

# COSCO SHIPPING Ports 1H2017 Results Press Conference



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

The Ports For ALL

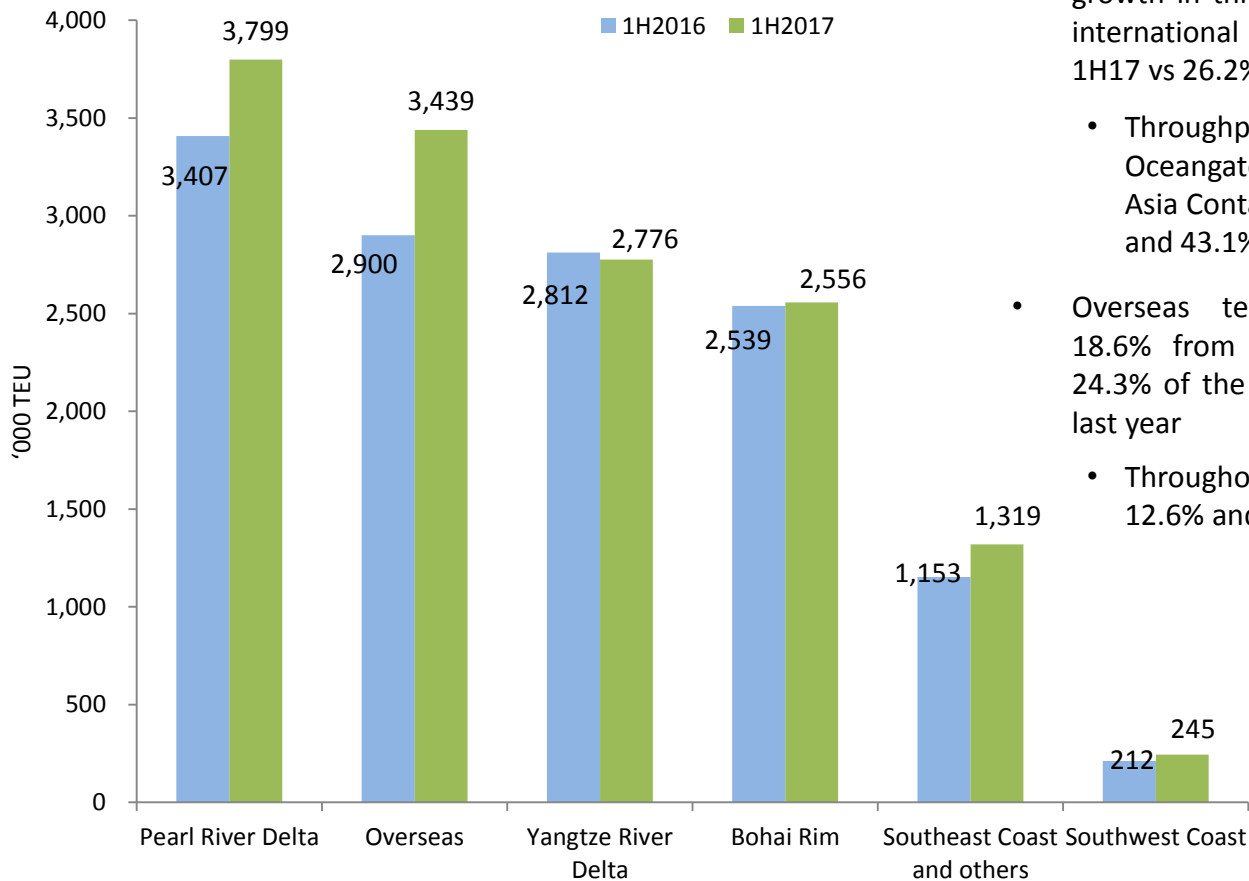
# 1H 2017 Results Highlights



	1H2017	1H2016		
Total container throughput (TEU)	<b>41.8mn</b>	37.4mn	+ 11.8%	<ul style="list-style-type: none"> <li>Excluded 2mths throughput of QPI in 1H17 and throughput of QQCT in 1H16 on a comparable basis</li> </ul>
Equity container throughput (TEU)	<b>14.1mn</b>	13.0mn	+8.5%	
<i>US\$ mn</i>				
<b>Revenue</b>	<b>275.8</b>	275.0	+0.3%	
Cost of sales	<b>177.2</b>	167.6	+5.7%	<ul style="list-style-type: none"> <li>PCT's cost of sales increased by 9.1% to US\$63mn in 1H17, resulted from higher D&amp;A (US\$10mn) as its phase 1 of pier 3 commenced operation in Sept 2016</li> </ul>
Share of profits from JVs and associates	<b>97.5</b>	98.1	-0.6%	<ul style="list-style-type: none"> <li>Only 2mths share profits from QPI in 1H2017 as the transaction completed in May 2017</li> </ul>
Disposal and others gains from QPI transaction	<b>322.4</b>	n/a	n/a	<ul style="list-style-type: none"> <li>A one-off exceptional gain of US\$285mn was recorded resulted from disposal of 20% in QQCT and completed subscription of 18.41% in QPI</li> </ul>
<b>EBITDA</b>	<b>211.0</b>	215.0	-1.9%	<ul style="list-style-type: none"> <li>EBITDA dropped 1.9%, included JV and associates, excluded QPI gains in 1H17 and discontinued operations in 1H16</li> </ul>
<i>EBITDA margin</i>	<b>76.5%</b>	78.2%		
<b>Profit attributable to equity holders of the Company</b>	<b>384.7</b>	171.9	+123.7%	1H17 adjusted net profit increased by 6.9% to US\$86mn, stripped off <ul style="list-style-type: none"> <li>PAT from one-off gain from QPI transaction</li> <li>2mths share profits from QPI in 1H17</li> <li>Profits in relation to discontinued businesses in 1H16</li> <li>Share of profits from QQCT in 1H16</li> </ul>
- <i>Continuing operations</i>	<b>384.7</b>	105.8	+263.6%	
- <i>Discontinued operations</i>	<b>n/a</b>	66.1	n/a	
<b>Basic EPS (US cents)</b>	<b>12.76</b>	3.57	+257.4%	
<b>Interim DPS (US cents)</b>	<b>1.32</b>	2.32		
<b>Payout ratio</b>	<b>40%*</b>	40%		<ul style="list-style-type: none"> <li>The Group is committed to a stable dividend policy</li> </ul>

\* Excluded one off exceptional items

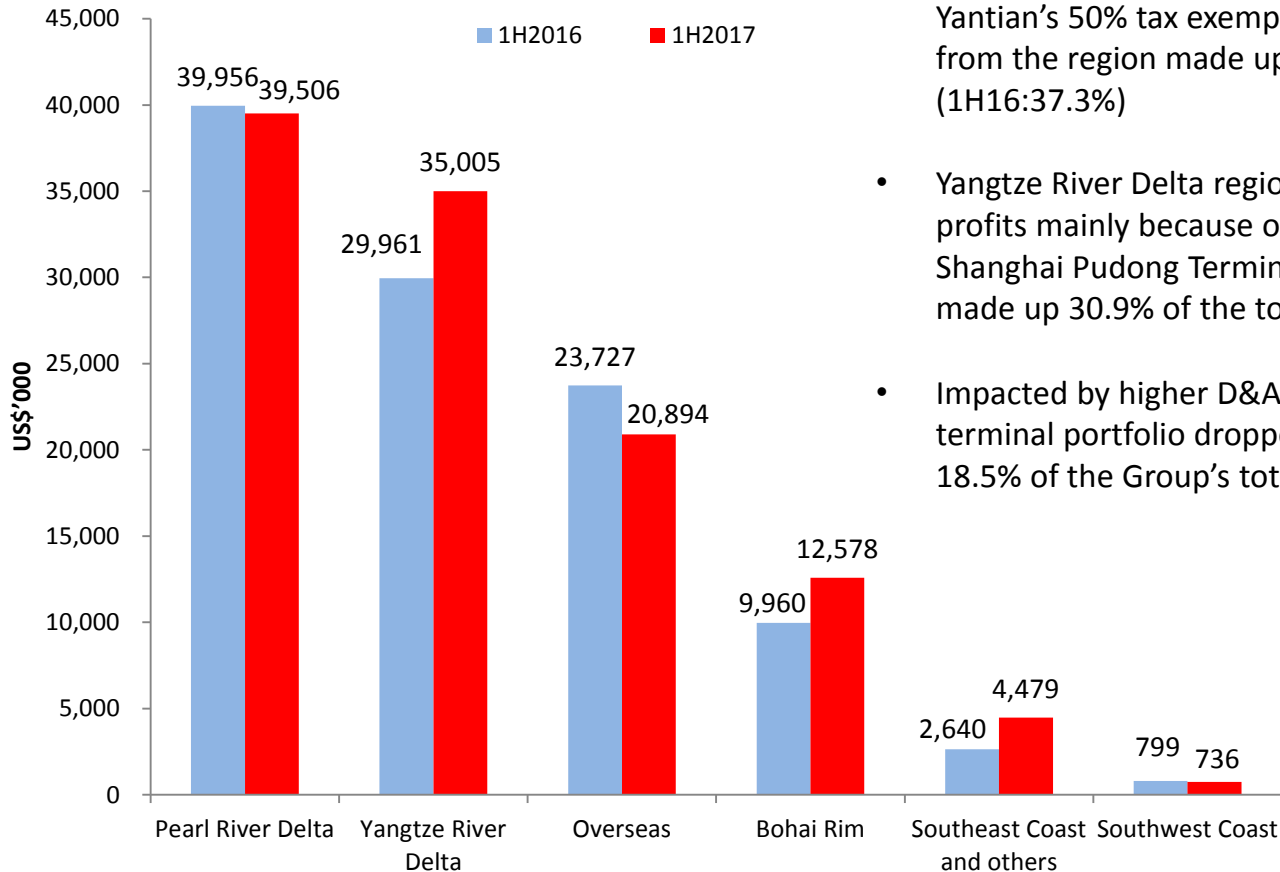
# Operations Review – Equity Throughput by region



- Pearl River Delta region achieved 11.5% growth in throughput backed by recovery of international trade, and made up 26.9% in 1H17 vs 26.2% last year
  - Throughput of Guangzhou South China Oceangate and COSCO-HIT Terminals and Asia Container Terminal increased 6.7% and 43.1% respectively
- Overseas terminal throughput increased 18.6% from last year, and accounted for 24.3% of the Group's, compared with 22.3% last year
  - Throughput of Kumport and PCT lifted 12.6% and 3.8% respectively in 1H2017

# Operations Review –

## Terminals Net Profit by region



- Profit from Pearl River Delta region dropped 1.1% as Yantian's 50% tax exemption expired in 2016. Profit from the region made up 34.9% of the total (1H16:37.3%)
- Yangtze River Delta region achieved 16.8% growth in profits mainly because of increased loaded boxes at Shanghai Pudong Terminal, profit from the region made up 30.9% of the total (1H16: 28.0%)
- Impacted by higher D&A of PCT, net profit of overseas terminal portfolio dropped 11.9% , and accounted for 18.5% of the Group's total (1H16:22.2%)

# Awards

- “Outstanding China Enterprise Award” from Capital magazine for the sixth consecutive year.
- “Best Investor Relations Company” from Corporate Governance Asia Magazine for the sixth consecutive year.
- In the beginning of 2017, the Hong Kong Institute of Directors published in its report on the HKIoD Corporate Governance Score-card 2016, COSCO SHIPPING Ports was honored as one of the ten companies with the highest CGI scores.

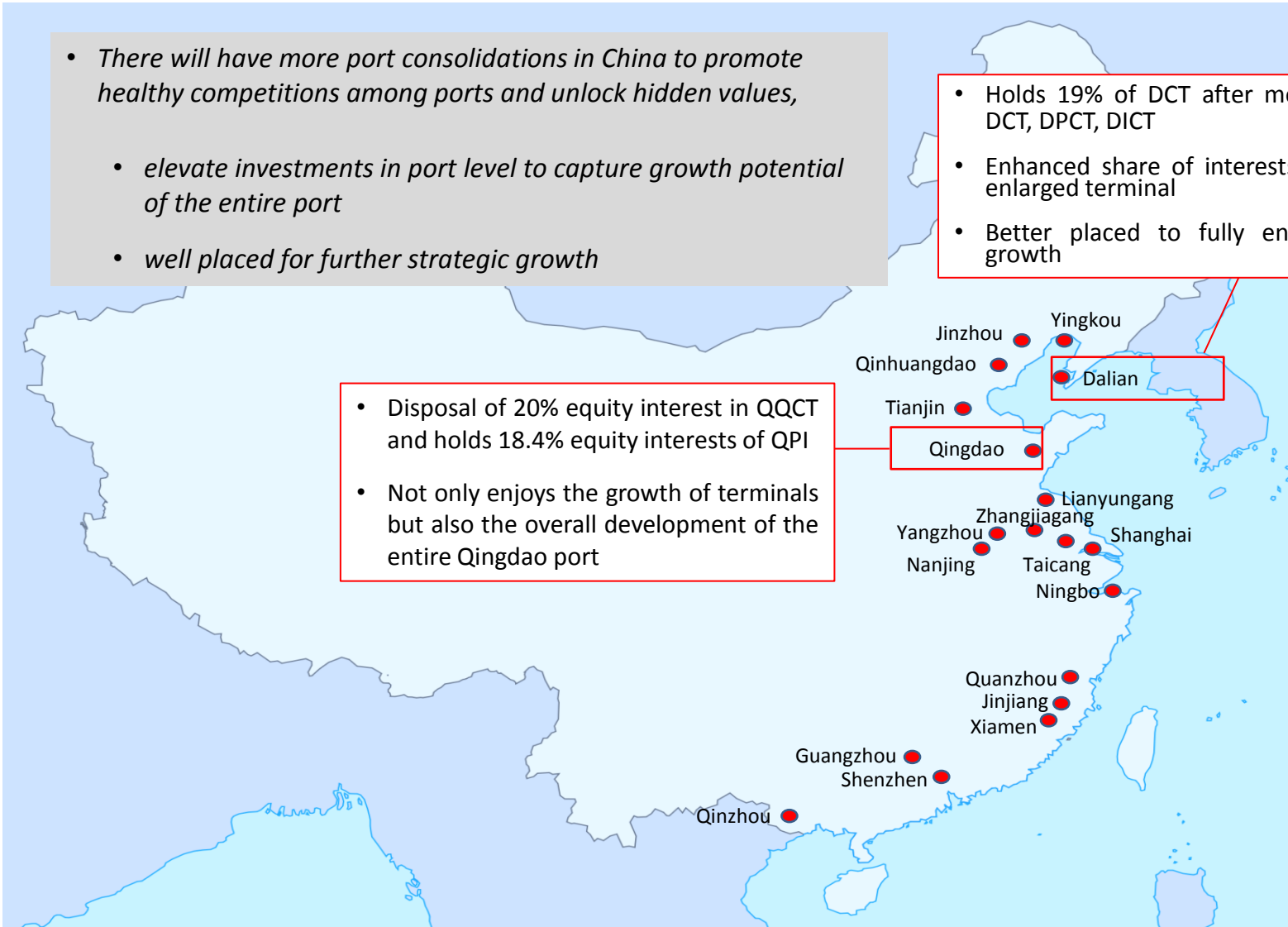


# Continue to benefit from Ports Consolidation in China

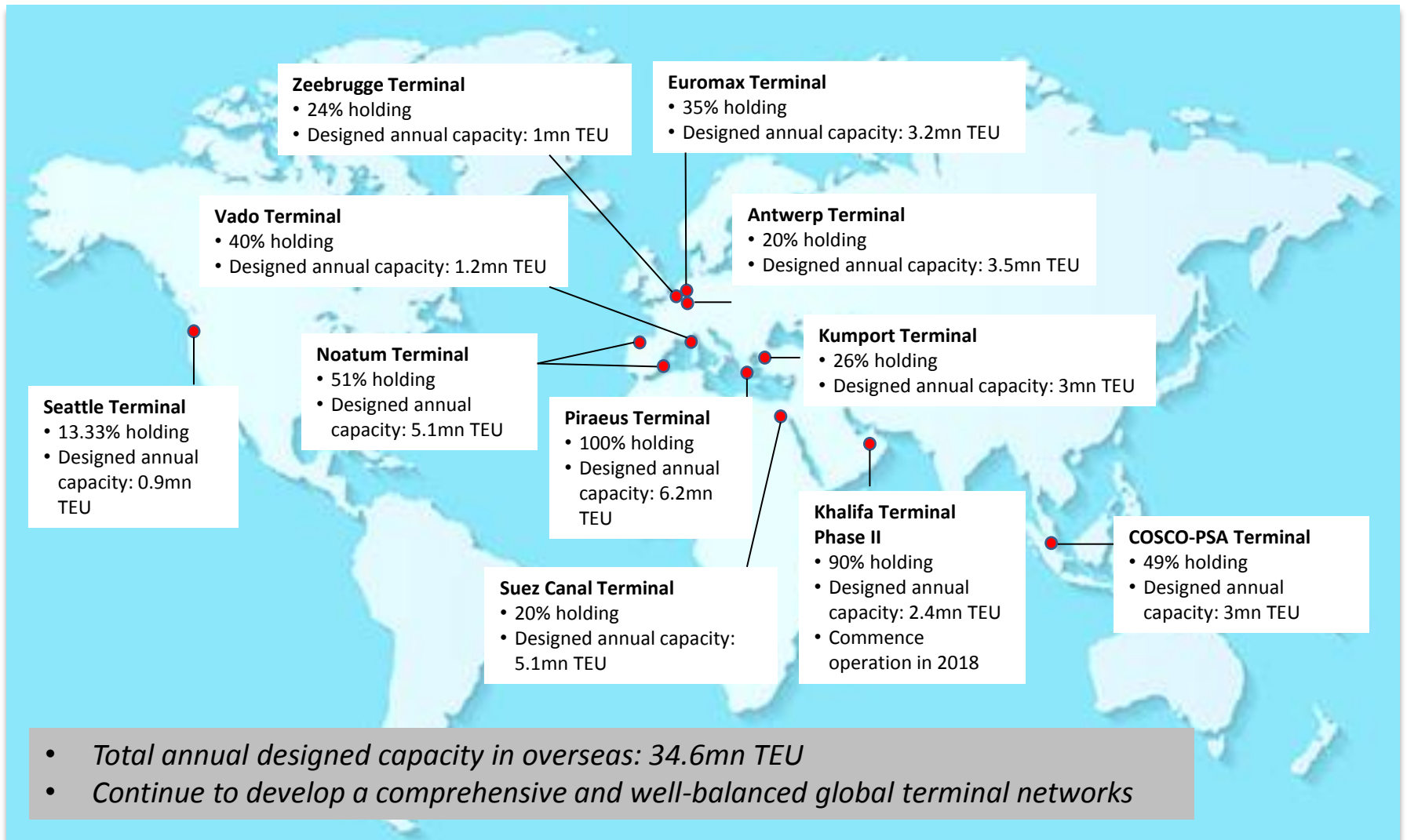
- *There will have more port consolidations in China to promote healthy competitions among ports and unlock hidden values,*
  - *elevate investments in port level to capture growth potential of the entire port*
  - *well placed for further strategic growth*

- Holds 19% of DCT after merger of DCT, DPCT, DICT
- Enhanced share of interests in the enlarged terminal
- Better placed to fully enjoy the growth

- Disposal of 20% equity interest in QQCT and holds 18.4% equity interests of QPI
- Not only enjoys the growth of terminals but also the overall development of the entire Qingdao port



# Overseas Portfolio – Globalization



- Total annual designed capacity in overseas: 34.6mn TEU
- Continue to develop a comprehensive and well-balanced global terminal networks

# FY2017 Outlook



## Industry Outlook

- IMF expected global trade volume of goods and services would record a year-on-year growth of 4.0% in 2017, up 1.7 percentage points from 2016's 2.3%

## Business Outlook

- 2H17 will better reflect the synergies with the Group's parent company and OCEAN Alliance
- Overseas portfolio is gearing up for a higher growth , we expect more throughput contributions from overseas
- Continue to explore overseas investments in Central and Southern America, SE Asia, Africa



# Q & A



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