

COSCO SHIPPING Ports FY2016 Final Results Press Conference



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

The Ports For ALL

FY 2016 Results Highlights

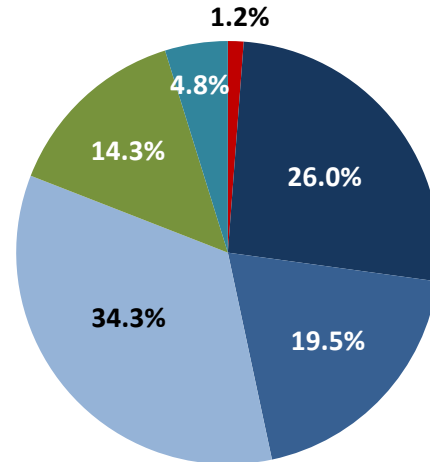


US\$ m	FY2015	FY2016	YoY
Revenue	550.2	556.4	+1.1%
Gross profit	199.1	199.1	-
GPM	36.2%	35.8%	-0.4pp
Admin & other operating expenses	(54.6)	(104.4)	+91.1%
Net finance expenses	(32.5)	(37.3)	+14.9%
Share of profits from JVs and associates	221.1	200.2	-9.4%
PBT	333.1	257.6	-22.7%
Tax expenses	(42.4)	(48.2)	+13.5%
PAT	290.7	209.4	-28.0%
Profit attributable to shareholders from			
- continuing operations	267.3	180.9	-32.3%
- discontinued operations	162.0	66.1	-58.9%
Profit attributable to shareholders for the year	429.3	247.0	-42.5%

Terminal Throughput by Region

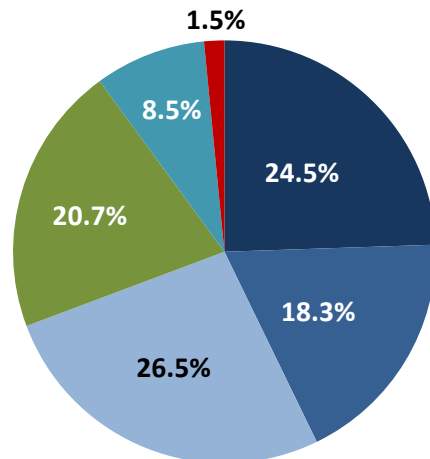


Total throughput
+5.1% to 95.1m TEU



- Pearl River Delta : -2.1% to 24.7m TEU
- Yangtze River Delta : -3.0% to 18.5m TEU
- Bohai Rim : +4.5% to 32.6m TEU
- Overseas : +36.8% to 13.6m TEU
- Southeast coast and others : +9.8% to 4.5m TEU
- Southwest coast : +23.6% to 1.1m TEU

Equity throughput
+5.0% to 29.5m TEU



- Pearl River Delta : -2.1% to 7.2m TEU
- Yangtze River Delta : -6.5% to 5.4m TEU
- Bohai Rim : +5.8% to 7.8m TEU
- Overseas : +25.4% to 6.1m TEU
- Southeast coast and others : +8.4% to 2.5m TEU
- Southwest coast : +23.6% to 0.5m TEU

2016 Awards



- **“Gold Award in Corporate Governance, Environmental Responsibility and Investor Relations”** from The Asset magazine;
- **“Outstanding China Enterprise Award”** from Capital magazine for the fifth consecutive year;
- **“Best Investor Relations Company”** from Corporate Governance Asia magazine for the fifth consecutive year;
- **“Shipping In-House Team of the Year”** from Asian Legal Business, a well-recognised professional magazine, for the fourth consecutive year;
- Named amongst the top 10 in-house legal teams of the **“Most Innovative In-House Legal Team”** Ranking by Financial Times, a well-recognised business newspaper; and
- The 2015 Annual Report was awarded **“Excellence Award for H Share & Red Chip Entries”** by Hong Kong Management Association and recognised with **“Chairman’s Letter Silver Award”** and **“Written Text Honors”** in the Marine Transportation category at the 2016 ARC Awards.



Five-Year Strategies



- **Completion of reorganisation**
 - Transformed into a pure terminal operator
- **Renamed to “COSCO SHIPPING Ports Limited”**
 - Reflects the Company’s strategic goals and more focused business
 - Highlights the synergies with parent COSCO Shipping
- **New Vision “The Ports for ALL”**
 - Actively building a global ports network, creating a win-win platform that maximises value for all parties, connecting global routes and becoming truly “the ports for all people”
- **Five-Year Strategies**
 - Globalisation
 - Synergies
 - Control

Good beginning of implementing the three strategies

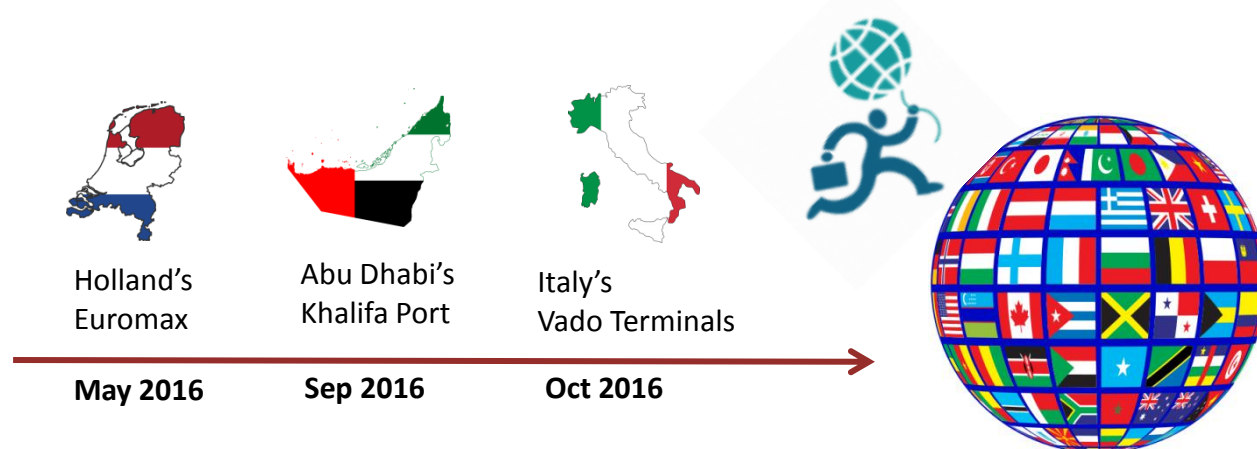
	Globalisation	Synergies	↑Control	↑Volume	↑Efficiency
Cooperation with PSA on large-scale container berths in Singapore		✓		✓	✓
Acquisition of 35% equity interest in Euromax	✓	✓		✓	
Acquisition of 90% equity interest in Khalifa Port Container Terminal	✓	✓	✓	✓	
Acquisition of 40% equity interest in Vado Terminals	✓	✓		✓	
Co-management of berths in Kwai Tsing Terminals with HPHT		✓		✓	✓
Acquisition of 16.82% of equity interest of Qingdao Port International		✓	✓		

Globalisation

Developing a global terminals portfolio:

- Actively seeking terminal assets on a global basis that offer good intrinsic value and long-term returns, so as to develop a comprehensive, well-balanced global terminals network
- We prioritise control, the capability of generating higher shareholder returns, as well as the value brought to our terminal network at large
- Target locations: Europe, Central and Southern America, SE Asia, Africa
- The pace of our globalisation has accelerated since 2016

Announced 3 overseas acquisitions in 2016



Synergies



Bringing into full play the synergies with parent company COSCO SHIPPING's container fleet and the OCEAN Alliance:

- Fully exploiting the dominance arising from COSCO SHIPPING's container fleet and seizing significant market share within the OCEAN Alliance
 - COSCO Shipping's container fleet represent ~8% of global container capacity or about 1.6m TEU
 - OCEAN Alliance will represent ~26% of global container capacity or about 5.5m TEU, and set to dominate Asia-Europe and Trans-Pacific
- Volume commitment from COSCO SHIPPING and the OCEAN Alliance
- Enhanced bargaining power in bidding for terminal projects

Control

Strengthening control and management of the terminals business:

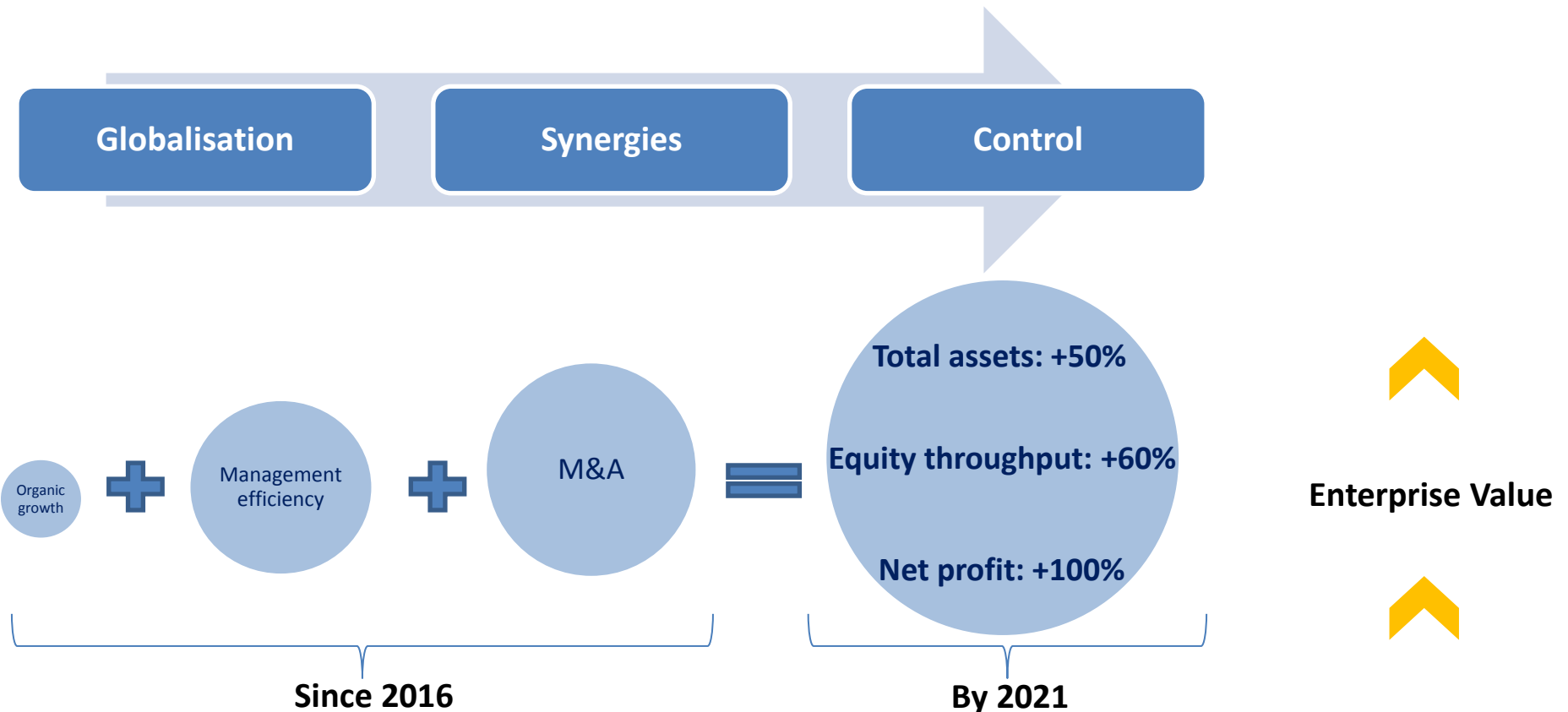
- Increase the proportion of terminals with controlling stakes
 - Raise COSCO SHIPPING Ports' bargaining power in terminal operations
 - Apply the Group's successful experience with PCT to the entire terminals portfolio
- Carry out equity investments in port groups strategically
 - Strengthen the Group's leading position in the Greater China region
 - Enable our participation in management of entire ports
 - Fully enjoy the development potential of entire port districts in future
- Adopt a standardised management and information system for all terminals with controlling stakes
 - The headquarter can monitor the operations of all terminals in real time and regularly assess business performance with standardised indicators
 - Raise management efficiency of the terminal companies

Five-Year Goals



The Ports For ALL

Actively building a global ports network, creating a win-win platform that maximises value for all parties, connecting global routes and becoming truly “the ports for all people”



Q & A



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