



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

PRESS RELEASE

COSCO SHIPPING Ports Announces FY2020 Results

Capturing Strategic Development Opportunities

Continuing to Enhance Lean Operations

Hong Kong, 30 March 2021 – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “CSP” or the “Company”, SEHK: 1199), the world’s leading ports operator, today announced full-year results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2020.

2020 Fourth Quarter Results Highlight

- Revenue increased by 9.0% YoY to US\$277.9 million
- Gross profit increased by 19.4% YoY to US\$63.0 million
- Share of profits from joint ventures and associates increased by 24.1% YoY to US\$64.0 million
- Net profit rose by 11.0% YoY to US\$98.2 million

2020 Full-year Results Highlight

- Revenue reduced by 2.6% YoY to US\$1,000.6 million
- Gross profit reduced by 14.7% YoY to US\$232.6 million
- Share of profits from joint ventures and associates increased by 2.0% YoY to US\$272.7 million
- Net profit rose by 12.8% YoY to US\$347.5 million
- Net debt-to-total-equity ratio reduced by 7.2 percentage points to 26.8%
- Declared a second interim dividend of US 2.256 cents per share (equivalent to HK 17.5 cents per share), up 11.2% when comparing with 2019 final dividend of US2.028 cents per share (equivalent to HK15.7 cents per share). The Company declared a higher dividend on the back of satisfactory results in 2020 despite challenges brought by the COVID-19 Epidemic.

FINANCIAL REVIEW

The net profit for the fourth quarter of 2020 was up 11.0% YoY to US\$98.2 million, maintaining the recovery momentum. The satisfactory net profit for the fourth quarter was mainly driven



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by stronger revenue and satisfactory cost reduction.

The revenue for the fourth quarter of 2020 was up 9.0% YoY to US\$277.9 million. The gross profit in the fourth quarter was up by 19.4% YoY to US\$63.0 million. Apart from revenue growth, cost reduction was another driver to fuel the growth in gross profit. The cost of sales in the fourth quarter only increased by 6.2% YoY, compared to the revenue growth of 9.0% YoY. It showed the positive impact from our lean operations strategy. Share of profits from joint ventures and associates in the fourth quarter increased by 24.1% YoY to US\$64.0 million.

Although the epidemic has negatively affected our financial results in first half of 2020, the Company saw strong recovery momentum in the second half of the year. As a result, the full-year revenue in 2020 only slightly declined by 2.6% YoY to US\$1000.6 million. The 2020 net profit rose by 12.8% YoY to US\$ 347.5 million. Stripping off the terminal profit and disposal gain of Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal, Zhangjiagang Terminal and Jiangsu Petrochemical, the net profit amounted to US\$278.9 million in 2020, up 1.4% YoY.

Despite challenges brought by the epidemic, the Company declared a second interim dividend of US 2.256 cents per share (equivalent to HK 17.5 cents per share), representing an increase of 11.2 % as compared to the 2019 final dividend of US2.028 cents per share (equivalent to HK15.7 cents per share). The Company declared a higher dividend to reward its shareholders on the back of satisfactory results in 2020.

OPERATIONAL REVIEW

Despite challenges casted over global trade, COSCO SHIPPING Ports continuously implemented lean operations strategy in 2020. Total throughput was up 3.5% to 32,732,299 TEU in the fourth quarter of 2020 (4Q2019: 31,615,221 TEU), mainly driven by throughput growth of the Pearl River Delta, Southwest Coast and Overseas regions. The total throughput of the Group remained stable at 123,824,575 TEU in 2020 (2019: 123,784,335 TEU).



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2020 Fourth Quarter

- Total throughput rose by 3.5% YoY to 32,732,299 TEU
- Total throughput from subsidiaries decreased by 3.9% YoY to 5,858,390 TEU
- Total equity throughput increased by 1.3% YoY to 10,105,837 TEU

2020 Full-year

- Total throughput remained stable at 123,824,575 TEU
- Total throughput from subsidiaries decreased by 11.1% YoY to 22,328,730 TEU
- Total equity throughput decreased by 3.1% YoY to 38,456,239 TEU

Greater China

Total throughput of the Greater China region decreased by 0.4% to 95,380,835 TEU in 2020 (2019: 95,789,852 TEU) and accounted for 77.0% of the Group's total.

Bohai Rim

Total throughput of the Bohai Rim region increased by 3.0% to 41,884,560 TEU in 2020 (2019: 40,659,612 TEU) and accounted for 33.8% of the Group's total. In particular, throughput of QPI grew by 4.8% to 22,010,000 TEU (2019: 21,010,000 TEU).

Yangtze River Delta

Total throughput of the Yangtze River Delta region decreased by 27.0% to 14,768,442 TEU in 2020 (2019: 20,238,468 TEU) and accounted for 11.9% of the Group's total. The drop in throughput was mainly due to completion of the disposal of Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal by the Group. Excluding throughput of these three terminals, throughput of Yangtze River Delta region dropped by 8.7% to 14,688,593 TEU in 2020 (2019: 16,079,514 TEU). Benefitting from the strong recovery of domestic and foreign trade demand for the second half of the year, Nantong Tonghai Terminal made greater marketing efforts in increasing shipping services and introduced several new shipping services successfully with its throughput increased by 23.8% to 1,405,658 TEU (2019: 1,135,840 TEU). Thanks to the integrated operation of Chuanshan Port Area, the throughput of Ningbo Yuan Dong Terminal increased by 3.1% to 3,103,386 TEU (2019: 3,010,164 TEU). Shanghai Mingdong Terminal actively tapped domestic market in the second half of the year to drive container volume growth, seeing the throughput increased by 1.4% to 6,246,932 TEU (2019: 6,160,365 TEU).

Southeast Coast

Total throughput of the Southeast Coast region decreased by 5.8% to 5,445,662 TEU in 2020 (2019: 5,783,821 TEU) and accounted for 4.4% of the Group's total. Trade demand decreased significantly in the first half of the year due to the impact of the epidemic. However, as container shipping market gradually recovered in the second half of the year, the throughput of Xiamen Ocean Gate Terminal



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increased steadily by 0.4% to 2,070,159 TEU (2019: 2,061,341 TEU).

Pearl River Delta

Total throughput of the Pearl River Delta region increased by 1.6% to 27,898,470 TEU in 2020 (2019: 27,469,330 TEU) and accounted for 22.5% of the Group's total. Benefitting from new foreign trade shipping services, the throughput of Guangzhou South China Oceangate Terminal increased by 2.3% to 5,753,628 TEU (2019: 5,624,830 TEU).

Southwest Coast

Total throughput of the Southwest Coast region increased by 228.6% to 5,383,701 TEU in 2020 (2019: 1,638,621 TEU) and accounted for 4.3% of the Group's total, which was mainly because the throughput of Beibu Gulf Port was included since January 2020 and the throughput of Beibu Gulf Port amounted to 3,362,302 TEU in 2020.

Overseas

Total throughput of the overseas region increased by 1.6% to 28,443,740 TEU in 2020 (2019: 27,994,483 TEU) and accounted for 23.0% of the Group's total. Due to the decrease in global economic demand impacted by the epidemic, the throughput of Piraeus Container Terminal decreased by 5.1% to 4,896,886 TEU (2019: 5,158,626 TEU). The throughput of CSP Spain Terminals decreased by 5.5% to 3,387,820 TEU (2019: 3,585,276 TEU). Benefitting from new shipping services, the throughput of CSP Abu Dhabi Terminal increased by 72.3% to 665,500 TEU (2019: 386,258 TEU).

Outlook

Although the global macroeconomic condition is facing major challenges and countries around the world are still facing uncertainty brought by the COVID-19 Epidemic, COSCO SHIPPING Ports achieved continuous improvement in both throughput and earnings in the fourth quarter. Looking ahead to 2021, COSCO SHIPPING Ports will continue to improve its global terminal portfolio and realise the Company's scale expansion strategy by focusing on project development and overseas investment. The Company will also strengthen its operation and control system based on lean operations and management control capacities to enhance the quality and efficiency of the terminal portfolio, as well as dedicate its efforts to achieve the strategic goal of "becoming a customer centric and leading integrated ports operator in the world".

COSCO SHIPPING Ports will continue to capture opportunities such as asset merger and restructuring and sale of global terminals to expand the global terminal network. Acquisitions and disposals as well as accelerating expansion of supply chain extension projects help optimise the terminal portfolio. While promoting the growth in scale through its global network, the Group will continuously consolidate lean operations and strengthen management control capacity of the terminals. Moreover, the Group will actively improve the informatization and digitization, enhance asset quality and efficiency, maintain cost control effectively and strengthen marketing capabilities. The Group will also



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strengthen its communication and actively introduce routes with shipping companies to seek a development strategy that emphasises both full-scale development and profit growth, as well as strive to create greater value and bring better returns to its shareholders.

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About COSCO SHIPPING Ports (<https://ports.coscoshipping.com>)

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK) a leading ports operator in the world; its terminals portfolio covers the five main port regions in Mainland China, Southeast Asia, the Middle East, Europe South America and the Mediterranean. As at 31 December 2020, CSP operated and managed 357 berths at 36 ports worldwide, of which 210 were for containers, with a combined annual handling capacity of 118 million TEU. COSCO SHIPPING Ports has adopted "The Ports for ALL" as its mission and is working towards building a global terminal network with controlling stake that offers linkage effects on costs, services and synergies, a synergistic platform that offers mutual benefits to all in the shipping industry, connecting global routes and becoming truly "the ports for all people".

Please visit the Company's website <https://ports.coscoshipping.com> and the designated website of Hong Kong Exchanges and Clearing Limited <https://www.hkexnews.hk> for 2020 Full year Results Announcement.

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COSCO SHIPPING Ports Limited

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