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COSCO SHIPPING Ports Limited

中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

This announcement is made by the Company on a voluntary basis to enhance the practice of good corporate governance and further promote the transparency and accountability of the Company. The Company currently intends to continue to publish quarterly financial and operational highlights in the future.

The board of directors of COSCO SHIPPING Ports Limited (the “Company” or “COSCO SHIPPING Ports”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and the nine months ended 30 September 2019.

Announcement of Results for the Three Months Ended 30 September 2019

- Total throughput increased by 5.2% to 32,405,006 TEU
- Throughput from the terminal companies in which the Group has controlling stakes increased by 13.1% to 6,565,154 TEU
- Throughput from the Group’s non-controlling terminals rose by 3.4% to 25,839,852 TEU

Financial Highlights

3Q 2019 Financial Highlights

US\$ (million)

	3Q 2019	3Q 2018	Change (%)
Revenue	254.7	253.0	+0.7
Cost of sales	188.1	177.2	+6.1
Gross profit	66.6	75.8	-12.1
Share of profits from joint ventures and associates	71.3	69.4	+2.7
Profit attributable to equity holders of the Company	71.8	75.1	-4.4
Earnings per share – Basic (US cents)	2.28	2.46	-7.3

Nine Months 2019 Financial Highlights

US\$ (million)

	9 months 2019	9 months 2018	Change (%)
Revenue	772.6	748.4	+3.2
Cost of sales	552.6	515.2	+7.3
Gross profit	220.0	233.2	-5.7
Share of profits from joint ventures and associates	215.9	221.4	-2.5
Profit attributable to equity holders of the Company	219.6	244.1	-10.0
Earnings per share – Basic (US cents)	7.03	7.98	-11.9
Adjusted net profit attributable to equity holders of the Company ^{Note 1}	242.2	244.1	-0.8
Adjusted net profit attributable to equity holders of the Company ^{Note 2}	257.3	244.1	+5.4
Adjusted earnings per share – Basic (US cents) ^{Note 2}	8.24	7.98	+3.3

Note 1: Excluding one-off dilution effect on equity interests in Qingdao Port International Co., Ltd. (“QPI”). On 21 January 2019, QPI completed its A share offering and listed on the Shanghai Stock Exchange. As a result, the Group’s 18.41% equity interests in QPI was diluted to 17.12%. As the share of contribution from the A share offer is less than the cost of deemed disposal, the Group recognised a loss of US\$22,553,000 on deemed disposal of partial interest in QPI.

Note 2: Excluding one-off dilution effect on equity interests in QPI of US\$22,553,000 and financial impact of US\$15,138,000 from Hong Kong Financial Reporting Standards (“HKFRS”) 16 “Leases” which is effective from 1 January 2019 (the “New Lease Standard”).

Unaudited Condensed Consolidated Balance Sheet
As at 30 September 2019

	As at 30 September 2019 US\$ '000	As at 31 December 2018 US\$ '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,134,749	3,057,069
Right-of-use assets	965,995	-
Investment properties	17,450	17,871
Land use rights	-	262,507
Intangible assets	464,618	423,811
Joint ventures	1,279,715	1,269,250
Loans to joint ventures	23,723	23,812
Associates	2,523,565	2,578,830
Loans to associates	144,077	150,269
Financial asset at fair value through profit or loss	87,665	72,771
Financial assets at fair value through other comprehensive income	170,066	183,263
Deferred income tax assets	100,758	94,648
Other non-current assets	15,191	54,991
	<u>8,927,572</u>	<u>8,189,092</u>
Current assets		
Inventories	14,682	13,837
Trade and other receivables	242,701	235,421
Current income tax recoverable	3,468	413
Restricted bank deposits	99,528	63,674
Cash and cash equivalents	1,081,528	543,015
	<u>1,441,907</u>	<u>856,360</u>
Total assets	<u>10,369,479</u>	<u>9,045,452</u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	40,590	39,971
Reserves	4,795,782	5,125,241
	<u>4,836,372</u>	<u>5,165,212</u>
Non-controlling interests	<u>779,266</u>	<u>654,438</u>
Total equity	<u>5,615,638</u>	<u>5,819,650</u>

LIABILITIES**Non-current liabilities**

Deferred income tax liabilities	151,337	107,672
Lease liabilities	711,734	-
Long term borrowings	2,574,499	2,283,529
Loans from non-controlling shareholders of subsidiaries	183	685
Loans from a fellow subsidiary	-	8,870
Derivative financial instruments	10,729	7,358
Put option liability	215,763	-
Other long term liabilities	34,655	36,880
	<u>3,698,900</u>	<u>2,444,994</u>

Current liabilities

Trade and other payables and contract liabilities	637,554	565,209
Current income tax liabilities	26,339	16,079
Current portion of lease liabilities	34,892	-
Current portion of long term borrowings	50,430	87,824
Short term borrowings	302,710	108,550
Derivative financial instruments	3,016	3,146
	<u>1,054,941</u>	<u>780,808</u>

Total liabilities

4,753,841 3,225,802

Total equity and liabilities

10,369,479 9,045,452

Unaudited Condensed Consolidated Income Statement

	Note	Three months ended 30 September		Nine months ended 30 September	
		2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Revenues		254,658	252,951	772,573	748,408
Cost of sales		(188,078)	(177,198)	(552,614)	(515,161)
Gross profit		66,580	75,753	219,959	233,247
Administrative expenses		(34,801)	(29,141)	(92,851)	(89,599)
Other operating income, net	1	14,490	6,338	20,669	20,333
Operating profit		46,269	52,950	147,777	163,981
Finance income		2,707	3,193	8,055	8,874
Finance costs		(28,158)	(19,401)	(76,584)	(58,300)
Operating profit after finance income and costs		20,818	36,742	79,248	114,555
Share of profits less losses of					
- joint ventures		22,469	22,153	72,086	68,984
- associates		48,826	47,284	143,833	152,387
Profit before income tax		92,113	106,179	295,167	335,926
Income tax expenses		(9,999)	(17,071)	(40,926)	(50,904)
Profit for the period		82,114	89,108	254,241	285,022
Profit attributable to:					
Equity holders of the Company	2	71,812	75,094	219,606	244,082
Non-controlling interests		10,302	14,014	34,635	40,940
		82,114	89,108	254,241	285,022
Earnings per share for profit attributable to equity holders of the Company					
- Basic	3	US2.28 cents	US2.46 cents	US7.03 cents	US7.98 cents
- Diluted	3	US2.28 cents	US2.45 cents	US7.03 cents	US7.98 cents

Notes:

1. On 21 January 2019, QPI completed its A share offering and listed on the Shanghai Stock Exchange. As a result, the Group's 18.41% equity interests in QPI was diluted to 17.12%. As the share of contribution from the A share offer is less than the cost of deemed disposal, the Group recognised a loss of US\$22,553,000 on deemed disposal of partial interests in QPI.
2. For the three months and nine months ended 30 September 2019, profit attributable to equity holders of the Company included the financial impact of US\$9,127,000 and US\$15,138,000 respectively from HKFRS 16 "Leases" which is effective from 1 January 2019.
3. Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the three months and nine months ended 30 September 2019 of 3,146,270,750 and 3,124,118,015 respectively (three months and nine months ended 30 September 2018: 3,057,400,913 and 3,057,209,840 respectively).

Diluted earnings per share is calculated based on the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the three months and nine months ended 30 September 2019 of 3,146,270,750 and 3,124,118,015 respectively (three months and nine months ended 30 September 2018: 3,058,870,434 and 3,058,029,285 respectively), after adjusting for the number of dilutive potential ordinary shares deemed to be issued as if all outstanding dilutive share options granted by the Company had been exercised. The outstanding share options granted by the Company did not have any dilutive effect on the earnings per share during the three months and nine months ended 30 September 2019.

4. The accounting policies adopted in preparation of the financial data for the three months and nine months ended 30 September 2019 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2018, except for the adoption of certain new standards, interpretation, amendments and improvements to existing standards issued by the Hong Kong Institute of Certified Public Accountants which are mandatory for the financial year beginning 1 January 2019.

The financial data for the three months and nine months ended 30 September 2019 are based on the internal records and financial data of the Group and are unaudited.

Operational Highlights

For the three months ended 30 September 2019, the Group's total throughput increased by 5.2% to 32,405,006 TEU (3Q2018: 30,792,548 TEU). For the nine months ended 30 September 2019, the Group's total throughput increased by 5.3% to 92,169,106 TEU (corresponding period of 2018: 87,501,298 TEU).

For the three months ended 30 September 2019, throughput from terminal companies in which the Group has controlling stakes increased by 13.1% to 6,565,154 TEU (3Q2018: 5,806,549 TEU), accounting for 20.3% of the Group's total throughput. Throughput from the Group's non-controlling terminals rose by 3.4% to 25,839,852 TEU (3Q2018: 24,985,999 TEU), accounting for 79.7% of the Group's total throughput.

For the nine months ended 30 September 2019, throughput from terminal companies in which the Group has controlling stakes increased by 14.0% to 19,010,487 TEU (corresponding period of 2018: 16,670,117 TEU), accounting for 20.6% of the Group's total throughput. Throughput from the Group's non-controlling terminals rose by 3.3% to 73,158,619 TEU (corresponding period of 2018: 70,831,181 TEU), accounting for 79.4% of the Group's total throughput.

	3Q2019 (TEU)	3Q2018 (TEU)	Change (%)
Total Throughput	32,405,006	30,792,548	+5.2
Throughput from terminal companies in which the Group has controlling stakes	6,565,154	5,806,549	+13.1
Throughput from the Group's non-controlling terminals	25,839,852	24,985,999	+3.4
Equity Throughput	10,344,892	9,595,774	+7.8
Throughput from terminal companies in which the Group has controlling stakes	4,209,080	3,665,074	+14.8
Equity throughput from the Group's non-controlling terminals	6,135,812	5,930,700	+3.5

	9 months 2019 (TEU)	9 months 2018 (TEU)	Change (%)
Total Throughput	92,169,106	87,501,298	+5.3
Throughput from terminal companies in which the Group has controlling stakes	19,010,487	16,670,117	+14.0
Throughput from the Group's non-controlling terminals	73,158,619	70,831,181	+3.3
Equity Throughput	29,692,195	27,562,961	+7.7
Throughput from terminal companies in which the Group has controlling stakes	12,105,993	10,539,954	+14.9
Equity throughput from the Group's non-controlling terminals	17,586,202	17,023,007	+3.3

Greater China

For the three months ended 30 September 2019, throughput of the Greater China region increased by 3.2% to 25,208,454 TEU (3Q2018: 24,416,119 TEU), accounting for 77.8% of the Group's total throughput. For the nine months ended 30 September 2019, throughput of the Greater China region rose 3.2% to 71,223,784 TEU (corresponding period of 2018: 68,974,681 TEU), and accounted for 77.3% of the Group's total throughput.

Bohai Rim

For the three months ended 30 September 2019, throughput of the Bohai Rim region increased by 4.4% to 10,634,378 TEU (3Q2018: 10,181,807 TEU), accounting for 32.8% of the Group's total throughput. Throughput of QPI increased by 8.6% to 5,390,000 TEU (3Q2018: 4,964,700 TEU). During the period, repositioning of several ports by Liaoning Port Group upon its consolidation has resulted in the business diversion of domestic trade of Dalian Container Terminal Co., Ltd. ("Dalian Container Terminal") and a decrease in business volume. As such, throughput of Dalian Container Terminal declined by 16.3% to 2,306,455 TEU (3Q2018: 2,755,434 TEU).

Yangtze River Delta

For the three months ended 30 September 2019, throughput of the Yangtze River Delta region increased by 3.1% to 5,287,580 TEU (3Q2018: 5,126,603 TEU), accounting for 16.3% of the Group's total throughput. Throughput of Shanghai Pudong International Container Terminals Limited increased by 0.1% to 684,164 TEU (3Q2018: 683,401 TEU). Throughput of Shanghai Mingdong Container Terminals Limited decreased by 0.4% to 1,612,428 TEU (3Q2018: 1,618,140 TEU). Throughput of Nantong Tonghai Port Co., Ltd. ("Nantong Tonghai Terminal") reached 345,462 TEU (August and September 2018: 78,675 TEU).

Southeast Coast and Others

For the three months ended 30 September 2019, throughput of the Southeast Coast region increased by 0.5% to 1,453,456 TEU (3Q2018: 1,446,481 TEU), accounting for 4.5% of the Group's total throughput. Benefiting from the support from shipping alliances, throughput of Xiamen Ocean Gate Container Terminal Co., Ltd. increased by 14.7% to 545,518 TEU (3Q2018: 475,489 TEU).

Pearl River Delta

For the three months ended 30 September 2019, throughput of the Pearl River Delta region increased by 1.1% to 7,399,838 TEU (3Q2018: 7,320,160 TEU), accounting for 22.9% of the Group's total throughput. Benefiting from the support from shipping alliances, throughput of Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") increased by 7.9% to 1,488,139 TEU (3Q2018: 1,378,788 TEU).

Southwest Coast

For the three months ended 30 September 2019, throughput of the Southwest Coast region increased by 27.0% to 433,202 TEU (3Q2018: 341,068 TEU), accounting for 1.3% of the Group's total throughput.

Overseas Regions

For the three months ended 30 September 2019, throughput of the overseas region increased by 12.9% to 7,196,552 TEU (3Q2018: 6,376,429 TEU), accounting for 22.2% of the Group's total throughput.

Supported by increased calls by the OCEAN Alliance and THE Alliance, throughput of Piraeus Container Terminal S.A. in Greece increased by 15.1 % to 1,342,395 TEU (3Q2018: 1,165,918 TEU). Impacted by unfavorable weather, throughput of COSCO SHIPPING Ports (Spain) Holdings, S.L. and its subsidiaries decreased by 6.1% to 886,065 TEU (3Q2018: 943,571 TEU). With two new berths added in January 2019 in response to increasing regional demand, throughput of COSCO-PSA Terminal Private Limited in Singapore surged by 59.8% to 1,259,427 TEU (3Q2018: 788,337 TEU).

Outlook

Looking forward to the fourth quarter this year, despite the fact that challenges do remain in the global macro-economy, as one of the world's largest ports operators, COSCO SHIPPING Ports will continue to leverage on the synergies with the OCEAN Alliance and our parent company, seize opportunities to cooperate with major shipping companies and ports companies to keep boosting throughput. The Company will remain committed to building its global terminal network and searching for opportunities to acquire overseas terminals in line with the Board's established plan, so as to provide more efficient and comprehensive services to meet the needs of the shipping alliances. Meanwhile, the Group is committed to ramping up its profitability and actively optimise shareholder return.

The Company always remains committed to optimising asset return. As disclosed in the Company's announcement dated 18 September 2019, the Company has entered into agreements to dispose of its indirect interests in Nanjing Port Longtan Container Co., Ltd., Yangzhou Yuanyang International Ports Co., Ltd. and Zhangjiagang Win Hanverky Container Terminal Co., Ltd. The Company also intends to dispose of its indirect interests in Taicang International Container Terminal Co., Ltd. and Jiangsu Yangtze Petrochemical Co., Ltd. The profit and throughput contribution of these five terminals are comparatively small. The disposal of interest in various port assets is our response to industrial development and changes in the region, with an aim to implement strategic plan. The Company will continue to optimise the terminal portfolio in Yangtze Delta, strengthen the development of Nantong Tonghai Terminal and CSP Wuhan Company Limited and continue to develop hub port in the Yangtze Delta region.

COSCO SHIPPING Ports will continue to deploy resources prudently, optimise the cost structure, enhance operational efficiency and enhance risk management. The Group remains steadfastly committed to building well-balanced terminal network with extended services to meet the needs of shipping alliances; and will continue to prudently seize development opportunity to strengthen its global network of terminals.

Throughput of the Group for the three months and nine months ended 30 September 2019, was set out below:

	Three months ended 30 September			Nine months ended 30 September		
	2019 (TEU)	2018 (TEU)	Change (%)	2019 (TEU)	2018 (TEU)	Change (%)
Bohai Rim	10,634,378	10,181,807	+4.4	29,932,734	28,859,591	+3.7
Qingdao Port International Co., Ltd. ^{Note 1}	5,390,000	4,964,700	+8.6	15,690,000	14,346,000	+9.4
Dalian Container Terminal Co., Ltd.	2,306,455	2,755,434	-16.3	6,541,767	7,451,616	-12.2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	6,565	5,597	+17.3	14,753	14,998	-1.6
Tianjin Port Euroasia International Container Terminal Co., Ltd. ^{Note 2}	768,325	717,064	+7.1	2,155,714	2,038,262	+5.8
Tianjin Five Continents International Container Terminal Co., Ltd. ^{Note 2}	528,707	705,617	-25.1	1,906,220	2,028,817	-6.0
Tianjin Port Container Terminal Co., Ltd. ^{Note 2}	694,218	N/A	N/A	694,218	N/A	N/A
Yingkou Terminals ^{Note 3}	606,958	698,890	-13.2	1,922,142	1,992,420	-3.5
Jinzhou New Age Container Terminal Co., Ltd.	177,676	171,734	+3.5	541,085	534,601	+1.2
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	155,474	162,771	-4.5	466,835	452,877	+3.1
Yangtze River Delta	5,287,580	5,126,603	+3.1	15,276,712	14,786,378	+3.3
Shanghai Pudong International Container Terminals Limited	684,164	683,401	+0.1	1,914,151	1,963,759	-2.5
Shanghai Mingdong Container Terminals Limited	1,612,428	1,618,140	-0.4	4,565,582	4,710,874	-3.1
Ningbo Yuan Dong Terminals Limited	786,564	770,617	+2.1	2,360,690	2,289,730	+3.1
Lianyungang New Oriental International Terminals Co., Ltd.	735,720	715,141	+2.9	2,208,726	2,165,016	+2.0
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	163,288	185,136	-11.8	499,585	559,948	-10.8
Yangzhou Yuanyang International Ports Co., Ltd.	124,806	131,656	-5.2	360,526	371,885	-3.1
Nanjing Port Longtan Container Co., Ltd.	783,433	785,366	-0.2	2,279,261	2,222,231	+2.6
Taicang International Container Terminal Co., Ltd.	51,715	158,471	-67.4	264,775	424,260	-37.6
Nantong Tonghai Port Co., Ltd. ^{Note 4}	345,462	78,675	+339.1	823,416	78,675	+946.6
Southeast Coast and others	1,453,456	1,446,481	+0.5	4,343,829	4,258,976	+2.0
Xiamen Ocean Gate Container Terminal Co., Ltd.	545,518	475,489	+14.7	1,587,217	1,502,910	+5.6
Quan Zhou Pacific Container Terminal Co., Ltd.	378,014	404,963	-6.7	1,139,596	1,157,604	-1.6
Jinjiang Pacific Ports Development Co., Ltd.	118,323	89,331	+32.5	388,794	298,984	+30.0
Kao Ming Container Terminal Corp.	411,601	476,698	-13.7	1,228,222	1,299,478	-5.5
Pearl River Delta	7,399,838	7,320,160	+1.1	20,512,513	20,085,069	+2.1
Yantian International Container Terminals Co., Ltd.	3,695,954	3,729,180	-0.9	9,783,616	9,540,449	+2.5
Guangzhou Terminals ^{Note 5}	2,934,204	2,822,802	+4.0	8,435,618	8,138,516	+3.7
Hong Kong Terminals ^{Note 6}	769,680	768,178	+0.2	2,293,279	2,406,104	-4.7
Southwest Coast	433,202	341,068	+27.0	1,157,997	984,667	+17.6
Qinzhou International Container Terminal Co., Ltd.	433,202	341,068	+27.0	1,157,997	984,667	+17.6
Overseas	7,196,552	6,376,429	+12.9	20,945,321	18,526,617	+13.1
Piraeus Container Terminal S.A.	1,342,395	1,165,918	+15.1	3,912,331	3,241,466	+20.7
CSP Zeebrugge Terminal NV	143,404	106,791	+34.3	328,127	301,415	+8.9
COSCO SHIPPING Ports (Spain) Holding, S.L.	886,065	943,571	-6.1	2,797,958	2,706,202	+3.4
CSP Abu Dhabi Terminal L.L.C. ^{Note 7}	160,213	N/A	N/A	228,959	N/A	N/A
COSCO-PSA Terminal Private Limited	1,259,427	788,337	+59.8	3,709,812	2,381,263	+55.8
Reefer Terminal S.p.A. ^{Note 8}	12,020	14,961	-19.7	40,690	51,107	-20.4
Euromax Terminal Rotterdam B.V. ^{Note 9}	644,004	796,210	+19.1	2,164,002	2,253,833	-4.0
Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A. Ş.	342,729	316,762	+8.2	958,127	968,925	-1.1
Suez Canal Container Terminal S.A.E.	890,027	700,148	+27.1	2,298,529	1,988,615	+15.6
Antwerp Gateway NV	514,267	557,271	+7.7	1,590,178	1,720,652	-7.6
SSA Terminals (Seattle), LLC	67,123	40,728	+64.8	147,150	131,858	+11.6
Busan Port Terminal Co., Ltd.	934,878	945,732	-1.1	2,769,458	2,781,281	-0.4
Total	32,405,006	30,792,548	+5.2	92,169,106	87,501,298	+5.3

- Note 1: Throughput of QPI in the three months and nine months ended 30 September 2018 were restated from 4,970,000 TEU and 14,350,000 TEU to 4,964,700 TEU and 14,346,000 TEU.
- Note 2: On 30 June 2019, a merger agreement was entered into, under which Tianjin Port Container Terminal Co., Ltd. (“TCT”) as the surviving entity will absorb and merge with Tianjin Five Continents International Container Terminal Co., Ltd. (“FICT”) and Tianjin Orient Container Terminals Co., Ltd. (“TOCT”). The throughput of FICT and TOCT was included in the throughput of TCT since 1 September 2019.
- Note 3: Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminals Company Limited and Yingkou New Century Container Terminal Co., Ltd.
- Note 4: Throughput of Nantong Tonghai Terminal was included since 1 August 2018.
- Note 5: Throughput of Guangzhou Terminals was the total throughput of Nansha Stevedoring Corporation Limited of Port of Guangzhou and Guangzhou South China Oceangate Terminal.
- Note 6: Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminals (Hong Kong) Limited and Asia Container Terminals Limited.
- Note 7: Throughput of CSP Abu Dhabi Terminal L.L.C. was included since 1 April 2019.
- Note 8: Throughput of Reefer Terminal S.p.A. (“Vado Reefer Terminal”) in the three months and nine months ended 30 September 2018 were restated from 14,800 TEU and 50,296 TEU to 14,961 TEU and 51,107 TEU.
- Note 9: Throughput of Euromax Terminal Rotterdam B.V. in the three months and nine months ended 30 September 2018 were restated from 823,210 TEU and 2,280,633 TEU to 796,210 TEU and 2,253,833 TEU.
- Note 10: Total throughput of bulk cargo for the three months and nine months ended 30 September 2019 were 96,934,445 tons and 279,313,502 tons respectively (three months and nine months ended 30 September 2018: 90,256,748 tons and 271,267,941 tons respectively), representing an increase of 7.4% and an increase of 3.0% respectively. Total throughput of automobile for the three months and nine months ended 30 September 2019 were 252,581 vehicles and 680,445 vehicles respectively (three months and nine months ended 30 September 2018: 246,931 vehicles and 649,947 vehicles respectively), representing an increase of 2.3% and an increase of 4.7% respectively. Throughput of reefer of Vado Reefer Terminal for the three months and nine months ended 30 September 2019 were 94,865 pallets and 304,405 pallets respectively (three months and nine months ended 30 September 2018: 99,462 pallets and 340,802 pallets respectively), representing a decrease of 4.6% and a decrease of 10.7% respectively.

Caution Statement

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Investors are cautioned not to rely on the financial and operational highlights for the third quarter and the nine months ended 30 September 2019.

The Company's shareholders and potential investors are urged to exercise caution when dealing in the shares of the Company and are recommended to consult their professional advisers if they are in doubt as to their investment positions.

By Order of the Board
COSCO SHIPPING Ports Limited
FENG Boming
Chairman

Hong Kong, 29 October 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. FENG Boming¹ (Chairman), Mr. ZHANG Dayu¹ (Managing Director), Mr. DENG Huangjun¹, Mr. ZHANG Wei², Mr. CHEN Dong², Mr. WANG Haimin², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. FAN Ergang³, Mr. LAM Yiu Kin³ and Prof. CHAN Ka Lok³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director