



 中遠海運港口有限公司  
COSCO SHIPPING Ports Limited  
*The Ports for ALL*

# 3Q2023 Results Presentation

*Expanding Global Presence and Implementing Lean Operations  
Accelerating High-Quality Development by Increasing Efficiency*





# AGENDA

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**02** Financial Performance

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01



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# Key Highlights

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HONG-KONG  
IMO 9757840



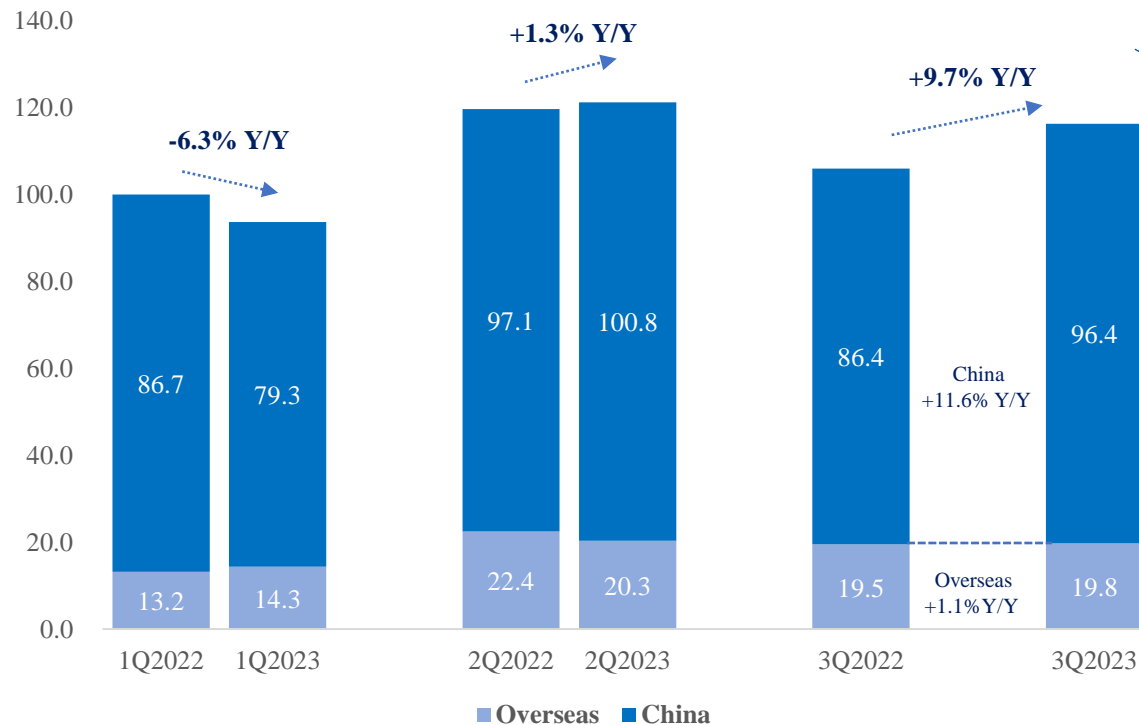


# Terminal Profitability

## Further YoY Growth for Terminal Profit in 3Q2023

- Total terminal profit recorded further YoY improvement, increasing by 9.7% YoY in 3Q23
- Terminal profit in China jumped 11.6% YoY in 3Q23, mainly driven by a growth in domestic demand, as well as a gradual rebound in international trade
- Terminal profit of overseas terminals increased 1.1% YoY, if excluding terminal profit at CSP Spain and CSP Zeebrugge terminals, overseas terminals in 3Q23 rose 30.5% YoY

### 1Q-3Q2023 Total terminal profit (US\$ Million)



### 3Q2023 Total terminal profit (US\$ Million)

	3Q2022	3Q2023	Y/Y
Subsidiary:	28.3	32.7	+15.4%
Non-subsidiary:	77.6	83.5	+7.6%
<b>Total</b>	<b>105.9</b>	<b>116.2</b>	<b>+9.7%</b>

### 3Q2023 Terminal profit in China (US\$ Million)

	3Q2022	3Q2023	Y/Y
<b>China</b> Subsidiary:	18.7	25.8	+38.1%
Non-subsidiary:	67.7	70.6	+4.3%
<b>Total</b>	<b>86.4</b>	<b>96.4</b>	<b>+11.6%</b>

### 3Q2023 Terminal profit in overseas region (US\$ Million)

	3Q2022	3Q2023	Y/Y
<b>Overseas region</b> Subsidiary:	9.6	6.9	-28.7%
Non-subsidiary:	9.9	12.9	+29.9%
<b>Total</b>	<b>19.5</b>	<b>19.8</b>	<b>+1.1%</b>



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# Financial Performance



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# Financial Highlights

## YoY Improvement on Financial Performance in 3Q2023

- During 3Q23, in their local currency terms, average ASP of China's subsidiary terminals increased 12.7% YoY and terminals in Europe rose 0.6% YoY
- Profit attributable to equity holders dropped slightly by 4.0% YoY in 3Q23, showing improvement compared to its 15.4% YoY decline in 1H23. Profit decline was mainly due to higher net finance costs amid successive interest rate hikes in the US and European markets

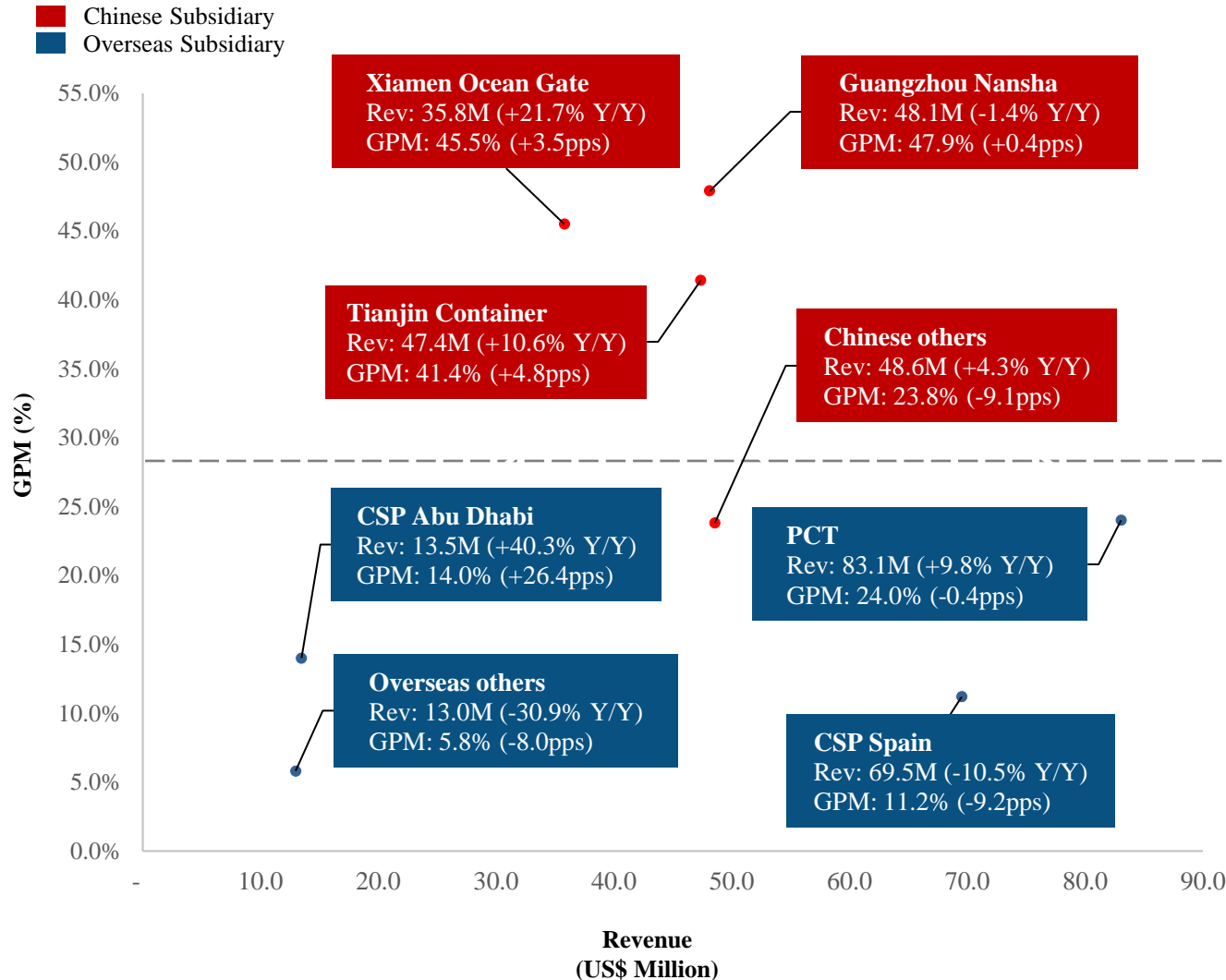
(US\$ Million, unless stated otherwise)	3Q2022	3Q2023	Y/Y	9M2022	9M2023	Y/Y
Total throughput from subsidiaries (M TEU)	8.54	8.24	-3.4%	24.22	22.97	-5.1%
Revenue	349.4	358.9	+2.7%	1,054.0	1,047.8	-0.6%
Cost	(247.1)	(258.0)	+4.4%	(754.0)	(753.2)	-0.1%
Gross profit	102.3	100.9	-1.4%	300.0	294.6	-1.8%
Net finance cost:	(26.3)	(35.5)	+35.1%	(78.9)	(104.8)	+32.9%
Finance income	5.5	7.8	+43.0%	10.4	19.5	+86.9%
Finance cost	(31.8)	(43.3)	+36.5%	(89.3)	(124.3)	+39.3%
Share of profits less losses of JV and Associates	81.3	83.4	+2.6%	241.5	237.1	-1.8%
Profit attributable to equity holders	86.8 <sup>(1)</sup>	83.3	-4.0%	264.5 <sup>(1)</sup>	233.6	-11.7%

(1) The Group made necessary adjustments on the cumulative effect of adopting HKAS 12 Amendment "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"; therefore, the profit attributable to equity holders of the Company in 3Q2022 was adjusted from US\$85,665,000 to US\$86,824,000 and 9M2022 was adjusted from US\$262,648,000 to US\$264,500,000.

# Revenue and Gross Profit Margin

## Key China's Subsidiary Terminals Performed Well in 3Q2023

3Q2023 Subsidiaries' revenue (US\$ Million) and GPM (%)



➤ **China's subsidiary terminals:** With the leading position in their local regions and rising trade demand in recent months, key China's subsidiary terminals performed well in 3Q23:

- Xiamen Ocean Gate: Benefitting from increasing foreign trades, particularly boosted by a higher number of EV exports, its revenue and margin in 3Q23 posted a strong YoY growth
- Tianjin Container: Northern China's gateway to the world with ever-increasing foreign and domestic trade

➤ **Overseas subsidiary terminals:**

- Successful "Lean operations" management strategy has continued to drive the performance of PCT and Abu Dhabi Terminal
- Due to weak demand, performance of CSP Spain and CSP Zeebrugge were negatively affected in 3Q. Going forward, we will put more effort to improve the volume and profitability

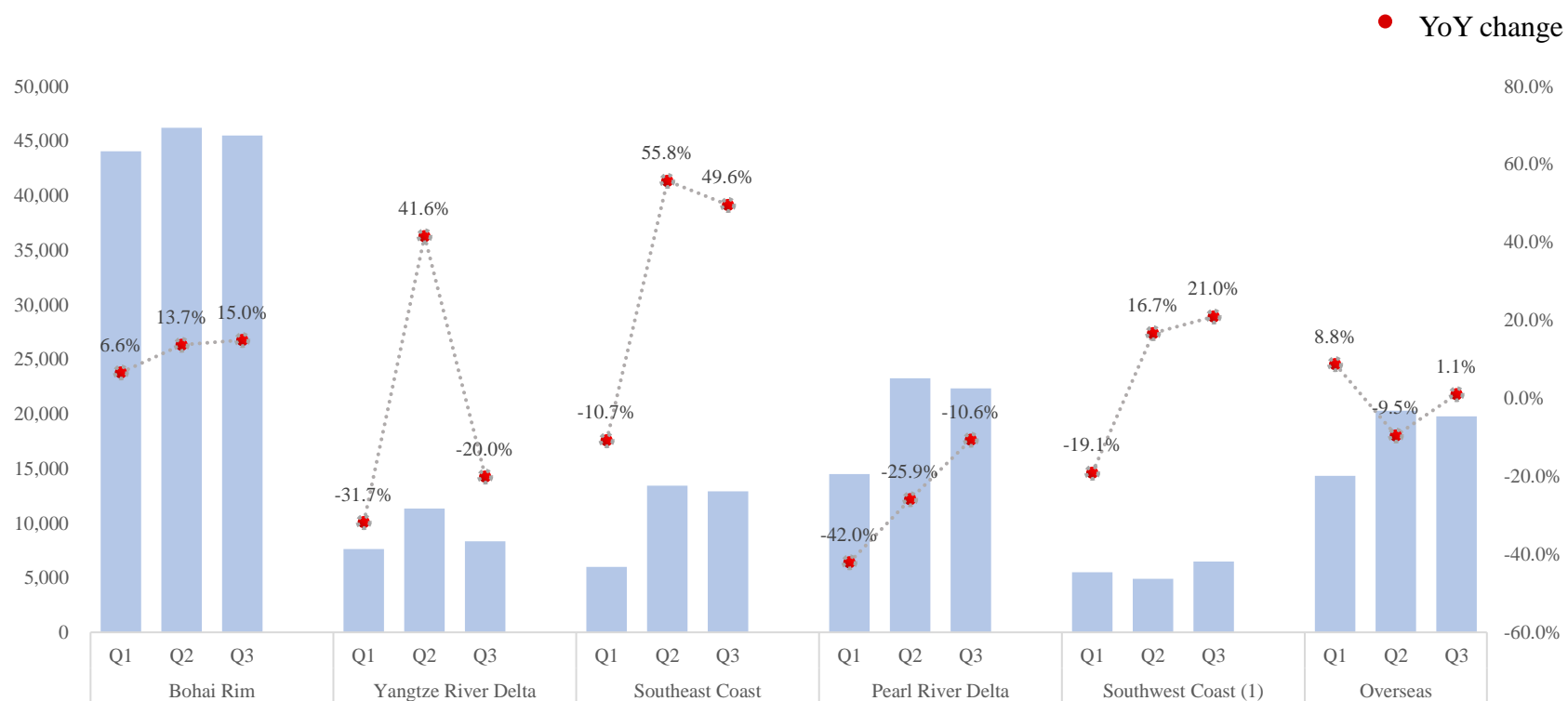
	3Q2023 Revenue (US\$ Million)	3Q2023 GPM (%)
China Subsidiary	179.9 (+7.3%)	39.2% (-0.5%)
Overseas Subsidiary	179.0 (-1.5%)	16.9% (-2.8%)
<b>Total Subsidiary</b>	<b>358.9 (+2.7%)</b>	<b>28.1% (-1.2%)</b>

# Terminal Profit

## Most Regions Recorded Better YoY Terminal Profit in 3Q2023

- Terminal profit in the Bohai Rim, the largest region contributor, continued its growth momentum in 3Q23
- Southeast Coast saw a strong growth in 3Q23 due to an additional 30% stake in Xiamen Terminal, excluding that, this region still saw a rise of 10% YoY
- The Pearl River Delta showed further improvement with the YoY decline in its profit narrowing since 1Q23 due to a rebound in exports at Yantian and Guangzhou Nansha terminals
- Benefitting from higher trade volume to ASEAN and RCEP member states, the Southwestern Coast performed well since 2Q23

1Q-3Q2023 Terminal profit by regions (US\$ Million)



Top 10 Terminal Profits (Subsidiaries in bold*)	3Q2023 Proportion	3Q2023 YoY
QPI	29.6%	+6.1%
Yantian Terminals	13.7%	+10.0%
<b>Piraeus Terminal*</b>	<b>10.8%</b>	<b>+15.0%</b>
<b>Xiamen Ocean Gate Terminal*</b>	<b>9.9%</b>	<b>+66.6%</b>
<b>Guangzhou Oceangate Terminal*</b>	<b>5.7%</b>	<b>+15.8%</b>
Kumport Liman	5.1%	+2.9%
<b>TCT*</b>	<b>4.6%</b>	<b>+230.3%</b>
Beibu Gulf Port <sup>(1)</sup>	4.0%	+22.9%
Shanghai Pudong Terminals	3.1%	-20.8%
COSCO-PSA Terminal	2.9%	+389.3%
<b>Total</b>	<b>89.4%</b>	<b>+19.7%</b>

(1) Stripping out Beibu Gulf Port's CB fair value loss of USD 4.29M in 1Q22, a gain of USD 4.29M in 2Q22, and a loss of USD 2.66M in 3Q22, and a gain of USD 1.56M in 1Q23, a gain of USD 1.66M in 2Q23 and a gain of USD 0.78M in 3Q23.



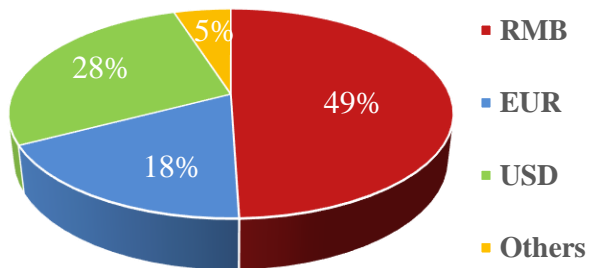
# Financial Position

## Healthy Financial Condition Continues to Promote Sustainable Development

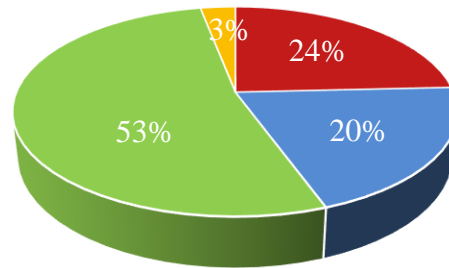
- Healthy cash and net gearing level enable us to continue to capture growth opportunities
- Total CAPEX in 9M23 was USD533M, with an even split of investment and PP&E
- The average borrowing rate was 5.18% in 9M23, vs. 3.09% in 9M22, due to the higher interest rate in the US and European markets

(US\$ Million)	As of 31 Dec 2022	As of 30 Sep 2023
Total assets	11,326.4	11,388.8
Total liabilities	4,687.2	4,842.1
Equity attributable to shareholders	5,532.0	5,479.9
Cash and bank balance	1,069.3	965.5
Total debt	2,908.6	2,955.6

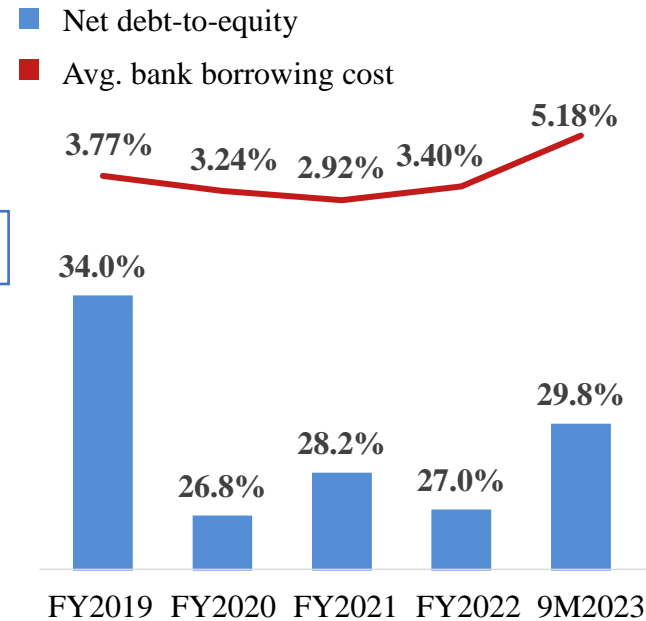
9M2023 Cash and bank balance



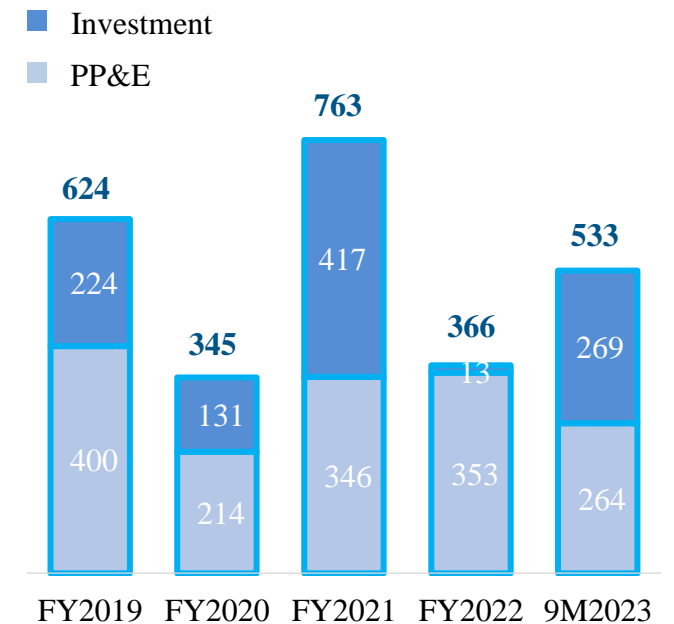
9M2023 Total debt structure



Net debt-to-equity & average bank borrowing cost



Capex (US\$ Million)







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# Operational Review



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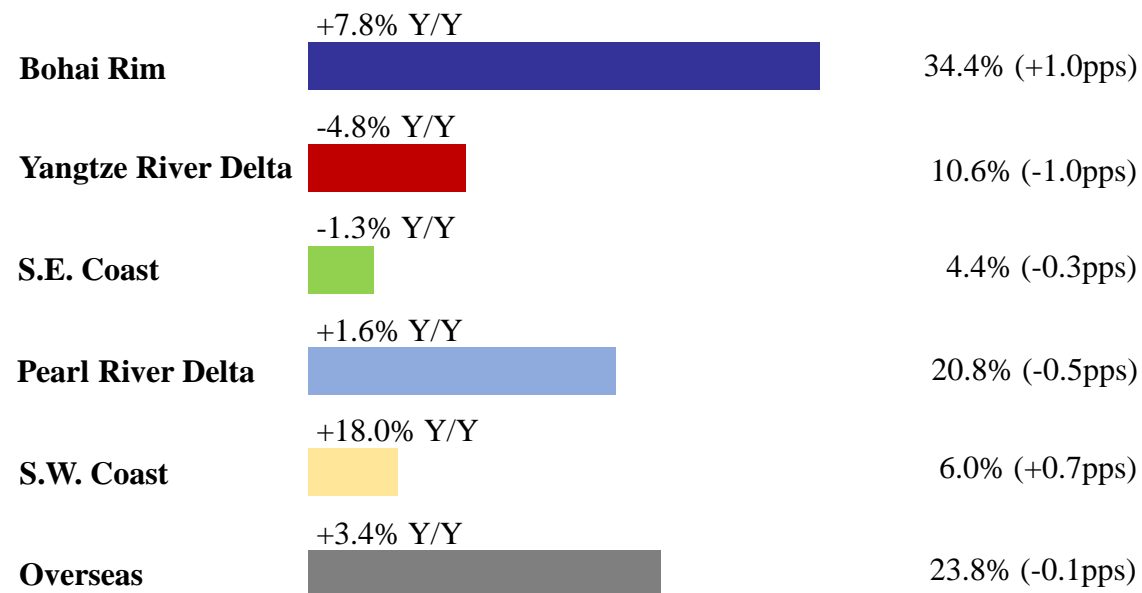
# Total Throughput and Equity Throughput

Most Regions' Performance Showed An Improving Trend in 3Q2023

- Throughput at terminals in the Bohai Rim Region, the largest contributor to our portfolio, continued to grow in 3Q23
- Benefitting from a strong domestic market as well as a growing trade volume between RCEP member states, Southwest Region continued its throughput growth in 3 consecutive quarters
- Throughput at terminals in the Pearl River Delta saw an improvement, mainly driven by a strong rebound in exports at Yantian and Guangzhou Nansha terminals

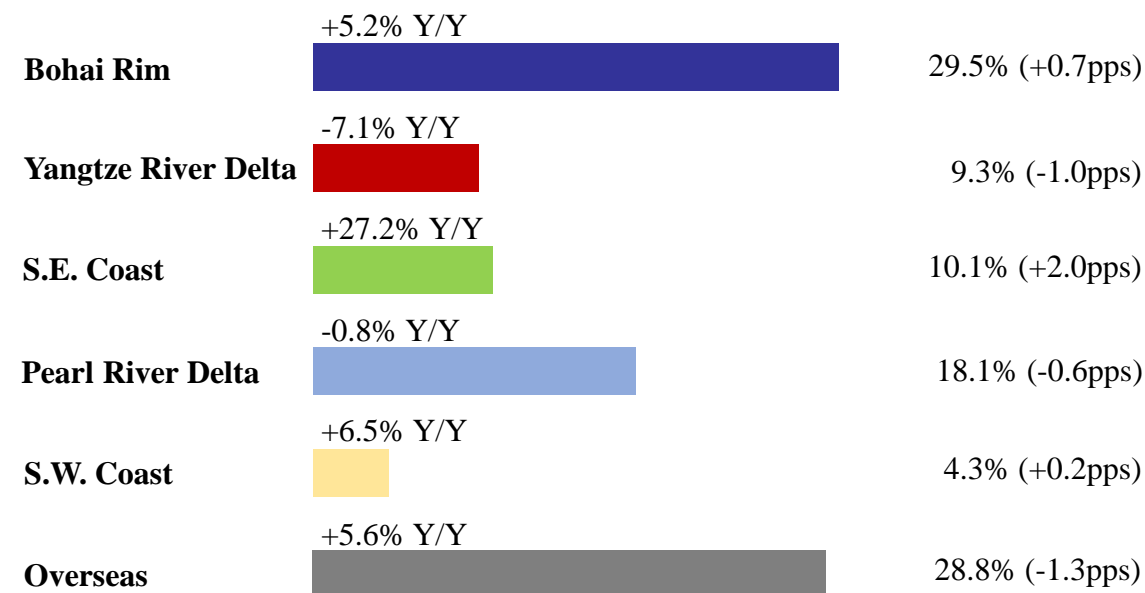
## 3Q2023 Total throughput (Million TEU)

**Total: 35.60M TEU (+4.1% Y/Y)**



## 3Q2023 Equity throughput (Million TEU)

**Total: 11.41M TEU (+2.7% Y/Y)**





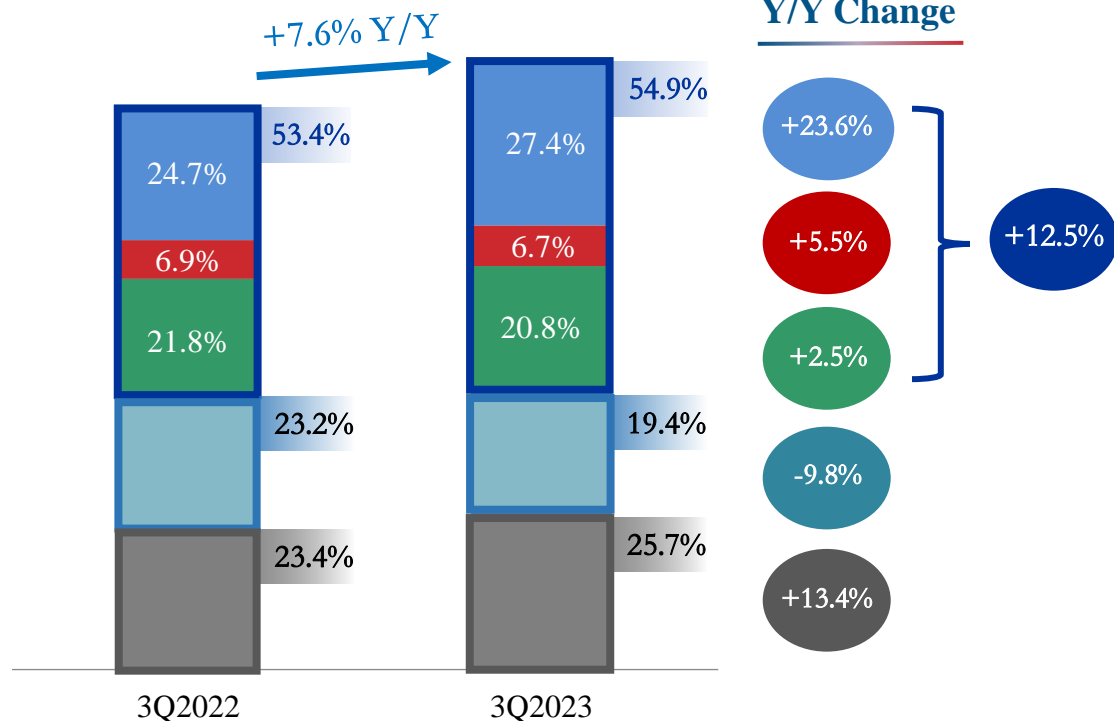
# Sales And Marketing

## Customer Portfolio Further Optimized in 3Q2023

- During 3Q23, in their local currency terms, average ASP of China's subsidiary terminals increased 12.7% YoY and terminals in Europe rose 0.6% YoY
- In 3Q23, throughput at our 8 major subsidiary terminals rose 7.6% YoY, among them, non-shipping alliances shipping companies increased 13.4% YoY, largely driven by the contribution from TCT's customers

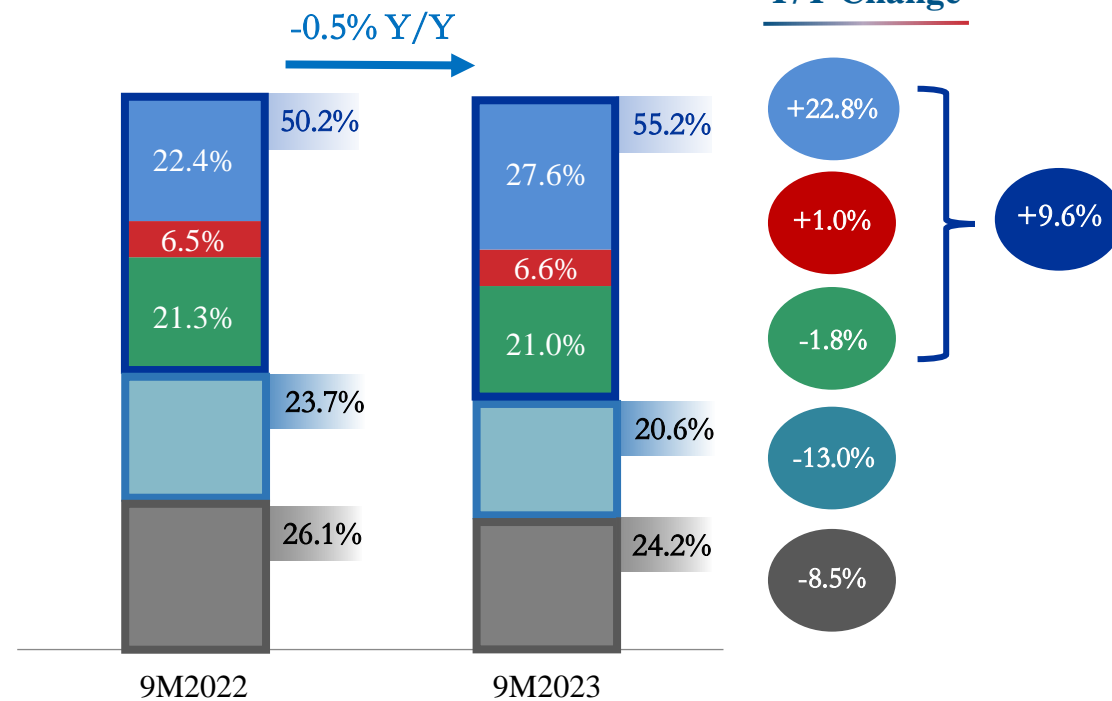
### 3Q2023 Customers as a percentage of total throughput <sup>(1)</sup>

■ COSCO SHIPPING Lines    ■ OOCL    ■ Evergreen + CMA  
□ OCEAN Alliance    □ 2M + THE Alliance    ■ Others



### 9M2023 Customers as a percentage of total throughput <sup>(1)</sup>

■ COSCO SHIPPING Lines    ■ OOCL    ■ Evergreen + CMA  
□ OCEAN Alliance    □ 2M + THE Alliance    ■ Others



(1) Total throughput from 8 major subsidiary terminals at which all shipping companies call, including terminals of TCT, Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi. 12



# Technological Innovation

Continuing the Construction of Smart Ports to Facilitate Lean Operations Management

## 5G

- Expanding the implementation of **5G smart ports** at Xiamen Terminal and CSP Abu Dhabi Terminal
- Completing the project of **automation upgrade** at TCT
- Promoting and implementing the experience of **5G smart ports** construction at other subsidiaries such as Wuhan Terminal and Quanzhou Terminal

CSP Abu Dhabi Terminal



## GSBN

- Further enhancing terminals' IT infrastructure through the participation of **GSBN** and application of blockchain technology, promoting the synergy between shipping and port industry
- Launching CSP Portal for GSBN at 8 subsidiary terminals, promoting an innovative alternative to the traditional workflow of the industry

Xiamen Ocean Gate Terminal



## EAM MIS

- Enhancing the construction of **EAM system** to all of our subsidiaries in China and CSP Abu Dhabi Terminal, effectively managing equipment procurement and maintenance costs
- Achieving progress in upgrading ports with digital transformation proceeding apace. The **MIS system** has connected the TOS data and SAP data of all subsidiary terminals to improve operation management

Tianjin Container Terminal





# New Sources of Growth

Accelerating the Development of Supply Chain Projects and Value-Added Products

## Supply chain projects



CSP Abu Dhabi CFS Phase 1



CSP Zeebrugge CFS

	Total area (sqm)	Warehouse area (sqm)	Capex (Million)	Commissioning timeline
<b>Xiamen Haitou CFS</b>	532,000	159,000	94M USD	Now operating
<b>Xiamen Haicang CFS</b>	23,800	20,000	135M RMB	2023 Expected
<b>CSP Abu Dhabi CFS Phase 1 <sup>(1)</sup></b>	273,970	50,666	64M USD	Now operating
<b>CSP Zeebrugge CFS</b>	77,869	41,580	13M EUR	Now operating

(1) The total warehouse area and estimated capex of phase 1 and 2 is about 105,225 sqm and approximately USD 138M.

## EV Business



EV Business

- High-tech, value-added products and products driving green transformation have become new engines for China's export growth
- In 9M23, China's exports of electric vehicles surged 110% YoY to about 825K units
- Our subsidiaries captured the opportunities of EV export, for example, Xiamen Ocean Gate Terminal delivered about 41K units in 9M23, generating new sources of volume and profit growth





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# Strategy & Outlook

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Capitalizing on  
global economic growth to  
optimize terminal portfolio

Further implementing  
lean operations management to boost  
quality and efficiency



Global Expansion



Diversify



Disposing



Revenue expansion



Cost reduction



Headquarters'  
empowerment





## Challenges

- Weakening global economic growth outlook
- Increasing risks of geopolitical conflict
- Further interest rate hike and continued USD appreciation against other currencies

## Opportunities

- RCEP and emerging markets opportunities
- Growth driven by “Dual Circulation” strategy in China with both growing exports and an emphasis on expanded domestic demand
- Long term opportunities for overseas terminals development as well as for domestic ports consolidation

- Further strengthening the performance of our strategic subsidiary terminals and continuing to enhance the global ports network and to optimize our terminal portfolio, especially increasing the exposure of Southeast Asia, the Middle East, Africa and South America
- Strong relationships and bargaining power with shipping companies on the back of our successful sales and marketing management
- Good prospect on the back of our successful lean operations management to improve asset quality and profitability of subsidiary terminals

*Expecting our equity throughput volume growth will be in line with the industry average in 2023*







05



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Q&A

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06



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# Appendix

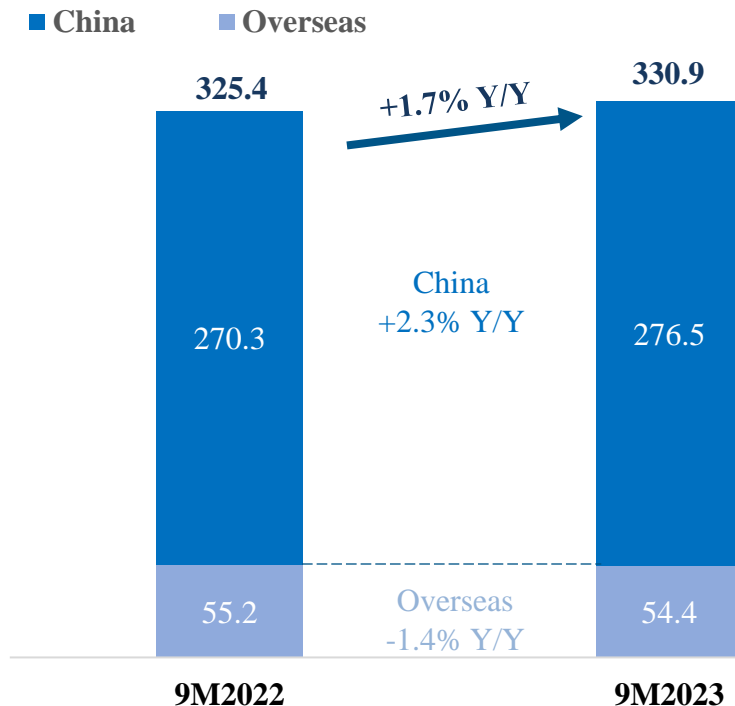




# 9M2023 Terminal Profitability

- Total terminal profit increased by 1.7% YoY in the first 9 months of 2023
- Terminal profit in China also increased 2.3% YoY, mainly due to a strong performance at Xiamen, Tianjin and Beibu Gulf Port terminals
- Terminal profit of some overseas non-subsidiaries, such as Suez Canal, Kumport, COSCO-PSA and RSGT terminals, has shown a significant improvement in profitability to partially offset the decline at other overseas subsidiaries, such as CSP Spain Terminal and CSP Zeebrugge Terminal

## 9M2023 Total terminal profit (US\$ Million)



## 9M2023 Terminal profit in China (US\$ Million)

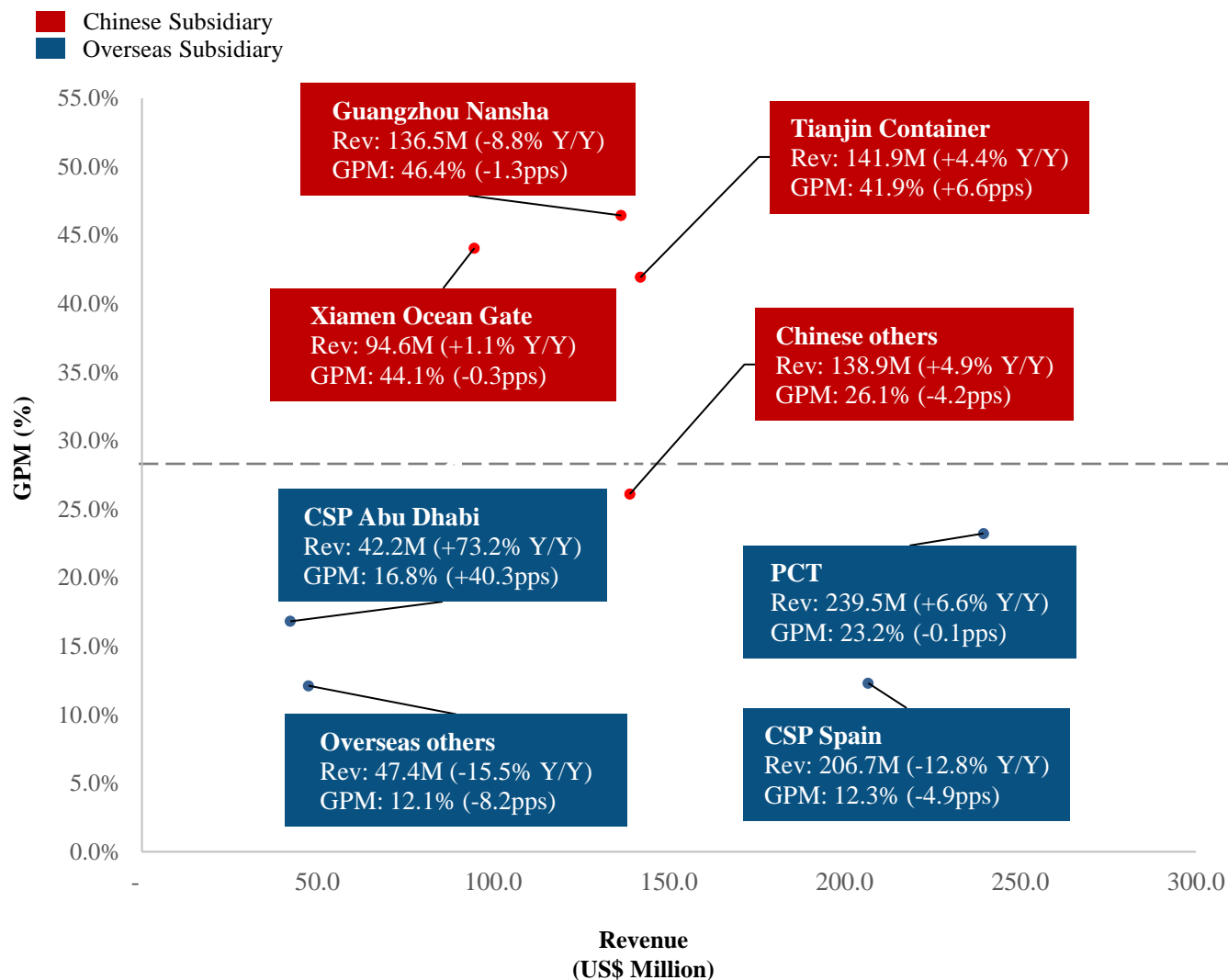
	9M2022	9M2023	Y/Y
<b>China</b> Subsidiary:	58.2	68.6	+17.8%
Non-subsidiary:	212.1	207.9	-2.0%
<b>Total</b>	<b>270.3</b>	<b>276.5</b>	<b>+2.3%</b>

## 9M2023 Terminal profit in Overseas (US\$ Million)

	9M2022	9M2023	Y/Y
<b>Overseas region</b> Subsidiary:	29.1	20.9	-28.2%
Non-subsidiary:	26.0	33.5	+28.6%
<b>Total</b>	<b>55.2</b>	<b>54.4</b>	<b>-1.4%</b>

# 9M2023 Revenue and Gross Profit Margin

9M2023 Subsidiaries' revenue (US\$ Million) and GPM (%)



## ➤ Terminals in China:

- GPM in China remained at a relatively high level at 39.2% during 9M23
- Tianjin Container Terminal experienced a gradual recovery in trade volume which resulted in a positive yearly change in revenue as well as gross profit

## ➤ Overseas Terminals:

- CSP Abu Dhabi performed well with revenue and margin improvement
- We expect lean operation management will help improve the performance at CSP Spain and CSP Zeebrugge terminals

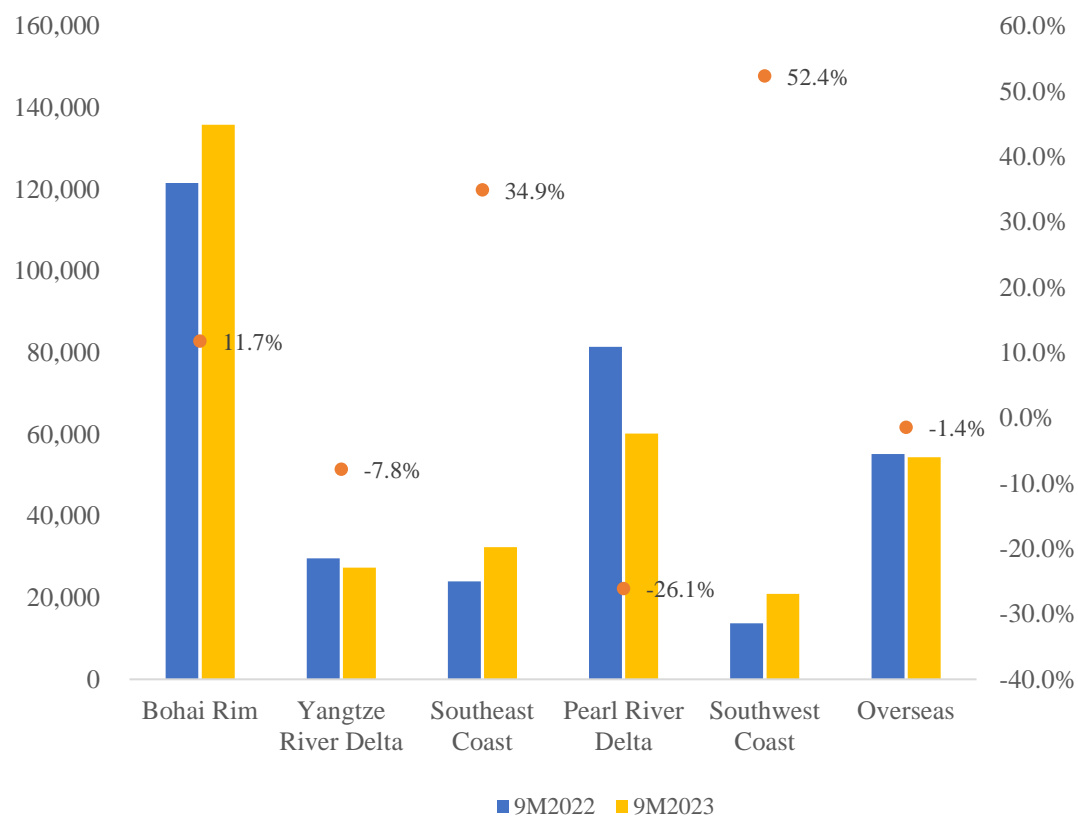
	9M2023 Revenue (US\$ Million)	9M2023 GPM (%)
China Subsidiary	511.9 (+0.1%)	39.2% (-0.1%)
Overseas Subsidiary	535.9 (-1.2%)	17.5% (-0.7%)
<b>Total Subsidiary</b>	<b>1,047.8 (-0.6%)</b>	<b>28.1% (-0.4%)</b>



# 9M2023 Terminal Profit

- The terminal profit in 9M2023 was up by 1.7% YoY
- Terminal profits in the Bohai Rim, S.E Coast and S.W. Coast posted a growth of 11.7%, 34.9% and 52.4% YoY, respectively

9M2023 Terminal profit by regions (US\$ Million)



9M2023 Terminal profit (US\$ Million)

	9M2022	9M2023	Y/Y
Subsidiary:	87.3	89.5	+2.5%
Non-subsidiary:	238.1	241.4	+1.4%
<b>Total</b>	<b>325.4</b>	<b>330.9</b>	<b>+1.7%</b>

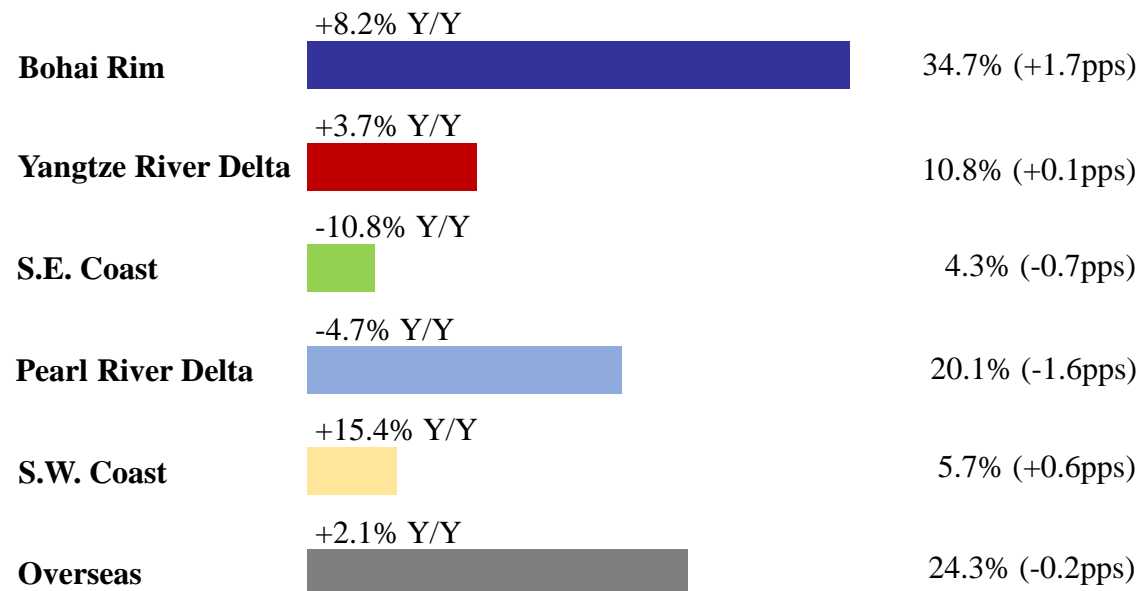
Terminals (Subsidiaries in bold*)	9M2022	Terminals (Subsidiaries in bold*)	9M2023
QPI	30.7%	QPI	31.6%
Yantian Terminals	14.1%	Yantian Terminals	12.0%
<b>Piraeus Terminal*</b>	<b>9.0%</b>	<b>Piraeus Terminal*</b>	<b>9.2%</b>
<b>Xiamen Ocean Gate Terminal*</b>	<b>6.3%</b>	<b>Xiamen Ocean Gate Terminal*</b>	<b>8.6%</b>
<b>Guangzhou Oceangate Terminal*</b>	<b>5.4%</b>	<b>Guangzhou Oceangate Terminal*</b>	<b>5.3%</b>
Kumport Liman	4.6%	Kumport Liman	5.1%
Shanghai Pudong Terminals	3.9%	Beibu Gulf Port	4.7%
<b>Tianjin Container Terminal*</b>	<b>2.8%</b>	<b>Tianjin Container Terminal*</b>	<b>4.5%</b>
Beibu Gulf Port	2.6%	Shanghai Pudong Terminals	3.6%
COSCO-HIT Terminal	2.4%	COSCO-PSA Terminal	2.2%
<b>Total</b>	<b>81.8%</b>	<b>Total</b>	<b>86.8%</b>

# 9M2023 Total Throughput and Equity Throughput

- The equity throughput in 9M2023 rose 1.8% YoY, mainly driven by the strong performance of terminals in the regions of Bohai Rim, Southeastern Coast and Southwestern Coast

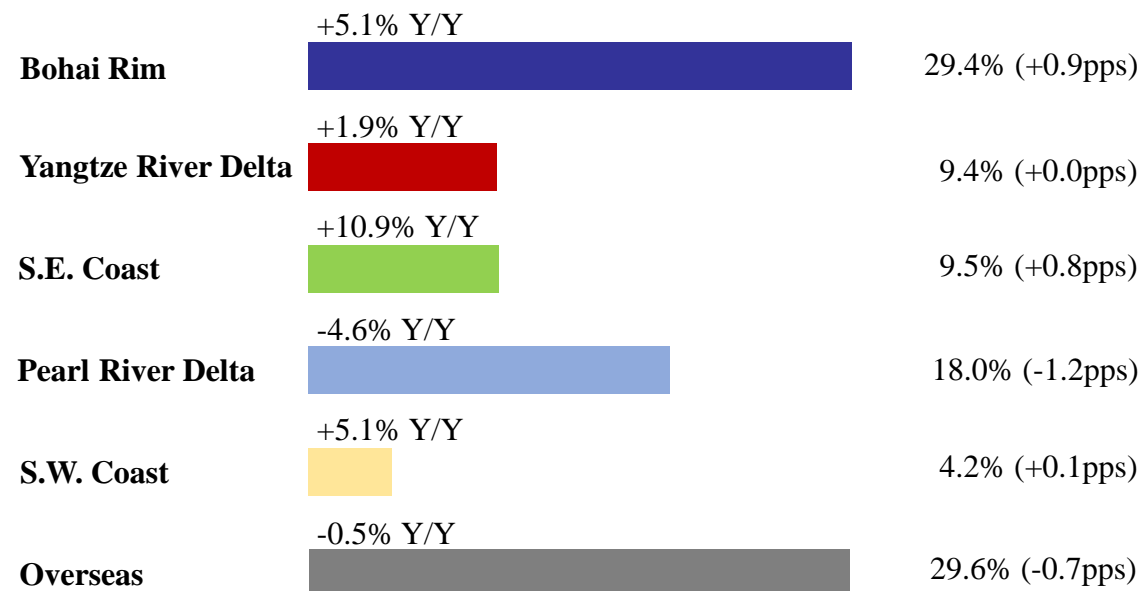
## 9M2023 Total throughput (Million TEU)

**Total: 100.18M TEU (+2.8% Y/Y)**



## 9M2023 Equity throughput (Million TEU)

**Total: 32.16M TEU (+1.8% Y/Y)**





# Pledge to Reach Carbon Neutrality at Subsidiary Level

Enhancing Energy Use Efficiency to Reduce Emissions and Combat Climate Change



## GHG Emissions

### Long-term commitment:

- To achieve carbon neutrality no later than 2060

### Short-term target:

- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of our Subsidiaries by 20% in 2030, as compared with 2020

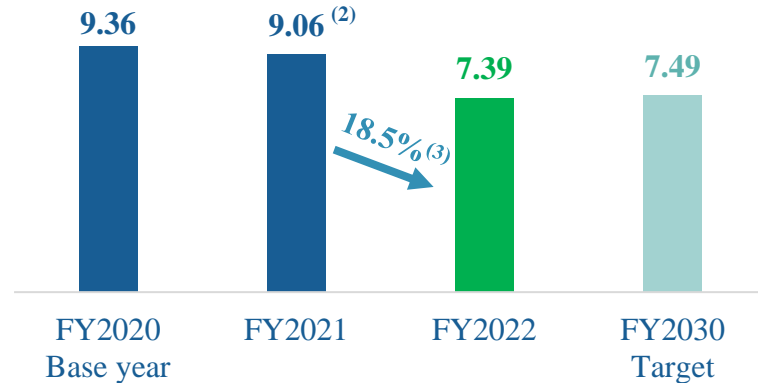


## Energy Consumption

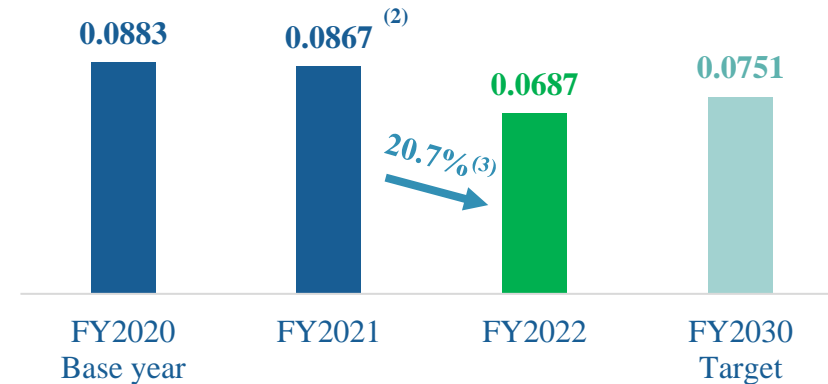
### Short-term target:

- To reduce energy consumption intensity of our subsidiaries by 15% in 2030, as compared with 2020

**Subsidiaries' GHG emission intensity <sup>(1)</sup>:**  
(kg of CO<sub>2</sub>e per TEU)



**Subsidiaries' energy consumption intensity <sup>(1)</sup>:**  
(GJ per TEU)



(1) Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is under construction and the acquisition of Tianjin Container Terminal was completed in December 2021, therefore their environmental performance was not included in the Subsidiaries' performance for 2020 and 2021. Tianjin Container Terminal became the Company's subsidiary since December 2021; therefore its environmental performance was included in the Subsidiaries' performance for 2022.

(2) Figures were restated after data review.

(3) The environmental performance data shown in the graph are rounded off, while the corresponding percentage changes are derived from unrounded figures.

# Enhancing Water and Waste Management at Subsidiary Level

Contributing to Ecological and Environmental Protection

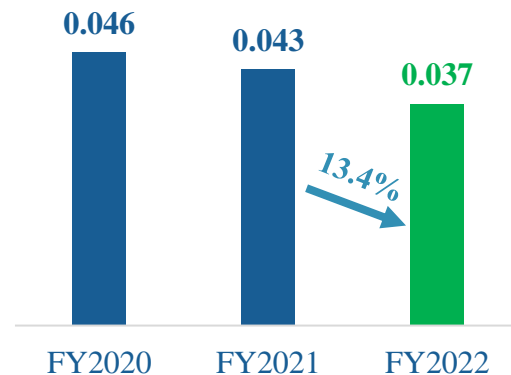


## Water Consumption

### Target:

- To enhance the management of water resources and improve water use efficiency

**Subsidiaries' water consumption intensity<sup>(1)</sup>:**  
(m<sup>3</sup> per TEU)



## Waste

### Target for hazardous waste:

- To maintain 100% hazard-free disposal of waste

### Target for non-hazardous waste:

- To reduce domestic waste by terminals and, in the long term, achieve the goal of zero waste sent to the landfill

### FY2022 Subsidiaries' hazardous waste treatment<sup>(1)</sup>:

- 100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications

(1) Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is under construction and the acquisition of Tianjin Container Terminal was completed in December 2021, therefore their environmental performance was not included in the Subsidiaries' performance for 2020 and 2021. Tianjin Container Terminal became the Company's subsidiary since December 2021; therefore its environmental performance was included in the Subsidiaries' performance for 2022.



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