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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)

2024 INTERIM RESULTS ANNOUNCEMENT

Announcement of Results for the Six Months Ended 30 June 2024

- Total throughput increased by 8.2% YoY to 69,858,501 TEU. Among them, total throughput from terminals in which the Group has controlling stakes increased by 8.0% YoY to 15,914,213 TEU; total throughput from the Group's non-controlling terminals increased by 8.2% YoY to 53,944,288 TEU
- Equity throughput increased by 6.3% YoY to 22,049,306 TEU. Among them, equity throughput from terminals in which the Group has controlling stakes increased by 6.4% YoY to 9,653,624 TEU; equity throughput from the Group's non-controlling terminals increased by 6.2% YoY to 12,395,682 TEU
- Revenue of the Company increased by 3.0% YoY to US\$709,811,000; gross profit increased by 2.5% YoY to US\$198,636,000
- Profit attributable to equity holders of the Company decreased by 7.4% YoY to US\$139,215,000

Financial Highlights

US\$ (million)

	1H2024	1H2023	Change (%)
Revenue	709.8	688.9	+3.0
Cost of sales	511.2	495.1	+3.2
Gross Profit	198.6	193.8	+2.5
Gross Profit Margin (%)	28.0	28.1	-0.1pp
Share of profits from joint ventures and associates	155.4	153.6	+1.1
Profit attributable to equity holders of the Company	139.2	150.3	-7.4
Basic earnings per share (US cents)	3.90	4.36	-10.6

RESULTS

The board of directors (the “Board”) of COSCO SHIPPING Ports Limited (the “Company” or “COSCO SHIPPING Ports”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024.

The following financial information (including comparative figures) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The Group’s unaudited condensed consolidated balance sheet, unaudited condensed consolidated income statement, unaudited condensed consolidated statement of comprehensive income and explanatory notes 1 to 10 as presented below are extracted from the Group’s unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 (the “Unaudited Condensed Consolidated Interim Financial Information”) which has been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

	<i>Note</i>	As at 30 June 2024 US\$’000	As at 31 December 2023 US\$’000
ASSETS			
Non-current assets			
Property, plant and equipment		4,262,732	4,143,919
Right-of-use assets		978,873	1,003,805
Investment properties		89,899	90,580
Intangible assets		374,418	394,733
Joint ventures		1,069,825	1,060,374
Associates		3,365,474	3,343,432
Loans to associates		31,179	32,181
Financial asset at fair value through profit or loss		54,908	53,745
Financial assets at fair value through other comprehensive income		138,890	139,022
Deferred tax assets		101,438	102,115
Other non-current assets		30,892	29,676
		10,498,528	10,393,582
Current assets			
Inventories		20,710	19,817
Trade and other receivables, prepayments and contract assets	3	383,006	303,954
Current tax recoverable		4,115	3,791
Derivative financial instruments		-	2,698
Restricted bank deposits		43,668	45,113
Cash and cash equivalents		977,218	1,162,926
		1,428,717	1,538,299
Total assets		11,927,245	11,931,881

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2024

	<i>Note</i>	As at 30 June 2024 <i>US\$'000</i>	As at 31 December 2023 <i>US\$'000</i>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		47,132	45,742
Reserves		<u>5,790,058</u>	<u>5,724,989</u>
		5,837,190	5,770,731
Non-controlling interests		<u>1,059,726</u>	<u>1,071,794</u>
Total equity		<u>6,896,916</u>	<u>6,842,525</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		142,057	142,486
Lease liabilities		750,883	762,332
Long term borrowings		2,594,699	2,275,593
Loans from non-controlling shareholders of subsidiaries		538	556
Put option liability		-	246,013
Pension and retirement liabilities		16,456	13,895
Other long term liabilities		<u>43,370</u>	<u>41,176</u>
		3,548,003	3,482,051
Current liabilities			
Trade and other payables and contract liabilities	4	588,942	577,427
Current tax liabilities		30,097	22,643
Current portion of lease liabilities		47,788	48,197
Current portion of long term borrowings		228,281	617,710
Short term borrowings		337,642	341,328
Put option liability		<u>249,576</u>	<u>-</u>
		1,482,326	1,607,305
Total liabilities		<u>5,030,329</u>	<u>5,089,356</u>
Total equity and liabilities		<u>11,927,245</u>	<u>11,931,881</u>

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	<i>Note</i>	Six months ended 30 June	
		2024	2023
		<i>US\$'000</i>	<i>US\$'000</i>
Revenues		709,811	688,873
Cost of sales		<u>(511,175)</u>	<u>(495,126)</u>
Gross profit		198,636	193,747
Administrative expenses		(80,345)	(82,139)
Other operating income		12,180	21,003
Other operating expenses		<u>(9,885)</u>	<u>(6,127)</u>
Operating profit	5	120,586	126,484
Finance income	6	16,239	11,723
Finance costs	6	<u>(83,891)</u>	<u>(81,007)</u>
Operating profit (after finance income and costs)		52,934	57,200
Share of profits less losses of			
- joint ventures		29,740	31,827
- associates		<u>125,610</u>	<u>121,815</u>
Profit before taxation		208,284	210,842
Taxation	7	<u>(39,355)</u>	<u>(28,985)</u>
Profit for the period		<u>168,929</u>	<u>181,857</u>
Profit attributable to:			
Equity holders of the Company		139,215	150,292
Non-controlling interests		<u>29,714</u>	<u>31,565</u>
		<u>168,929</u>	<u>181,857</u>
Earnings per share for profit attributable to equity holders of the Company			
-Basic	8	<u>US3.90 cents</u>	<u>US4.36 cents</u>
-Diluted	8	<u>US3.90 cents</u>	<u>US4.36 cents</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Six months ended 30 June	
	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Profit for the period	<u>168,929</u>	<u>181,857</u>
Other comprehensive income		
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Exchange differences from retranslation of financial statements of subsidiaries attributable to the non-controlling interests	(9,993)	(33,670)
Share of other comprehensive loss of an associate		
- other reserves	(1,486)	(1,496)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	1,373	3,649
Remeasurement of retirement benefit obligation	(687)	-
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates attributable to equity holders of the Company	(51,328)	(178,314)
Cash flow hedges, net of tax		
- fair value loss	(2,023)	(521)
Share of other comprehensive (loss)/income of joint ventures and associates		
- exchange reserve	(2,113)	(3,357)
- other reserves	167	1,212
Other comprehensive loss for the period, net of tax	<u>(66,090)</u>	<u>(212,497)</u>
Total comprehensive income/(loss) for the period	<u>102,839</u>	<u>(30,640)</u>
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	84,434	(28,190)
Non-controlling interests	18,405	(2,450)
	<u>102,839</u>	<u>(30,640)</u>

NOTES

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the HKICPA.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2023 (the “2023 Annual Financial Statements”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA.

As at 30 June 2024, the Group had net current liabilities of US\$53,609,000. Taking into account the unutilised banking facilities of US\$754,026,000 and expected cash flows from operations, the Group will have adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the next twelve months. Accordingly, the Group has continued to adopt the going concern basis in preparing the Unaudited Condensed Consolidated Interim Financial Information.

1.1 Adoption of new amendments to HKFRSs

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those used in the 2023 Annual Financial Statements, except that the Group has adopted the following amendments to existing standards issued by the HKICPA which are mandatory for the financial year beginning on 1 January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of the above new amendments in the current period did not have any significant effect on the Unaudited Condensed Consolidated Interim Financial Information or result in any substantial changes in the Group’s accounting policies.

The HKICPA has issued certain new standards and amendments to existing standards which are not yet effective for the year ending 31 December 2024 and have not been early adopted by the Group. The Group will apply these new standards and amendments to existing standards as and when they become effective. The Group has already commenced an assessment of the related impact to the Group, certain of which may give rise to change in presentation, disclosure and measurements of certain items in the consolidated financial statements.

2. SEGMENT INFORMATION

(a) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management. Terminals and related businesses were identified as the operating segment in accordance with the Group's business.

The performance of the operating segments was assessed based on their segment profit/loss attributable to equity holders of the Company and segment assets, which is measured in a manner consistent with that in the Unaudited Condensed Consolidated Interim Financial Information.

The segment of "Others" primarily includes corporate level activities. Assets under the segment of "Others" comprise property, plant and equipment, right-of-use assets, investment properties, intangible assets, inter-segment loans, other receivables and prepayments and cash and cash equivalents.

Revenues of single major customers which individually contribute 10% or more of total revenues of the Group amount to US\$198,562,000, US\$100,486,000 and US\$72,015,000 (1H2023: US\$203,158,000, US\$86,201,000 and US\$78,779,000), respectively.

Additions to non-current assets comprise additions to property, plant and equipment, intangible assets and right-of-use assets.

Segment assets

	Terminals and related businesses US\$'000	Others US\$'000	Elimination US\$'000	Total US\$'000
At 30 June 2024				
Segment assets	<u>11,282,633</u>	<u>885,816</u>	<u>(241,204)</u>	<u>11,927,245</u>
Segment assets include:				
Joint ventures	1,069,825	-	-	1,069,825
Associates	3,365,474	-	-	3,365,474
Financial asset at fair value through profit or loss ("FVPL")	54,908	-	-	54,908
Financial assets at fair value through other comprehensive income ("FVOCI")	<u>138,890</u>	<u>-</u>	<u>-</u>	<u>138,890</u>
At 31 December 2023				
Segment assets	<u>11,208,772</u>	<u>939,316</u>	<u>(216,207)</u>	<u>11,931,881</u>
Segment assets include:				
Joint ventures	1,060,374	-	-	1,060,374
Associates	3,343,432	-	-	3,343,432
Financial asset at FVPL	53,745	-	-	53,745
Financial assets at FVOCI	<u>139,022</u>	<u>-</u>	<u>-</u>	<u>139,022</u>

2. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

Segment revenues, results and other information

	Terminals and related businesses <i>US\$'000</i>	Others <i>US\$'000</i>	Elimination <i>US\$'000</i>	Total <i>US\$'000</i>
Six months ended 30 June 2024				
Revenues	<u>709,811</u>	<u>-</u>	<u>-</u>	<u>709,811</u>
Segment profit/(loss) attributable to equity holders of the Company	<u>203,083</u>	<u>(63,868)</u>	<u>-</u>	<u>139,215</u>
Segment profit/(loss) includes:				
Finance income	4,336	16,319	(4,416)	16,239
Finance costs	(49,060)	(39,247)	4,416	(83,891)
Share of profits less losses of				
- joint ventures	29,740	-	-	29,740
- associates	125,610	-	-	125,610
Taxation	(35,343)	(4,012)	-	(39,355)
Depreciation and amortisation	<u>(124,189)</u>	<u>(2,407)</u>	<u>-</u>	<u>(126,596)</u>
Additions to non-current assets	<u>(252,128)</u>	<u>(35)</u>	<u>-</u>	<u>(252,163)</u>

2. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

Segment revenues, results and other information (Continued)

	Terminals and related businesses US\$'000	Others US\$'000	Elimination US\$'000	Total US\$'000
Six months ended 30 June 2023				
Revenues	<u>688,873</u>	<u>-</u>	<u>-</u>	<u>688,873</u>
Segment profit/(loss) attributable to equity holders of the Company	<u>214,706</u>	<u>(64,414)</u>	<u>-</u>	<u>150,292</u>
Segment profit/(loss) includes:				
Finance income	3,529	11,863	(3,669)	11,723
Finance costs	(47,030)	(37,646)	3,669	(81,007)
Share of profits less losses of				
- joint ventures	31,827	-	-	31,827
- associates	121,815	-	-	121,815
Taxation	(23,066)	(5,919)	-	(28,985)
Depreciation and amortisation	<u>(121,729)</u>	<u>(2,547)</u>	<u>-</u>	<u>(124,276)</u>
Additions to non-current assets	<u>(168,127)</u>	<u>(47)</u>	<u>-</u>	<u>(168,174)</u>
Additions arising from a business combination	<u>(194,730)</u>	<u>-</u>	<u>-</u>	<u>(194,730)</u>

2. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

(i) Revenues

In respect of terminals and related businesses, revenues are based on the geographical areas in which the business operations are located.

	Six months ended 30 June	
	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Terminals and related businesses		
- Mainland China (excluding Hong Kong)	352,721	332,028
- Europe	318,022	322,371
- Others	39,068	34,474
	709,811	688,873

(ii) Non-current assets

The Group's non-current assets, other than financial instruments and deferred tax assets ("Geographical Non-Current Assets"), consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, joint ventures, associates and other non-current assets.

In respect of the Geographical Non-Current Assets, they are presented based on the geographical areas in which the business operations/assets are located.

	Subsidiaries and corporate	Joint ventures and associates	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
As at 30 June 2024			
Mainland China (excluding Hong Kong)	2,811,354	3,282,995	6,094,349
Europe	1,342,395	110,317	1,452,712
Others	1,583,065	1,041,987	2,625,052
	5,736,814	4,435,299	10,172,113
As at 31 December 2023			
Mainland China (excluding Hong Kong)	2,881,453	3,264,424	6,145,877
Europe	1,406,947	118,428	1,525,375
Others	1,374,313	1,020,954	2,395,267
	5,662,713	4,403,806	10,066,519

3. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Trade receivables		
- third parties	88,164	65,719
- fellow subsidiaries	44,106	23,550
- non-controlling shareholders of subsidiaries	189	1,001
- a joint venture	1	-
- an associate	-	2
- related companies	<u>28,240</u>	<u>24,806</u>
	160,700	115,078
Bills receivable	<u>2,403</u>	<u>3,337</u>
	163,103	118,415
Less: provision for impairment	<u>(1,593)</u>	<u>(1,441)</u>
	161,510	116,974
Prepayments	24,150	22,121
Other receivables	34,764	43,842
Contract assets	1,034	848
Loans to an associate	90,305	93,209
Amounts due from		
- fellow subsidiaries	4,684	3,253
- non-controlling shareholders of subsidiaries	497	485
- joint ventures	632	638
- associates	64,639	22,117
- related companies	<u>791</u>	<u>467</u>
	<u>383,006</u>	<u>303,954</u>

The Group grants credit periods of 30 to 90 days to its customers. The ageing analysis of the combined trade receivables and bills receivable (net of provision) based on invoice date and issuance date respectively is as follows:

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Within 30 days	120,118	82,823
31 - 60 days	23,685	19,847
61 - 90 days	8,933	8,231
Over 90 days	<u>8,774</u>	<u>6,073</u>
	<u>161,510</u>	<u>116,974</u>

4. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Trade payables		
- third parties	64,360	63,217
- fellow subsidiaries	2,791	1,649
- non-controlling shareholders of subsidiaries	4,756	3,057
- joint ventures	1,070	3,013
- associates	339	402
- related companies	<u>6,670</u>	<u>7,724</u>
	79,986	79,062
Bills payables	<u>-</u>	<u>11,534</u>
	79,986	90,596
Accruals	64,786	65,468
Other payables	358,136	320,104
Contract liabilities	4,648	7,065
Dividend payable	5	4
Loans from a joint venture	-	16,955
Loans from an associate	-	4,239
Loans from non-controlling shareholders of subsidiaries	63,107	63,618
Amounts due to		
- fellow subsidiaries	1,637	1,817
- non-controlling shareholders of subsidiaries	12,019	3,665
- a joint venture	37	38
- related companies	<u>4,581</u>	<u>3,858</u>
	<u>588,942</u>	<u>577,427</u>

The ageing analysis of the trade payables and bills payables based on invoice date and issuance date respectively is as follows:

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Within 30 days	49,735	48,261
31 - 60 days	9,990	14,110
61 - 90 days	4,730	3,828
Over 90 days	<u>15,531</u>	<u>24,397</u>
	<u>79,986</u>	<u>90,596</u>

5. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Crediting		
Dividends income from listed and unlisted financial assets at FVOCI	2,010	2,173
Gain on disposal of property, plant and equipment	48	24
Rental income from investment properties	469	459
Exchange gain, net	-	1,937
Charging		
Depreciation and amortisation		
- right-of-use assets	22,705	24,396
- others	103,891	99,880
Loss on disposal of property, plant and equipment	29	92
Rental expenses under leases of		
- concession from a fellow subsidiary and a non-controlling shareholder of a subsidiary (note)	38,308	41,338
- concession from third parties (note)	3,598	3,608
Exchange loss, net	6,258	-

Note: For the six months ended 30 June 2024 and 2023, the amounts represent variable lease payments linked to revenues / throughput.

6. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Finance income		
Interest income on		
- bank balances, deposits and convertible bond	9,054	5,004
- deposits with other financial institution	3,753	4,107
- loans to a joint venture and associates	3,432	2,612
	<u>16,239</u>	<u>11,723</u>
Finance costs		
Interest expenses on		
- bank loans	(78,559)	(61,735)
- notes wholly repayable within five years	-	(1,094)
- loans from other financial institution	(5,256)	(8,510)
- loans from non-controlling shareholders of subsidiaries	(1,501)	(1,491)
- loan from a joint venture	(95)	(373)
- loan from an associate	(2)	(296)
- lease liabilities	(15,029)	(15,102)
Amortised amount of		
- discount on issue of notes	-	(10)
- transaction costs on bank loans and notes	(556)	(1,162)
	<u>(100,998)</u>	<u>(89,773)</u>
Less: amount capitalised in construction in progress	17,927	9,633
	<u>(83,071)</u>	<u>(80,140)</u>
Other incidental borrowing costs and charges	(820)	(867)
	<u>(83,891)</u>	<u>(81,007)</u>
Net finance costs	<u>(67,652)</u>	<u>(69,284)</u>

7. TAXATION

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Current taxation		
- Mainland China taxation	23,601	21,572
- Overseas taxation	8,796	12,449
- Under/(over) provision in prior years	7,612	<u>(1,045)</u>
	40,009	32,976
Deferred taxation credit	(654)	<u>(3,991)</u>
	39,355	<u>28,985</u>

Hong Kong profits tax was provided at a rate of 16.5% (1H2023: 16.5%) on the estimated assessable profit for the period.

Taxation on overseas and Mainland China profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Deferred tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules, and it applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Proposal effective tax rate in each jurisdiction and the 15% minimum rate.

The Group has estimated that the weighted average effective tax rates exceed 15% in jurisdictions in which it operates and have Pillar Two legislation enacted or substantively enacted. Based on the current assessment, income tax exposure is not expected to be material for the relevant jurisdictions.

The Group is continuing to cooperate with the ultimate holding company in assessing its impact from the Pillar Two legislation in different jurisdictions in which the Group has operations and for when it comes into effect.

8. EARNINGS PER SHARE

(a) Basic

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 period.

	Six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company	<u>US\$139,215,000</u>	<u>US\$150,292,000</u>
Weighted average number of ordinary shares in issue	<u>3,570,147,736</u>	<u>3,443,648,641</u>
Basic earnings per share	<u>US3.90 cents</u>	<u>US4.36 cents</u>

(b) Diluted

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period, after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no considerations.

For the six months ended 30 June 2024, the Company had no potentially dilutive ordinary shares in issue. For the six months ended 30 June 2023, the outstanding share options granted by the Company did not have any dilutive effect on the earnings per share, and the diluted earnings per share is equal to the basic earnings per share.

9. INTERIM DIVIDEND

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
First interim dividend for the year ending 31 December 2024, declared of US1.560 cents (1H2023: US1.744 cents) per ordinary share	<u>57,287</u>	<u>61,054</u>

Notes:

- (a) At a meeting held on 28 March 2024, the directors declared a second interim dividend (in lieu of a final dividend) of HK15.5 cents (equivalent to US1.988 cents) per ordinary share for the year ended 31 December 2023. The dividend was paid in cash and with a scrip dividend alternative. The second interim dividend was paid on 19 June 2024.
- (b) At a meeting held on 29 August 2024, the directors declared a first interim dividend of HK12.2 cents (equivalent to US1.560 cents) per ordinary share for the year ending 31 December 2024. The dividend will be payable in cash and with a scrip dividend alternative. The first interim dividend declared is not reflected as dividend payable in the Unaudited Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31 December 2024.

10. EVENT AFTER BALANCE SHEET DATE

On 29 August 2024, the Company entered into an equity transfer agreement with OOCL Terminal Tianjin (B.V.I.) Limited (“OOCL”) in relation to the disposal of 20% of the equity interest and the assignment of 20% of the shareholder’s loan in COSCO SHIPPING Ports (Tianjin) Limited (the “Target Company”) to OOCL (the “Disposal”) at an aggregate consideration of US\$49,289,000.13. Completion of the Disposal is conditional upon satisfaction of all the conditions precedent set forth in the equity transfer agreement. Upon completion of the Disposal, the Target Company will be owned as to 80% and 20% by the Company and OOCL, respectively, and will remain a subsidiary of the Company.

FIRST INTERIM DIVIDEND

The Board has declared a first interim dividend of HK12.2 cents (1H2023: HK13.6 cents) per share for the year ending 31 December 2024 with an option to receive new fully paid shares in lieu of cash (“Scrip Dividend Scheme”).

The first interim dividend will be payable on 21 November 2024 to shareholders whose names appear on the register of members of the Company at the close of business on 19 September 2024. The Scrip Dividend Scheme is conditional upon the granting of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. Dividend warrants and share certificates for new shares to be issued under the Scrip Dividend Scheme will be despatched by ordinary mail on 21 November 2024.

Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about 22 October 2024.

For the purpose of determining the shareholders’ entitlement to the first interim dividend, the register of members of the Company will be closed from 13 September 2024 to 19 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the first interim dividend, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company’s Hong Kong Registrar and Transfer Office, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 12 September 2024.

FINANCIAL REVIEW

In the first half of 2024, the Group maintained sound operations. However, as the global port industry was facing various challenges, such as fluctuations in cargo throughput, changes in market demand and the Red Sea incident, and their impacts, the Company reported a profit attributable to equity holders of the Company in the first half of 2024 of US\$139,215,000 (1H2023: US\$150,292,000), decreased by 7.4% YoY.

In the first half of 2024, profit from the terminals in which the Group has controlling stakes and non-controlling terminals amounted to US\$203,083,000 (1H2023: US\$214,706,000) in total, decreased by 5.4% YoY, and profit from terminals in which the Group has controlling stakes amounted to US\$46,227,000 (1H2023: US\$56,795,000), decreased by 18.6% YoY. Profit from terminals in which the Group has controlling stakes was mainly attributable to Xiamen Ocean Gate Container Terminal Co., Ltd. (“Xiamen Ocean Gate Terminal”), Tianjin Port Container Terminal Co., Ltd. (“Tianjin Container Terminal”) and Piraeus Container Terminal Single Member S.A. (“Piraeus Terminal”). Due to the increase in throughput and storage income, Xiamen Ocean Gate Terminal recorded a profit of US\$19,376,000 in the first half of 2024 (1H2023: US\$17,014,000), increased by US\$2,362,000 YoY. Tianjin Container Terminal recorded a profit of US\$11,996,000 in the first half of 2024 (1H2023: US\$9,663,000) due to business structure improvements, increased by US\$2,333,000 YoY. Piraeus Terminal recorded a profit of US\$9,955,000 (1H2023: US\$18,002,000) due to the YoY decrease in throughput and revenue as affected by the Red Sea incident, decreased by US\$8,047,000 YoY. Apart from the above major terminals, throughput and routes of COSCO SHIPPING Ports (Spain) Holding, S.L. and its subsidiaries (collectively “CSP Spain Related Companies”) for the period increased YoY, and a profit of US\$3,486,000 (1H2023: US\$376,000) was recorded for the first half of 2024, increased by US\$3,110,000 YoY. Wuhan CSP Terminal Co., Ltd. (“CSP Wuhan Terminal”) transferred its construction in progress into fixed assets in the fourth quarter of 2023, leading to expanded terminal operation scale. Due to the high proportion of fixed costs in the early stages of terminal operation, it recorded a loss of US\$4,232,000 in the first half of 2024 (1H2023: US\$1,629,000), with an increase of US\$2,603,000 in loss YoY.

In respect of non-controlling terminals, the profit recorded during the first half of 2024 was US\$156,856,000 (1H2023: US\$157,911,000), decreased by 0.7% YoY. In particular, the total share of

profit of COSCO-HIT Terminals (Hong Kong) Limited (“COSCO-HIT Terminal”) and COSCO-HPHT ACT Limited (“COSCO-HPHT”), which held Asia Container Terminals Limited (“Asia Container Terminal”), decreased by US\$2,649,000 YoY. On the other hand, the share of profit of Success Enterprises Limited and Wattrus Limited and their subsidiaries (collectively “Yantian Terminals Related Companies”), which held Yantian Terminals, increased by US\$3,003,000 YoY. In addition, the Group recorded after-tax fair value gain from the convertible bonds of Beibu Gulf Port Co., Ltd. (“Beibu Gulf Port”) held of US\$1,125,000 (1H2023: US\$3,216,000), decreased by US\$2,091,000 YoY.

Financial Analysis

Revenues

In the first half of 2024, throughput of terminals in which the Group has controlling stakes increased by 8.0% YoY, and revenues of the Group amounted to US\$709,811,000 (1H2023: US\$688,873,000), increased by 3.0% YoY. As the total throughput of terminals in which the Group has controlling stakes increased YoY, revenues of most terminals experienced a YoY increase. In particular, CSP Spain Related Companies recorded a revenue of US\$157,594,000 (1H2023: US\$137,159,000) due to the YoY increase in routes and throughput, increased by 14.9% YoY; Tianjin Container Terminal recorded a revenue of US\$100,944,000 (1H2023: US\$94,549,000) due to business structure improvements, increased by 6.8% YoY. Owing to satisfactory business expansion of greenfield terminals, CSP Abu Dhabi Terminal L.L.C. (“CSP Abu Dhabi Terminal”) recorded a revenue of US\$32,945,000 (1H2023: US\$28,773,000), increased by 14.5% YoY. Nantong Tonghai Port Co., Ltd. (“Nantong Tonghai Terminal”) recorded a revenue of US\$17,686,000 (1H2023: US\$13,994,000), increased by 26.4% YoY. CSP Wuhan Terminal recorded a revenue of US\$2,386,000 (1H2023: US\$1,118,000), increased by 113.4% YoY. On the other hand, Piraeus Terminal recorded a revenue of US\$138,950,000 (1H2023: US\$156,489,000) due to the YoY decrease in throughput and revenue as affected by the Red Sea incident, decreased by 11.2% YoY.

Cost of Sales

Cost of sales mainly comprised operating expenses of terminals in which the Group has controlling stakes. Cost of sales was US\$511,175,000 in the first half of 2024 (1H2023: US\$495,126,000), increased by 3.2% YoY. Costs of most of the terminals experienced a YoY increase due to the YoY increase in general throughput from terminals in which the Group has controlling stakes. Amongst which, CSP Spain Related Companies recorded a cost of US\$132,997,000 (1H2023: US\$119,511,000), increased by 11.3% YoY; Tianjin Container Terminal recorded a cost of US\$56,422,000 (1H2023: US\$54,647,000), increased by 3.2% YoY. Due to the increase in throughput and the reclassification of construction in progress to fixed assets that initiated the expensing of costs, costs of greenfield terminals increased YoY. CSP Abu Dhabi Terminal recorded a cost of US\$25,729,000 (1H2023: US\$23,550,000), increased by 9.3% YoY; Nantong Tonghai Terminal recorded a cost of US\$13,537,000 (1H2023: US\$12,231,000), increased by 10.7% YoY; CSP Wuhan Terminal recorded a cost of US\$5,268,000 (1H2023: US\$2,028,000), increased by 159.8% YoY. On the other hand, due to the decrease in throughput and in revenue-associated concession fees as affected by the Red Sea incident in the first half of 2024, Piraeus Terminal recorded a cost of US\$113,520,000 (1H2023: US\$120,791,000), decreased by 6.0% YoY.

Administrative Expenses

Administrative expenses in the first half of 2024 were US\$80,345,000 (1H2023: US\$82,139,000), decreased by 2.2% YoY.

Other Operating Income/(Expenses), Net

Net other operating income was US\$2,295,000 (1H2023: US\$14,876,000) in the first half of 2024, decreased by US\$12,581,000 YoY, which was primarily attributable to exchange loss of US\$6,258,000 (1H2023: exchange gain of US\$1,937,000) in the first half of 2024, representing an increase in loss of US\$8,195,000 YoY. In addition, pre-tax fair value gain on the convertible bonds of Beibu Gulf Port held was US\$1,500,000 (1H2023: US\$4,288,000) in the first half of 2024, decreased by US\$2,788,000 YoY. Besides, government subsidies decreased by US\$2,548,000 YoY.

Finance Costs

The Group's finance costs amounted to US\$83,891,000 in the first half of 2024 (1H2023: US\$81,007,000), increased by 3.6% YoY. The average balance of bank loans for the period amounted to US\$3,139,112,000 (1H2023: US\$2,952,868,000), increased by 6.3% YoY. The increase in finance costs was mainly due to the increase in the interest rates of the US dollar and Euro loans as a result of interest rate hikes by the US Federal Reserve and the European Central Bank. Taking into account the capitalised interest, the average cost of bank borrowings (including the amortization of transaction costs over bank loans and notes) was 5.43% in the first half of 2024 (1H2023: 4.97%).

Share of Profits Less Losses of Joint Ventures and Associates

The Group's share of profits less losses of joint ventures and associates for the first half of 2024 totalled US\$155,350,000 (1H2023: US\$153,642,000), increased by 1.1% YoY. Share of profit of Yantian Terminals Related Companies during the period amounted to US\$26,785,000 (1H2023: US\$23,782,000), increased by US\$3,003,000 YoY. Besides, in the first half of 2024, the profit attributable to COSCO-HIT Terminal and COSCO-HPHT decreased by US\$2,649,000 YoY in total.

Taxation

Taxation for the period amounted to US\$39,355,000 (1H2023: US\$28,985,000), increased by US\$10,370,000 YoY.

Financial Position

Cash flow

In the first half of 2024, the Group continued to receive steady cash flow income. The Group's net cash generated from operating activities amounted to US\$177,565,000 (1H2023: US\$214,908,000) during the period. In the first half of 2024, the Group borrowed bank loans of US\$823,588,000 (1H2023: US\$588,724,000) and repaid loans of US\$871,168,000 (1H2023: US\$518,951,000). During the period, US\$191,854,000 (1H2023: US\$151,793,000) was paid in cash by the Group for the expansion of berths and the purchase of property, plant and equipment. In addition, the Group has paid a total of approximately US\$74,522,000 in cash for equity interest investments.

Financing and credit facilities

As at 30 June 2024, the Group's total outstanding borrowings amounted to US\$3,160,622,000 (31 December 2023: US\$3,234,631,000) and cash balance amounted to US\$1,020,886,000 (31 December 2023: US\$1,208,039,000). Banking facilities available but unutilised amounted to US\$754,026,000 (31 December 2023: US\$1,043,341,000).

Assets and liabilities

As at 30 June 2024, the Group's total assets and total liabilities were US\$11,927,245,000 (31 December 2023: US\$11,931,881,000) and US\$5,030,329,000 (31 December 2023: US\$5,089,356,000), respectively. Net assets were US\$6,896,916,000 (31 December 2023: US\$6,842,525,000). As at 30 June 2024, net asset value attributable to equity holder per share of the Company was US\$1.59 (31 December 2023: US\$1.62).

As at 30 June 2024, the net debt-to-total-equity ratio (excluding lease liabilities) was 31.0% (31 December 2023: 29.6%). The interest coverage was 4.2 times (1H2023: 4.3 times), excluding finance charges relating to lease liabilities.

As at 30 June 2024, certain assets of the Group with an aggregate net book value of US\$1,019,828,000 (31 December 2023: US\$803,286,000), together with the Company's restricted bank deposits and certain interest in subsidiaries, were pledged to secure bank loans, totalling US\$959,864,000 (31 December 2023: US\$1,078,453,000).

Debt analysis

By repayment term	As at 30 June 2024		As at 31 December 2023	
	US\$	(%)	US\$	(%)
Within the first year	565,923,000	17.9	959,038,000	29.7
Within the second year	101,740,000	3.2	233,474,000	7.2
Within the third year	872,056,000	27.6	254,936,000	7.9
Within the fourth year	349,999,000	11.1	427,764,000	13.2
Within the fifth year and after	1,270,904,000	40.2	1,359,419,000	42.0
	3,160,622,000 *	100.0	3,234,631,000 *	100.0

By category				
Secured borrowings	959,864,000	30.4	1,078,453,000	33.3
Unsecured borrowings	2,200,758,000	69.6	2,156,178,000	66.7
	3,160,622,000 *	100.0	3,234,631,000 *	100.0

By denominated currency				
US dollar borrowings	1,539,922,000	48.7	1,776,704,000	54.9
RMB borrowings	995,175,000	31.6	738,352,000	22.8
EUR borrowings	535,472,000	16.9	619,325,000	19.2
HK dollar borrowings	90,053,000	2.8	100,250,000	3.1
	3,160,622,000 *	100.0	3,234,631,000 *	100.0

* Net of unamortised discount on notes and transaction costs on borrowings and notes.

Financial guarantee contracts

As at 30 June 2024 and 31 December 2023, the Company did not have any guarantee contract.

Treasury policy

The Group manages its foreign exchange risk by matching the currencies of its loans with the Group's functional currency of major cash receipts and underlying assets as much as possible. The functional currency of the Group's terminals business is mainly either Euro or Renminbi, the same currency of its borrowings, revenues and expenses, so as to provide a natural hedge against the foreign exchange volatility.

Interest rate swap contracts with financial institutions are used to achieve the optimum ratio between fixed and floating rates and to manage the related interest rate exposure. As at 30 June 2024, 3.8% (31 December 2023: 6.9%) of the Group's borrowings were at fixed rates. In light of market conditions, the Group will continue to monitor and regulate its fixed and floating-rate debt portfolio, with a view to minimising its potential interest rate exposure.

Event after balance sheet date

Please refer to the explanatory note 10 "EVENT AFTER BALANCE SHEET DATE" on page 17 of this announcement.

OPERATIONAL REVIEW

Since the beginning of 2024, China's economy has continued to show positive signs of recovery. Under the influence of expected decreases in interest rates in the America and Europe, global trade is in full recovery, and China's imports and exports of goods has reached another new high, brought about by improved foreign demand and domestic policies. According to the statistics of the General Administration of Customs of China, the total value of imports and exports in the first half of 2024 was RMB21.17 trillion, posting a YoY growth rate of 6.1%. Among them, the value of exports was RMB12.13 trillion, a YoY increase of 6.9%; the value of imports was RMB9.04 trillion, a YoY increase of 5.2%.

For the six months ended 30 June 2024, the Group's total throughput increased by 8.2% YoY to 69,858,501 TEU (1H2023: 64,572,872 TEU). Total throughput from terminals in which the Group has controlling stake increased by 8.0% YoY to 15,914,213 TEU (1H2023: 14,731,490 TEU), accounting for 22.8% of the Group's total, and the total throughput from non-controlling terminals increased by 8.2% YoY to 53,944,288 TEU (1H2023: 49,841,382 TEU), accounting for 77.2% of the Group's total.

During the period, the Group's total equity throughput increased by 6.3% YoY to 22,049,306 TEU (1H2023: 20,751,365 TEU). The equity throughput from terminals in which the Group has controlling stake increased by 6.4% YoY to 9,653,624 TEU (1H2023: 9,074,454 TEU), accounting for 43.8% of the Group's total, and the equity throughput from non-controlling terminals increased by 6.2% YoY to 12,395,682 TEU (1H2023: 11,676,911 TEU), accounting for 56.2% of the Group's total.

	1H2024 (TEU)	1H2023 (TEU)	Change (%)
Total Throughput	69,858,501	64,572,872	+8.2
Throughput from terminals in which the Group has controlling stake	15,914,213	14,731,490	+8.0
Throughput from the Group's non-controlling terminals	53,944,288	49,841,382	+8.2
Equity Throughput	22,049,306	20,751,365	+6.3
Equity throughput from terminals in which the Group has controlling stake	9,653,624	9,074,454	+6.4
Equity throughput from the Group's non-controlling terminals	12,395,682	11,676,911	+6.2

China

During the period, total throughput of the terminals in China increased by 9.5% YoY to 53,335,822 TEU (1H2023: 48,703,766 TEU) and accounted for 76.3% of the Group's total throughput. Total equity throughput of terminals in China increased by 9.1% YoY to 15,844,755 TEU (1H2023: 14,519,336 TEU), accounting for 71.9% of the Group's total equity throughput.

Bohai Rim

During the period, total throughput of the Bohai Rim region increased by 8.2% YoY to 24,360,269 TEU (1H2023: 22,515,008 TEU) and accounted for 34.9% of the Group's total. Total equity throughput of the Bohai Rim region increased by 7.4% YoY to 6,560,528 TEU (1H2023: 6,105,704 TEU) and accounted for 29.8% of the Group's total equity throughput. As the domestic and foreign trade market continues to recover, the total throughput of Dalian Container Terminal Co., Ltd. increased by 10.2% YoY to 2,486,258 TEU (1H2023: 2,255,129 TEU).

Yangtze River Delta

During the period, total throughput of the Yangtze River Delta region increased by 14.1% YoY to 8,054,930 TEU (1H2023: 7,059,244 TEU) and accounted for 11.5% of the Group's total. Total equity throughput of the Yangtze River Delta region increased by 18.3% YoY to 2,311,450 TEU (1H2023: 1,954,691 TEU) and accounted for 10.5% of the Group's total equity throughput. With the recovery of foreign trade routes, the total throughput of Shanghai Mingdong Container Terminals Limited increased by 13.8% YoY to 3,379,481 TEU (1H2023: 2,968,418 TEU). Nantong Tonghai Terminal further strengthened its mainline and feeder services network, with its total throughput increasing by 46.8% YoY to 904,399 TEU (1H2023: 615,894 TEU). CSP Wuhan Terminal actively promoted its port-shipping-cargo integrated marketing strategy, resulting in an increase in total throughput by 38.8% YoY to 104,152 TEU (1H2023: 75,023 TEU).

Southeast Coast and Others

During the period, total throughput in the Southeast Coast and Others region increased by 5.5% YoY to 2,930,560 TEU (1H2023: 2,777,699 TEU) and accounted for 4.2% of the Group's total throughput. Total equity throughput of Southeast Coast and Others region increased by 11.2% YoY to 2,108,334 TEU (1H2023: 1,895,617 TEU) and accounted for 9.6% of the Group's total equity throughput. Quan Zhou Pacific Container Terminal Co., Ltd. strengthened synergy with the dual brands, the total throughput increased by 18.7% YoY to 718,686 TEU (1H2023: 605,227 TEU).

Pearl River Delta

During the period, total throughput of the Pearl River Delta region increased by 7.3% YoY to 13,669,963 TEU (1H2023: 12,744,315 TEU) and accounted for 19.5% of the Group's total throughput. Total equity throughput of the Pearl River Delta region increased by 4.8% YoY to 3,889,742 TEU (1H2023: 3,712,829 TEU) and accounted for 17.6% of the Group's total equity throughput. Due to the demand rebounds in America, Europe and other regions, the total throughput of Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") increased by 6.8% YoY to 2,834,167 TEU (1H2023: 2,652,926 TEU).

Southwest Coast

During the period, total throughput of the Southwest Coast region increased by 19.8% YoY to 4,320,100 TEU (1H2023: 3,607,500 TEU), accounting for 6.2% of the Group's total throughput. Total equity throughput of the Southwest Coast region increased by 14.6% YoY to 974,701 TEU (1H2023: 850,495 TEU) and accounted for 4.4% of the Group's total equity throughput. The increase of throughput was mainly due to the ongoing benefits brought by the Regional Comprehensive Economic Partnership (RCEP) and the rising demand for economic and trade cooperation between China and the Association of Southeast Asian Nations (ASEAN) driving volume in the Southwest Coast Region to maintain strong growth.

Overseas

During the period, total throughput in overseas terminals increased by 4.1% YoY to 16,522,679 TEU (1H2023: 15,869,106 TEU) and accounted for 23.7% of the Group's total. Total equity throughput of overseas region decreased by 0.4% YoY to 6,204,551 TEU (1H2023: 6,232,029 TEU) and accounted for 28.1% of the Group's total equity throughput. Affected by the Red Sea incident, the total throughput of Piraeus Terminal decreased by 12.9% YoY to 1,958,108 TEU (1H2023: 2,248,193 TEU). The Company quickly coordinated with OCEAN Alliance members to transfer some of the containers originally loading and unloading at Piraeus Terminal to CSP Zeebrugge Terminal NV ("CSP Zeebrugge

Terminal”) and CSP Iberian Valencia Terminal, S.A.U., under the umbrella of CSP Spain Related Companies, driving total throughput of CSP Zeebrugge Terminal to increase by 8.7% YoY to 301,136 TEU (1H2023: 276,955 TEU), and total throughput of CSP Spain Related Companies to increase by 13.2% YoY to 1,747,492 TEU (1H2023: 1,543,248 TEU). CSP Abu Dhabi Terminal continued to add several new routes, and its total throughput increased by 35.7% YoY to 860,235 TEU (1H2023: 633,883 TEU).

PROSPECTS

In the first half of 2024, the continued effects of macroeconomic policies, the rebound in foreign demand and the new quality productive forces contributed positively to the sustained upturn of China’s economy. A World Trade Organization (WTO) report forecasts that global trade in goods will grow by 2.6% in 2024, and will continue this year’s recovery with an estimated 3.3% growth in 2025. The International Monetary Fund (IMF), in its latest World Economic Outlook report, also forecasts that global trade, including goods and services, will grow by 3.0% this year.

Leveraging on its global terminal network with efficient connectivity, COSCO SHIPPING Ports continued to capitalize on the synergies with its parent company’s dual brands shipping companies and the OCEAN Alliance, achieving a year-on-year growth of 8.2% in total throughput in the first half of the year. Looking ahead, as China continues to promote a high level of openness to the outside world, the export structure is expected to be further optimized. While imports and exports to traditional markets such as America and Europe are picking up, trade with emerging markets such as ASEAN and Latin America is becoming increasingly close, which will bring significant opportunities for the development of the port industry.

The Company will continue to improve its global resource deployment. Focusing on serving national strategies and supporting the construction of integrated corridors of China COSCO SHIPPING Corporation Limited (“COSCO SHIPPING”, the ultimate controlling shareholder of the Company), the Company will keep a close eye on customers’ needs and the trend of global industrial development, and grasp the opportunities to optimize its asset structure. We will actively develop back-end logistics parks and supply chain extension businesses, and expand our investment in emerging markets, regional markets and third countries.

The Company will continue to deepen lean and innovative operations, implement precise marketing strategies to weave a dense network of shipping routes, realize throughput increase and revenue expansion, and strengthen the marketing strategies of key hub ports, including Piraeus Terminal and CSP Abu Dhabi Terminal to enhance the service capabilities of hub ports. Lean management will be empowered by technological innovation to achieve cost reduction and efficiency gains while improving operational efficiency and customer satisfaction.

The Company will continue to be driven by digital intelligence. With the construction of the terminal infrastructure system and data platform as the core, we will strengthen digital support, deepen innovation and applications, and comprehensively promote digital transformation. Focusing on the construction of smart ports, the Company will rely on the overlapping application of digital and artificial intelligence technologies to comprehensively enhance the efficiency of resource operation and the ability to integrate with the customer supply chain, and improve the effectiveness of cooperation among all parties.

The Company will vigorously promote the construction of green ports. We will accelerate the transformation and upgrading of the energy usage structure of our terminals by increasing the use of shore power and the introduction of green and clean energy equipment. The Company will actively participate in the construction of green fuel supply chains, create green and low-carbon products along the whole chain, and strive for green and low-carbon port ratings and green shipping corridor construction, so as to establish the Company’s green and low-carbon brand as an industry benchmark.

Throughput of the Group for the six months ended 30 June 2024, was set out below:

	1H2024 (TEU)	1H2023 (TEU)	Change (%)
Bohai Rim	24,360,269	22,515,008	+8.2
Qingdao Port International Co., Ltd.	15,820,000	14,510,000	+9.0
Dalian Container Terminal Co., Ltd.	2,486,258	2,255,129	+10.2
Dalian Dagang Container Terminal Co., Ltd.	10,034	10,579	-5.2
Tianjin Port Container Terminal Co., Ltd.	4,266,299	4,056,577	+5.2
Yingkou Terminals ^{Note 1}	1,142,964	1,098,909	+4.0
Jinzhou New Age Container Terminal Co., Ltd.	374,374	296,375	+26.3
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	260,340	287,439	-9.4
Yangtze River Delta	8,054,930	7,059,244	+14.1
Shanghai Pudong International Container Terminals Limited	1,342,348	1,261,053	+6.4
Shanghai Mingdong Container Terminals Limited	3,379,481	2,968,418	+13.8
Ningbo Yuan Dong Terminals Limited	1,637,221	1,583,970	+3.4
Lianyungang New Oriental International Terminals Co., Ltd.	547,383	447,613	+22.3
Taicang International Container Terminal Co., Ltd.	139,946	107,273	+30.5
Nantong Tonghai Port Co., Ltd.	904,399	615,894	+46.8
Wuhan CSP Terminal Co., Ltd.	104,152	75,023	+38.8
Southeast Coast and others	2,930,560	2,777,699	+5.5
Xiamen Ocean Gate Container Terminal Co., Ltd.	1,267,636	1,237,070	+2.5
Quan Zhou Pacific Container Terminal Co., Ltd.	718,686	605,227	+18.7
Jinjiang Pacific Ports Development Co., Ltd.	100,022	117,535	-14.9
Kao Ming Container Terminal Corp.	844,216	817,867	+3.2
Pearl River Delta	13,669,963	12,744,315	+7.3
Yantian Terminals ^{Note 2}	6,730,746	6,063,926	+11.0
Guangzhou Terminals ^{Note 3}	5,878,793	5,461,899	+7.6
Hong Kong Terminals ^{Note 4}	1,060,424	1,218,490	-13.0
Southwest Coast	4,320,100	3,607,500	+19.8
Beibu Gulf Port Co., Ltd.	4,320,100	3,607,500	+19.8
Overseas	16,522,679	15,869,106	+4.1
Piraeus Container Terminal Single Member S.A.	1,958,108	2,248,193	-12.9
CSP Zeebrugge Terminal NV	301,136	276,955	+8.7
COSCO SHIPPING Port (Spain) Holding, S.L. and its subsidiaries	1,747,492	1,543,248	+13.2
CSP Abu Dhabi Terminal L.L.C.	860,235	633,883	+35.7
COSCO-PSA Terminal Private Limited	2,555,386	2,645,473	-3.4
Reefer Terminal S.p.A.	33,185	28,742	+15.5
Euromax Terminal Rotterdam B.V.	1,215,261	1,235,680	-1.7
Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş.	616,806	679,140	-9.2
Suez Canal Container Terminal S.A.E.	1,978,289	1,934,723	+2.3
Red Sea Gateway Terminal Company Limited	1,362,176	1,540,195	-11.6
Antwerp Gateway NV	1,072,854	995,763	+7.7
SSA Terminals (Seattle), LLC	65,749	89,990	-26.9
Busan Port Terminal Co., Ltd.	2,145,417	1,869,594	+14.8
Vado Gateway S.p.A.	119,705	147,527	-18.9
HHLA Container Terminal Tollerort GmbH ^{Note 5}	490,880	N/A	N/A
Total	69,858,501	64,572,872	+8.2

- Note 1: Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminals Company Limited and Yingkou New Century Container Terminal Co., Ltd.
- Note 2: Throughput of Yantian Terminals was the total throughput of Yantian International Container Terminals Co., Ltd. and Yantian International Container Terminals (Phase III) Limited.
- Note 3: Throughput of Guangzhou Terminals was the total throughput of Guangzhou South China Oceangate Terminal and Nansha Stevedoring Corporation Limited of Port of Guangzhou.
- Note 4: Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminal and Asia Container Terminal.
- Note 5: Throughput of the terminal was included since July 2023. Therefore, no comparable figure is available for the throughput for the six months ended 30 June 2024.
- Note 6: Total throughput of bulk cargo, excluding throughput of Beibu Gulf Port, for the six months ended 30 June 2024 was 229,421,017 tons (1H2023: 222,730,681 tons), representing an increase of 3.0%. Total throughput of automobile for the six months ended 30 June 2024 was 316,085 vehicles (1H2023: 359,007 vehicles), representing a decrease of 12.0%. Throughput of reefer of Reefer Terminal S.p.A. (Vado Reefer Terminal) for the six months ended 30 June 2024 was 175,288 pallets (1H2023: 179,236 pallets), representing a decrease of 2.2%.

CORPORATE GOVERNANCE

The Company continues to maintain high standards of corporate governance so as to promote transparency and ensure better protection of shareholders' interest as a whole. The Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2024, except the following deviations:

Mr. ZHU Tao, the managing director (i.e. chief executive) of the Company, has been appointed as the chairman of the Board since 26 June 2024. Hence, there is deviation from the requirement under code provision C.2.1 which provides that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company is of the view that although the same individual holds the roles of chairman and managing director, all major decisions of the Company are made by the management and reported to the Board committees and the Board to obtain the requisite approvals. Besides, the Company has an effective internal control system which provides adequate check-and-balance for such arrangements, ensuring that the Company's efficiency in decision-making and execution, as well as effective response to the ever-changing market environment and capture of business opportunities will not be affected.

Mr. YANG Zhijian, the then chairman of the Board, was unable to attend the 2024 annual general meeting held on 24 May 2024 (the "2024 AGM") due to other business engagements. Hence, there is a deviation from the requirement under code provision F.2.2 which provides that the chairman of the board should attend the annual general meeting. At the 2024 AGM, Mr. ZHU Tao, the current chairman of the Board and the managing director of the Company, was elected and acted as the chairman of the meeting, together with other members of the Board, senior management and advisors, to address and respond to questions raised by shareholders.

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Company comprises three independent non-executive directors of the Company. The Audit Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024.

Remuneration Committee

The Remuneration Committee of the Company comprises five members, a majority of whom are independent non-executive directors. The Committee formulates the remuneration policy of directors and senior management of the Group, reviews their remuneration packages and makes recommendations to the Board regarding the directors' fee and remuneration of executive directors and senior management.

Nomination Committee

The Nomination Committee of the Company comprises three members, a majority of whom are independent non-executive directors. The Committee reviews the structure, size and composition of the Board and the policy regarding Board diversity, and identifies individuals suitably qualified to become Board members and make recommendations to the Board and assessing the independence of all independent non-executive directors.

Other Board Committees

In addition to the above committees, the Board has also established various committees which include the Executive Committee, the Environmental, Social and Governance Committee, the Investment and Strategic Planning Committee and the Risk Management Committee. Each committee has its defined scope of duties and terms of reference. The terms of reference of the above committees have been posted on the Company's website at <https://ports.coscoshipping.com>.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the Company's code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of all directors of the Company, they all confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the six months ended 30 June 2024.

INVESTOR RELATIONS

The Company has always highly valued communication with its shareholders and investors and regards investor relations as an important measure to enhance the Company's corporate governance. The Company adopts strict and transparent disclosure standards, proactively and timely discloses information that has a greater impact on the decisions of shareholders and other stakeholders, including monthly terminal throughput data, quarterly announcement, the progress of acquisitions, etc., in order to enhance the transparency of the Company's information and deepen investors' knowledge and understanding of the Company.

As the world leading port logistics service provider, the management of the Company attaches great importance to communication with stakeholders, used a wide range of methods such as online and in-person results announcements, roadshows, investor presentations, investor conferences, teleconferences, official websites and emails to maintain close contact with the market. The Company has been actively presenting the effectiveness of its "Global Presence and Lean Operations" strategy, as well as its efforts and achievements in environmental, social and governance, to promote the Company's long-term development advantages and core competitiveness.

In the first half of 2024, the Company actively participated in investor summits organised by investment banks and COSCO SHIPPING to proactively approach potential investors and identify institutional investors interested in the industry and the Company. The Company also conducted roadshows in Mainland China and Hong Kong to promote a positive relationship between the Company and investors and to enhance investors' understanding of and familiarity with the Company. During the period from January to June 2024, the Company met with over 120 investors and analysts in order to maintain good relationships with existing shareholders while actively reaching out to potential investors in order to promote the diversification of the shareholder base.

AWARDS AND ACHIEVEMENTS

In the first half of 2024, the Company was unanimously recognised by community and the capital markets based on the Company's excellent terminal operation and good corporate governance model.

- Awarded “Best Shipping Port Operator”, “Best Investor Relations Company (Ports sector) Hong Kong”, “Most Sustainable Company (Ports sector) Hong Kong” and “Best CSR Company (Ports sector) Hong Kong” by International Business Magazine;
- Awarded “Best Investor Relations Company in Ports Sector China 2024”, “Most Sustainable Company in Ports Sector China 2024” and “Best Shipping Ports Operator China 2024” by World Business Outlook;
- Presented with “Specialized Annual Reports Gold Award”, “Online Annual Reports Bronze Award”, “Hong Kong PRC Annual Reports Honors Award” and “Sustainability Reports Honors Award” at the 2024 Astrid Awards;
- Awarded “Asia’s Best CEO”, “Asia’s Best CFO”, “Sustainable Asia Award”, “Best Investor Relations Company” and “Best Investor Relations Professional” by Corporate Governance Asia Magazine;
- Awarded “In-House Counsel Awards 2024 - Winner - Aviation, Shipping & Logistics (Team)”, “In-House Counsel Awards 2024 - Highly-commended - Compliance (Cross-border) (Team)”, “In-House Counsel Awards 2024 - Highly-commended - International Compliance & Sanctions (Team)” and “In-House Counsel Awards 2024 - Highly-commended - Mergers & Acquisitions (Cross-border) (Team)” from China Business Law Journal;
- Awarded “Most Innovative Port Operator” International Finance Magazine;
- Awarded “Best Container Operator of the Year” and “Most Socially Responsible Port Operator” by Global Business Outlook Magazine.

CORPORATE SUSTAINABLE DEVELOPMENT

In the first half of 2024, the Company endeavoured to deepen sustainable development based on five main areas covering Governance, Resilience, Agility, Nature and Dynamic, and focus on building smart, efficient, green and low-carbon terminals, to support green shipping value chain and create shared value for all stakeholders.

Governance

Building up business on the principle of integrity, the Company lays a cornerstone for developing a trustworthy and sustainable business model by upholding business ethics and compliance principles. The Company has been maintaining high standards of corporate governance and business integrity to develop a governance system which runs through all levels, and deepening the development of corporate governance system and probity culture through trainings and education. The Company attaches great importance to information security and privacy protection with an aim to create a secure environment that safeguards the information of the Company, its employees and its customers.

Resilience

The Company continues to reduce carbon emissions from its operations through measures such as electrification of terminal equipment, increasing the use of electric driverless container vehicles, and investing in photovoltaic and wind power projects, and proactively enhances its climate resilience by identifying and managing climate-related risks and opportunities. In June, Lianyungang New Oriental International Terminals Co., Ltd. was selected as one of the first batch of near-zero carbon pilot projects by the Ministry of Transport of China, becoming one of the five near-zero carbon terminal pilots in the country. Going forward, it will strengthen cooperation with all parties to jointly promote the construction of green ports and share experience on zero-carbon model in the industry.

Agility

Upholding a customer-centric philosophy, the Company empowers the construction of green and smart ports through technological innovations to deliver high quality service to its customers. In the first half of the year, the Company officially launched a mobile information sharing platform in CSP Wuhan Terminal, providing customers with convenient and efficient inquiry service, while achieving data sharing and business collaboration with partners and other terminal companies. At the beginning of the year, the Company successfully held a technological innovation conference and the first “Green and Digital” conference, and officially released the “Green and Low-carbon Transition Plan of COSCO SHIPPING Ports” to invite partners to explore future development trends in the port industry to accelerate digitalisation and green and low-carbon transformation.

Nature

The Company is committed to saving and making effective and responsible use of natural resources by minimising the consumption of water resources and materials in operations and encouraging wastewater and waste recycling, and proactively participating in ecological and environmental protection activities to mitigate the impact on biodiversity.

Dynamic

Adhering to the philosophy of diversity and inclusion in corporate development, the Company is dedicated to make progress together with all stakeholders. Insisting on the target of “zero fatality” in the area of health and safety, the Company enhances safety risk management and control as well as hazard identification and rectification to build a strong safety barrier, while at the same time offers diversified trainings and career opportunities to develop a sustainable talent pipeline and create a healthy, safe and harmonious working environment. Mainly focusing on poverty alleviation, caring for vulnerable groups, education and youth development, as well as environmental protection, the Company makes continuous efforts in driving the development of the communities where it operates, creating shared value for all stakeholders and facilitating mutual development.

By Order of the Board
COSCO SHIPPING Ports Limited
ZHU Tao
Chairman and Managing Director

Hong Kong, 29 August 2024

As at the date of this announcement, the Board comprises Mr. ZHU Tao¹ (Chairman and Managing Director), Mr. ZHANG Wei², Mr. MA Xianghui², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. LAM Yiu Kin³, Prof. CHAN Ka Lok³ and Mr. YANG Liang Yee Philip³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director