Press Release **24 August 2016**

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

2016 Interim Results

Results Highlights

- On 18 March 2016, the Company completed the acquisition of all the issued shares of China Shipping Ports Development Co., Limited ("CSPD"), which became a wholly owned subsidiary of the Company. The adoption of merger accounting has resulted in changes in certain relevant comparative figures, which have been restated to conform with the current year's presentation.
- On 24 March 2016, the Company completed the disposal of Florens Container Holdings Limited ("FCHL", representing the container leasing, management and sale, and related businesses of the Group), and FCHL ceased to be a subsidiary of the Company. The Group recognised a gain of approximately US$59,021,000 from the disposal of FCHL. For the three months ended 31 March 2016, FCHL contributed a profit attributable to the equity holders of the Company of US$7,073,000 (for the six months ended 30 June 2015: US$49,667,000).
- Global economic recovery remained sluggish and China reported negative growth in its foreign trade during the first half of 2016, both of which constituted pressure on the Group's container terminals business. The Group's revenue fell by 0.6% to US$274,983,000 (corresponding period of 2015: US$276,538,000). Amongst which, Piraeus Container Terminal S.A. ("Piraeus Terminal") and Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") reported relatively outstanding operational performance, with revenues rising by 13.2% to US$88,742,000 (corresponding period of 2015: US$78,393,000) and by 7.0% to US$76,966,000 (corresponding period of 2015: US$71,923,000) respectively. However, increases from the two terminals were offset by the decrease in revenues from some terminal companies in which the Group has controlling stakes in China.
- Despite a slight fall of 0.6% in the revenues, the operational performance of some terminals in which the Group has controlling stakes improved significantly, driving the Group's gross profit to increase by 4.1% to US$107,357,000 (corresponding period of 2015: US$103,102,000). Gross profit margin rose by 1.7 percentage points to 39.0% (corresponding period of 2015: 37.3%).
- Total share of profits less losses of joint ventures and associates dropped by 12.3% to US$98,095,000 (corresponding period of 2015: US$111,844,000).
- Equity throughput increased by 4.3% to 14,347,074 TEU (corresponding period of 2015: 13,760,603 TEU).
- Profit attributable to equity holders of the Company:
  - Profit attributable to equity holders of the Company dropped by 8.1% to US$171,948,000 (corresponding period of 2015: US$187,202,000).
  - Excluding the gain on disposal of all the issued shares of FCHL and profit for the period, profit attributable to equity holders of the Company dropped by 23.0% to US$105,854,000 (corresponding period of 2015: US$137,535,000).
- An interim dividend of HK18.0 cents per share (corresponding period of 2015: HK17.3 cents) has been declared. The dividend will be payable in cash and with a scrip dividend alternative, representing a payout ratio of 40.0%.

The board of directors (the “Board”) of COSCO SHIPPING Ports Limited (formerly known as “COSCO Pacific Limited”)(the “Company” or “COSCO SHIPPING Ports”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016.

Operational Review

In the first half of 2016, the global market was volatile and the recovery of the global economy remained sluggish. China’s economic growth continued to slow down, with the economy growing by merely 6.7% in the first half of the year over the corresponding period of last year, which was 0.3 percentage point lower than that of the corresponding period of 2015. The environment for foreign trade was not encouraging. China’s foreign trade in the first half of the year decreased by 3.3% compared with the corresponding period of last year, while its import and export decreased by 4.7% and 2.1% respectively. According to the statistics released by China Container Industry Association, as of June 2016, the container throughput of China increased to 105,326,100 TEU, a 2.5% increase compared with the corresponding period of last year, which was 3.6 percentage points lower than that of the corresponding period of 2015 at 6.1%. The gloomy global economy and trade have constituted pressure to the Group’s container terminals business.

As at 30 June 2016, there were 149 berths under the Group’s operating container terminals and the total annual handling capacity was 89,870,000 TEU. There were 20 bulk cargo berths in operation, with a total annual handling capacity of 49,950,000 tons.

During the period, the total container throughput of the Group’s terminals grew by 3.5% compared with the corresponding period of last year to 46,027,405 TEU (corresponding period of 2015: 44,468,891 TEU). The total equity throughput rose by 4.3% compared with the corresponding period of last year to 14,347,074 TEU (corresponding period of 2015: 13,760,603 TEU). The growth was mainly attributable to the continued outstanding performance of Piraeus Terminal. The acquired Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş. (“Kumport Terminal”) in Turkey and CJ Korea Express Busan Container Terminal Corp. (“Busan KBCT Terminal”) in Korea accounted for an aggregate equity throughput of 281,434 TEU (corresponding period of 2015: not applicable). Excluding the contribution from these two terminals, the growth of the equity throughput of the Group’s container terminals in the first half of this year was 2.2%.

Operation Status by Region

Throughput of the Greater China region accounted for 86.2% of the Group’s total throughput, rising by 0.5% to 39,675,802 TEU (corresponding period of 2015: 39,479,198 TEU). The throughput in Mainland China (excluding Hong Kong and Taiwan) accounted for 81.8% of the Group’s total throughput, rising by 0.9% to 37,655,316 TEU (corresponding period of 2015: 37,315,117 TEU).

The Bohai Rim region accounted for 35.0% of the Group's total throughput, reaching 16,101,111 TEU (corresponding period of 2015: 15,442,784 TEU), a 4.3% increase compared with the corresponding period of last year. The Yangtze River Delta region accounted for 20.1% of the Group's total throughput, reaching 9,306,485 TEU (corresponding period of 2015: 9,729,740 TEU), a 4.4% decrease compared with the corresponding period of last year. The Southeast Coast and other regions accounted for 4.6% of the Group's total throughput, reaching 2,114,601 TEU (corresponding period of 2015: 1,956,226 TEU), representing an increase of 8.1%. The Pearl River Delta region accounted for 25.3% of the Group's total throughput, reaching 11,622,980 TEU (corresponding period of 2015: 11,964,651 TEU), representing a 2.9% decrease compared with the corresponding period of last year. Following the reorganisation, the network of the Group in China has expanded to cover five main port clusters including Southwest Coast. Currently, the Group operates Qinzhou International Container Terminal Co., Ltd. in this region. During the period, the Southwestern coastal region accounted for 1.2% of the Group's total throughput, reaching 530,625 TEU (corresponding period of 2015: 385,797 TEU), a 37.5% increase compared with the corresponding period of last year, mainly driven by improved domestic trade in the region.

In respect of overseas operation, Kumport Terminal and Busan KBCT Terminal began to contribute to the Group's throughput since January this year and added an aggregate of 1,297,072 TEU to the Group's total throughput, driving up the throughput of the Group's overseas terminals by 27.3% compared with the corresponding period of last year to 6,351,603 TEU (corresponding period of 2015: 4,989,693 TEU), accounting for 13.8% of the Group's total throughput.

Summary of Reorganisation

Change of company name to "COSCO SHIPPING Ports" highlighting the advantage brought by reorganisation

At the special general meeting on 1 February 2016, the shareholders approved a business reorganisation proposal by a vast majority of votes. In March, the Group officially completed the reorganisation and was transformed to a pure terminal operator, concentrating resources on the terminals business. The acquisition of CSPD enabled the Group to acquire a basket of terminals assets, thereby further increasing its global network and market share. The Group's terminal network in China has also been extended to the Southwestern coastal region and covers China's five main coastal port clusters, consolidating the Group's dominant position in Greater China region.

During the course of reorganisation, the Group's management team and talent team have been further enhanced. A new strategic framework has also been established. The innovation in both management and business model has been driven forward. In order to define strategic objectives more clearly and fully reflect the Group's focus on developing as a professional port and terminal operator, as proposed by the board of directors and supported by the shareholders with a vast majority of votes, the Company has changed its name to "COSCO SHIPPING Ports Limited" on 22 July 2016.

Seizing the opportunity of this business reorganisation, the Group will better leverage the unique strength of the massive fleet of its parent company. Following the establishment of COSCO SHIPPING group on 18 February 2016, the size of the container shipping fleet further expanded to approximately 1,600,000 TEU, ranking fourth in the world. This will provide support to the Group both in terms of cargo volumes and shipping route network, enabling the Group to increase its competitive strength significantly in the global ports industry and be better positioned in expanding into overseas terminal market.

Accelerating expansion of terminal network around the globe and promoting balanced development

On 28 March 2016, the Group had entered into a cooperation agreement through its joint venture COSCO-PSA Terminal Private Limited ("COSCO-PSA Terminal") with PSA Corporation Limited ("PSA") in Shanghai in relation to the joint investment in a major container terminal in Singapore. The cooperation will further enhance the cooperation between the Group and PSA. According to the agreement, COSCO-PSA Terminal will exchange two old berths which it currently operates at the port of Pasir Panjiang in Singapore for 3 to 4 new berths of Phase 3 to 4 of the port. The new berths will commence operation in 2017. Given their quay length and equipment, the new berths are able to cater for the trend towards mega-vessels. Operational efficiency of the berths will be further increased so as to enhance the service level and competiveness.

On 11 May 2016, the Group announced the acquisition of 35% equity interest in Euromax Terminal Rotterdam B.V. ("Euromax") in Rotterdam for an aggregate consideration of Euro125,430,000. The completion is expected to take place in September. Euromax is principally engaged in the automatic container terminal business of Euromax Terminal Rotterdam, which is located at the area of Maasvlakte I of Port of Rotterdam in the Netherlands. The total area (including Phase 1 and Phase 2) is 1,210,000 square metres with a total quay length of 1,800 metres and a draft depth of 16.65 metres. The current operating capacity is around 2,550,000 TEU. In addition to being the largest port in Europe, the Port of Rotterdam has also long been the base port of COSCO SHIPPING group in Northwestern Europe. Not only does the Company's investment in container terminals in the port of Rotterdam conform to its strategies to invest in overseas hub ports, it also ties in with the hub strategy of COSCO SHIPPING group, creating positive synergy.

Since the second half of 2015, the Group has invested in four overseas projects successively, including the acquisition of Kumport Terminal in Turkey and Busan KBCT Terminal in South Korea, fully reflecting the determination and development strategy of the Group to build global container hubs. By establishing a diversified global terminal portfolio, the Group will be able to balance the operational risk among different regions more effectively and lay a strong foundation for the steady growth of its business in the long run.

Investor Relations

The Company has always regarded investor relations as an important aspect of corporate governance and has been seeking to further heighten the level of corporate information disclosure to make available to the market the development strategies and the latest business conditions of the Company. During the period, the Company participated in investor conferences organised by investment banks and conducted three roadshows. The Company met with a total of 117 investors, analysts and media representatives through one-on-one and group meetings.

During the period, with its high level of corporate governance, the Company has won the "Outstanding China Enterprise Award" from Capital magazine for the fifth consecutive year and the "Best Investor Relations Company" from Corporate Governance Asia Magazine for the fifth consecutive year.

Prospects

According to the World Economic Outlook released by the International Monetary Fund in July 2016, the organisation has marked down its global growth forecasts in light of the British exit from European Union, forecasting the growth rates of global economy and global trade in 2016 to be 3.1% and 2.7% respectively, which are close to the growth rates in 2015. This reflects the complex conditions of global economy and foreign trade, weak growth momentum and negative outlook.

In April this year, COSCO SHIPPING announced that COSCO Container Lines Company Limited, in conjunction with CMA CGM S.A., Orient Overseas Container Line Limited and Evergreen Marine Corp. (Taiwan) Ltd., formed a brand new shipping alliance ("OCEAN Alliance"), which is expected to commence operation officially in April 2017. By that time, with an aggregate shipping capacity of 6,700,000 TEU, the alliance will become the second largest shipping alliance in the world, thereby increasing the share and influence of COSCO SHIPPING in the global shipping market.

Looking ahead, COSCO SHIPPING Ports will fully leverage the advantages created by the massive fleet of COSCO SHIPPING and OCEAN Alliance, as well as enhance the operational collaboration and strategic synergy with its parent company. While reinforcing its leading position in the Greater China region, the Group will focus on its internationalisation strategy and accelerate the development of a global portfolio for its terminal business. The Company will reinforce development along the routes of "One Belt, One Road" and expand its network of container hub ports worldwide, thereby enhancing its capability to serve shipping companies and shipping alliances. The Company will also seek opportunities to invest in terminals with controlling stakes, to expand their presence and strengthen its control, with a view to enhancing the operating capability and efficiency of its terminal portfolio in a more effective manner. Meanwhile, the Company will actively drive the integration of its existing terminal portfolio, thereby optimising its terminals assets and quality of governance.

COSCO SHIPPING Ports will capture the golden opportunity arising from its reorganisation, continue to reinforce the Group's leading position in the global container terminal industry and provide quality services to shipping companies worldwide by leveraging its extensive experience in terminal operation and its unique strengths, with a view to achieving sustainable development and creating value for shareholders in the long run.

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2016 interim results announcement is available on the Company's website (http://ports.coscoshipping.com) and the designated website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk). For further inquiry, please contact:

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