

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## Revenue

- In 2016, the sluggish growth in the global economy and ports industry, as well as the decline in China's foreign trade compared with last year, put pressure on the growth of the Group's terminals business. The Group's revenue increased by 1.1% to US\$556,377,000 (2015: US\$550,217,000). Within this, Piraeus Terminal and Guangzhou South China Oceangate Terminal recorded significant growth in their revenues. The throughput of Piraeus Terminal rose to 3,470,981 TEU (2015: 3,034,428 TEU), a 14.4% increase, generating a revenue of US\$176,226,000 (2015: US\$156,126,000), a 12.9% increase compared with last year. However, the bulk cargo throughput of certain controlling terminals in 2016 decreased compared with last year, partially offsetting the increase.

## Gross Profit

- Cost of sales for 2016 was US\$357,294,000 (2015: US\$351,128,000), a 1.8% increase compared with last year. As a result, gross profit margin decreased slightly by 0.4 percentage points to 35.8% (2015: 36.2%) due to the increase in cost of sales. Gross profit remained flat at US\$199,083,000 (2015: US\$199,089,000).

## Profit

- Profit from the terminals business of the Company was US\$242,898,000 (2015: US\$286,584,000), a 15.2% decrease compared with last year, partly due to the provision for impairment loss recognised for Qinhuangdao Port Co., Ltd. ("Qinhuangdao Port") of US\$19,800,000. Excluding the provision for impairment loss made for Qinhuangdao Port, profit from the terminals business for 2016 was US\$262,698,000 (2015: US\$286,584,000), an 8.3% decrease compared with last year.

- Profit attributable to equity holders of the Company dropped by 42.5% to US\$247,031,000 (2015: US\$429,313,000). Excluding discontinued operations<sup>1</sup>, profit attributable to equity holders of the Company dropped by 32.3% to US\$180,937,000 (2015: US\$267,312,000)

## Assets and Liabilities

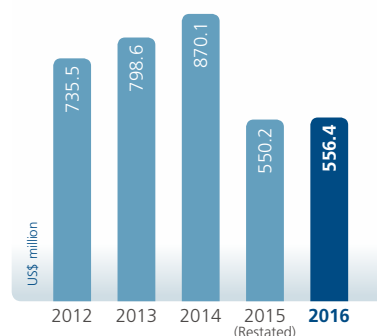
- As at 31 December 2016, the Group's total assets and total liabilities were US\$6,786,456,000 (31 December 2015: US\$8,860,645,000) and US\$2,020,652,000 (31 December 2015: US\$2,593,569,000) respectively. Net assets were US\$4,765,804,000, a 24.0% decrease as compared with that of US\$6,267,076,000 as at 31 December of 2015. The decrease was mainly due to the decrease in overall net assets as a result of the recognition of differences between the consideration for the acquisition of China Shipping Ports Development Co., Limited and its net asset value of US\$1,164,077,000 reflected as the distribution of cash dividends (including conditional special cash dividend) during the year.

## Dividend

- The proposed final dividend is HK7.8 cents per share (2015: HK22.9 cents), and the dividend will be payable in cash and with a scrip dividend alternative. The full-year interim and final dividend amounted to HK25.8 cents<sup>3</sup> (2015: HK40.2 cents), representing a payout ratio of 40.0% (2015: not applicable<sup>2</sup>).

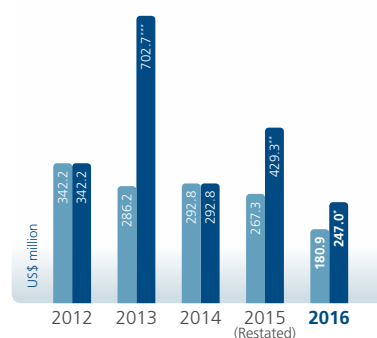
## Revenue

US\$556.4 million



## Profit Attributable to Equity Holders of the Company

US\$247.0\* million



- Excluding discontinued operations
- Including discontinued operations

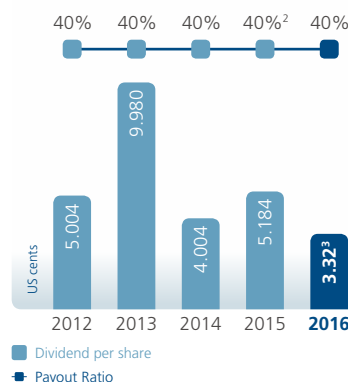
\* Including the gain on disposal of FCHL of US\$59,021,000 and the Group's share of profit from FCHL in 2016 of US\$7,073,000

\*\* Including the write back of provision on the disposal of CIMC in 2013 of US\$79,152,000 and Group's share of profit from FCHL in 2015 of US\$82,849,000

\*\*\* Including the gain on disposal of CIMC of US\$393,411,000 the Group's share of profit from CIMC in 2013 of US\$23,059,000

## Dividend per Share and Payout Ratio

US3.32<sup>3</sup> cents



- Dividend per share
- Payout Ratio

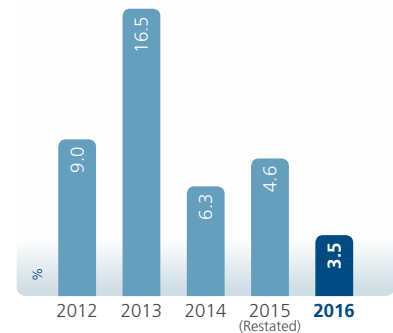
Results Highlights			
	2016	2015	Change
	US\$	US\$	%
Revenue	<b>556,337,000</b>	550,217,000	+1.1
Operating profit after finance income and finance costs	<b>57,365,000</b>	111,987,000	-48.8
Share of profit less losses of joint ventures and associates	<b>200,242,000</b>	221,139,000	-9.4
Profit attributable to equity holders of the Company (including discontinued operations) <sup>1</sup>	<b>247,031,000</b>	429,313,000	-42.5
Profit attributable to equity holders of the Company (excluding discontinued operations) <sup>1</sup>	<b>180,937,000</b>	267,312,000	-32.3
	US cents	US cents	%
Basic earnings per share (including discontinued operations) <sup>1</sup>	<b>8.30</b>	14.58	-43.1
Basic earnings per share (excluding discontinued operations) <sup>1</sup>	<b>6.08</b>	9.08	-33.0
Dividend per share	<b>13.637</b>	5.184	+163.1
– Conditional special cash dividend <sup>3</sup>	<b>10.317</b>	–	Not Applicable
– Interim dividend	<b>2.320</b>	2.236	+3.8
– Final dividend	<b>1.000</b>	2.948	-66.1
Payout ratio <sup>2 and 3</sup>	<b>40.0%</b>	Not Applicable	Not Applicable
	US\$	US\$	%
Consolidated total assets	<b>6,786,456,000</b>	8,860,645,000	-23.4
Consolidated total liabilities	<b>2,020,652,000</b>	2,593,569,000	-22.1
Consolidated net assets	<b>4,765,804,000</b>	6,267,076,000	-24.0
Capital and reserves attributable to the equity holders of the Company	<b>4,354,861,000</b>	5,849,081,000	-25.5
Consolidated net debts	<b>1,502,991,000</b>	2,087,004,000	-28.0
	%	%	ppt
Return on equity holders of the Company (excluding discontinued operations) <sup>1</sup>	<b>3.5</b>	4.6	-1.1
Return on total assets (excluding discontinued operations) <sup>1</sup>	<b>2.3</b>	3.0	-0.7
Net debt-to-total-equity ratio	<b>14.0</b>	18.6	-4.6
Interest coverage	<b>5.9 times</b>	7.1 times	-1.2 times
Dividend yield <sup>3</sup>	<b>3.3</b>	4.7	-1.4

Note :

- On 24 March 2016, the Company completed the disposal of Florens Container Holdings Limited (now known as Florens International Limited) ("FCHL"), and recorded a gain on disposal of US\$59,021,000. For the three months ended 31 March 2016 the profit of FCHL attributable to equity holders of the Company was US\$7,073,000 (full year of 2015: US\$82,849,000). In addition, the write back of provision of US\$79,152,000 was recognised for the discontinued container manufacturing business in 2015.
- According to 2015 annual report, the 2015 payout ratio was 40.0% (before restatement).
- In addition to interim and final dividends, the Company distributed a conditional special cash dividend of HK80.0 cents per share on 4 May 2016.
- The financial figures for the year 2012 to 2014 were extracted from the 2015 annual report. No retrospective adjustment for the common control combination during the year were made on the financial figures for the year 2012 to 2014.

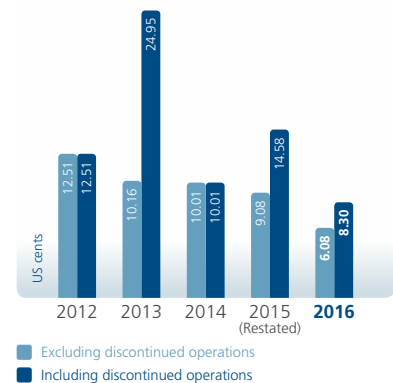
### Return on Equity Holders of the Company

3.5%



### Basic Earnings per Share

US 8.30 cents



### Net Debt-to-Total-Equity Ratio

14.0%

