and improve operating efficiency of the Company. Disposal of interest in various port assets, the throughput and profit contribution from which is relatively small, will further streamline our terminal portfolio and enhance our profitability. The Company is committed to building global terminal network with controlling stakes and strengthening control and management of the ports and terminals business. The Company believes that the Transactions could improve the overall quality of the Company's terminal portfolio in the Yangtze Delta Region, which is in the interests of the Group and the Shareholders as a whole."



Definitions

“Longtan Share Purchase Agreement” refers to the share purchase agreement dated 18 September 2019 entered into between the Company and the Purchaser in relation to the sale and purchase of the Longtan Sale Shares “Longtan SPV” COSCO Ports (Nanjing) Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company

“Yuanyang Share Purchase Agreement” refers to the share purchase agreement dated 18 September 2019 entered into between the Company and the Purchaser in relation to the sale and purchase of the Yuanyang Sale Shares

“Zhangjiagang Share Purchase Agreement” refers to the share purchase agreement dated 18 September 2019 entered into between the Company and the Purchaser in relation to the sale and purchase of the Zhangjiagang Sale Shares

“Longtan SPV” refers to COSCO Ports (Nanjing) Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company

“Yuanyang SPV” refers to COSCO Ports (Yangzhou) Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company

“Zhangjiagang SPV” refers to Win Hanverky Investments Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company

“Nanjing Longtan Terminal” refers to Nanjing Longtan Container Co., Ltd.*南京港龍潭集裝箱有限公司, a company incorporated in the PRC, of which Longtan SPV holds 16.14% of the shares

“Yangzhou Yuanyang Terminal” refers to Yangzhou Yuanyang Terminal International Ports Co., Ltd.* 揚州遠揚國際碼頭有限公司, a company incorporated in the PRC, of which Yuanyang SPV holds 51% of the shares and Zhangjiagang Terminal holds 9% of the shares

“Zhangjiagang Terminal” refers to Zhangjiagang Win Hanverky Container Terminal Co., Ltd.* 張家港永嘉集裝箱碼頭有限公司, a company incorporated in the PRC, of which Zhangjiagang SPV holds 51% of the shares

“COSCO SHIPPING” refers to China COSCO Shipping Corporation Limited *中國遠洋海運 集團有限公司, the ultimate controlling shareholder of the Company and a state-owned enterprise in the PRC

“Group” refers to the Company and its subsidiaries

“Taicang Terminal” refers to Taicang International Container Terminal Co., Ltd.*太倉國際 集裝箱碼頭有限公司, a company incorporated in the PRC, of which CSPI holds 39.04% of the shares

“Jiangsu Petrochemical Terminal” refers to Jiangsu Yangtze Petrochemical Co., Ltd.*江蘇長江石油化工 有限公司, a company established in the PRC, of which CSPD holds 30.40% of the shares

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, South America and the Mediterranean Sea. As at 30 June 2019, CSP operated and managed 288 berths at 37 ports worldwide, of which 197 were for containers, with a combined annual handling capacity of 110 million TEU. 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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