



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

PRESS RELEASE

COSCO SHIPPING Ports Announces 2021 Interim Results

Capturing Strategic Development Opportunities

Continuing to Enhance Lean Operations

Hong Kong, 26 August 2021 – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “CSP” or the “Company”, SEHK: 1199), the world’s leading ports operator, today announced the interim results of the Company and its subsidiaries (the “Group”) for the 6 months ended 30 June 2021.

2021 Interim Results Highlight

- Revenue increased by 24.8% YoY to US\$564.9 million
- Gross profit increased by 49.6% YoY to US\$148.3 million
- Share of profits from joint ventures and associates increased by 36.1% YoY to US\$175.2 million
- Profit attributable to equity holders of the Company was US\$175.6 million, an increase of 85.2% (excluding one-off items)^{Note}
- Declared first interim dividend of US\$2.12cents per share, an increase of 2.5% yoy

Note: For the first half of 2020, excluded one-off after-tax disposal gain of US\$61,472,000 from the disposals of all the shares in COSCO Ports (Yangzhou) Limited together with its 51% interest in Yangzhou Yuanyang International Ports Co., Ltd. (“Yangzhou Yuanyang Terminal”) and all the shares in Win Hanverky Investments Limited together with its 51% interest in Zhangjiagang Win Hanverky Container Terminal Co., Ltd. (“Zhangjiagang Terminal”) and 4.59% interest in Yangzhou Yuanyang Terminal and the one-off after-tax disposal gain of US\$7,074,000 from the disposal of Jiangsu Yangtze Petrochemical Co., Ltd. (“Jiangsu Petrochemical”).

FINANCIAL REVIEW

COSCO SHIPPING Ports continued to grasp the opportunity of the rebound of trade demand. Business maintained the strong momentum and recorded a robust growth of throughput in 1H2021. Excluding one-off gain from disposal of Yangzhou Yuanyang Terminal, Zhangjiagang Terminal and Jiangsu Petrochemical, profit attributable to equity holders of the Company increased by 85.2% YoY to US\$175.6 million. The revenue for 1H2021 was up 24.8% YoY to US\$564.9 million. The cost of sales



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increased 17.8% YoY to US\$416.6 million. During the period, driven from the positive impact from our lean operations strategy and enhancement of sales and marketing, revenue growth outpaced cost of sales growth, which fueled the growth of gross profit. The gross profit in the first half of 2021 was up by 49.6% YoY to US\$148.3 million. Gross profit margin was up 4.4 percentage point to 26.3%. Share of profits from joint ventures and associates during the period increased by 36.1% YoY to US\$175.2 million.

OPERATIONAL REVIEW

- Total throughput was 62,710,707 TEU, +8.8% YoY
- Total equity throughput was 19,465,295 TEU, +7.7% YoY
- Total throughput from subsidiaries was 11,362,835 TEU, +8.2% YoY

Greater China

During the period, total throughput of the Greater China region increased by 10.1% YoY to 48,471,403 TEU (1H2020: 44,037,541 TEU) and accounted for 77.3% of the Group's total throughput.

Bohai Rim

During the period, total throughput of the Bohai Rim region increased by 6.3% YoY to 21,511,420 TEU (1H2020: 20,236,784 TEU) and accounted for 34.3% of the Group's total throughput. As the economic recovery brought about a rapid increase in the container volume of domestic and foreign trade, throughput of Tianjin Container Terminal increased by 21.7% YoY to 4,466,048 TEU (1H2020: 3,669,875 TEU). Throughput of QPI increased by 12.8% YoY to 11,660,000 TEU (1H2020: 10,340,000 TEU).

Yangtze River Delta

During the period, total throughput of the Yangtze River Delta region increased by 12.9% YoY to 7,718,194 TEU (1H2020: 6,836,157 TEU) and accounted for 12.3% of the Group's total throughput. Benefiting from the continuous improvement of China's economy, in order to seize the strong demand for domestic and foreign trade, Nantong Tonghai Port Co., Ltd. continued to strengthen internal synergy and external customer marketing, and further improved the domestic trade routes network, as a result of which the throughput increased by 12.2% YoY to 739,907 TEU (1H2020: 659,634 TEU). The throughput of Shanghai Mingdong Container Terminals Limited increased by 16.2% YoY to 3,405,517 TEU (1H2020: 2,931,455 TEU).



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Southeast Coast and Others

During the period, total throughput of the Southeast Coast region increased by 17.2% YoY to 2,971,482 TEU (1H2020: 2,535,043 TEU) and accounted for 4.7% of the Group's total throughput. The throughput of Xiamen Ocean Gate Terminal increased by 39.2% YoY to 1,250,465 TEU (1H2020: 898,266 TEU), mainly due to the favorable trend of overall shipment as a result of the good momentum maintained in foreign trade and increased investment in transportation capacity by shipping companies.

Pearl River Delta

During the period, total throughput of the Pearl River Delta region increased by 12.5% YoY to 13,662,407 TEU (1H2020: 12,149,056 TEU) and accounted for 21.8% of the Group's total throughput. Benefiting from the increased container volume of foreign trade, the throughput of Guangzhou South China Oceangate Terminal increased by 5.0% YoY to 2,840,610 TEU (1H2020: 2,706,410 TEU).

Southwest Coast

During the period, total throughput of the Southwest Coast region increased by 14.4% YoY to 2,607,900 TEU (1H2020: 2,280,501 TEU) and accounted for 4.2% of the Group's total throughput, which was mainly benefited from the increased trade activities between China and Southeast Asia.

Overseas

During the period, total throughput of the overseas region increased by 4.7% YoY to 14,239,304 TEU (1H2020: 13,596,650 TEU) and accounted for 22.7% of the Group's total throughput. Due to the continuous congestion of certain terminals in northwest Europe, the volume from ad-hoc shipping calls of CSP Zeebrugge Terminal increased and the throughput increased by 48.1% YoY to 433,150 TEU (1H2020: 292,531 TEU). Benefiting from the epidemic alleviation and new routes, the throughput of CSP Spain Related Companies increased by 14.9% YoY to 1,779,480 TEU (1H2020: 1,548,548 TEU).

Outlook

As the global economy has started to show signs of recovery, imports and exports of China recorded



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strong performance for the first half of 2021, and trade and economic activities are expected to further improve, driving shipping industry's prosperity into an upward cycle. Leveraging on the leading position in the global ports operator industry, the Company actively grasped development opportunities to enhance business scale and improve in both earnings and quality through its latest strategy of the two-wheel drive of "building global terminal network" and "lean operations". On the back of our growth strategy, we are committed to pursuing our total throughput growth in 2021 to outpace our peers. The Group will be able to leverage on its ample cash to maintain a stable financial position and facilitate sustainable development, which will also support its dividend policy in 2021.

The Company is actively deepening lean operations management, continuously improving service quality to strengthen customer service and communication, and continuing to promote business optimisation and precise marketing. The Company will further improve the efficiency of terminal operation, adopt a series of measures to reduce costs and increase revenue, promote the quality and efficiency of terminal portfolio, and continuously improve the profitability of the Company to achieve value proposition for our shareholders.

The Company will continue to optimize the global terminal network, provide support and pivot for the container fleet of the parent company in the global routes network, to further leverage the synergy from the parent company and the OCEAN Alliance, strengthen the ship calls from other shipping alliances, promote the introduction of new routes, and strive for more routes to call at the Company's terminals so as to achieve the increase of the container volume.

In terms of information technology development, the Company has persistently improved the corporate information-based management capabilities and actively built 5G smart port, so as to implement specific business scenarios under 5G smart port on the basis of the construction of 5G dedicated network in ports, combined with technologies such as high precision location and artificial intelligence. The Company is actively undergoing big data preparation to satisfy necessary conditions for the digital transformation of the Company and will keep on proceeding and improving terminal automation.

Looking forward, as a global leading ports operator, the Company will serve regional economic development by building a shipping network that can provide synergetic effects in terms of cost, service and synergy, so as to achieve global connectivity and distribution of goods, and become "The Ports for ALL".

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

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK) is 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 30 June 2021, 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 2021 Interim Results Announcement.

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