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

1H2023 Results Presentation

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

AGENDA

01 Key Highlights

02 Financial Performance

03 Operational Review

04 Strategy & Outlook

05 Q&A

06 Appendix

01

Key Highlights

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1H2023 Terminals Profitability

Terminal Profit Mildly Declined 2.2% YoY

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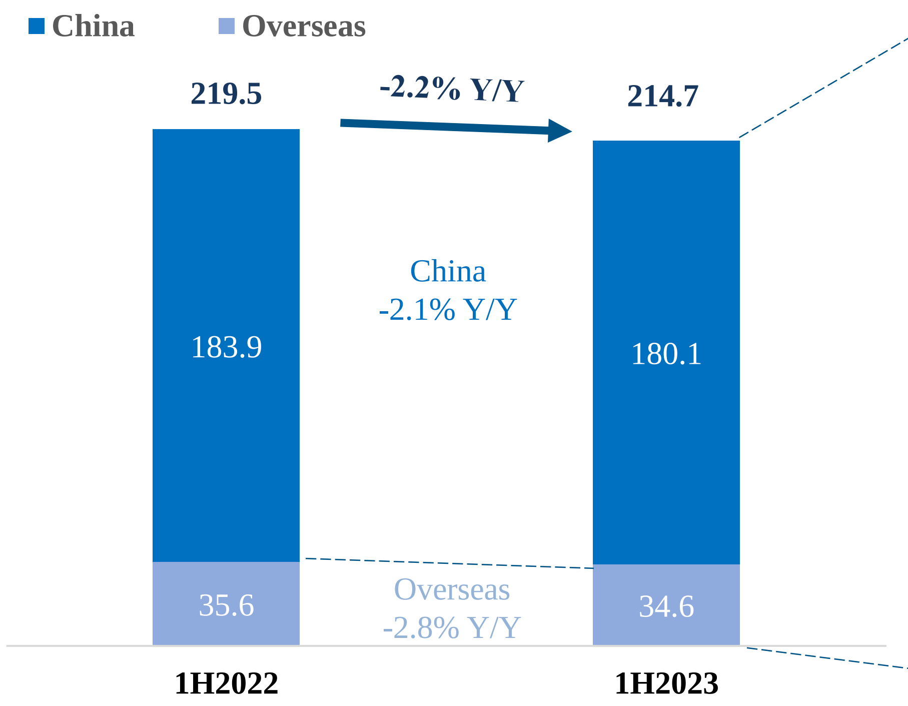
- Total terminal profit dropped 2.2%YoY in 1H2023 mainly due to weaker demand in the US and European markets
- Terminal profit in China was down 2.1% YoY due to the decline in the profit at Yantian and HK terminals
- Terminal profit of some overseas non-subsidiaries, such as Suez Canal Terminal, Kumport Terminal and RSGT have shown improvement to partially offset the terminal profit decline of some overseas subsidiaries, such as CSP Spain Terminal and CSP Zeebrugge Terminal

1H2023 Total terminal profit (US$ Million)



1H2023 Terminal profit in China (US$ Million)

		1H2022	1H2023	Y/Y
China	Subsidiary:	39.5	42.8	+8.3%
	Non-subsidiary:	144.4	137.3	-4.9%
	Total	**183.9**	**180.1**	**-2.1%**

1H2023 Terminal profit in overseas region (US$ Million)

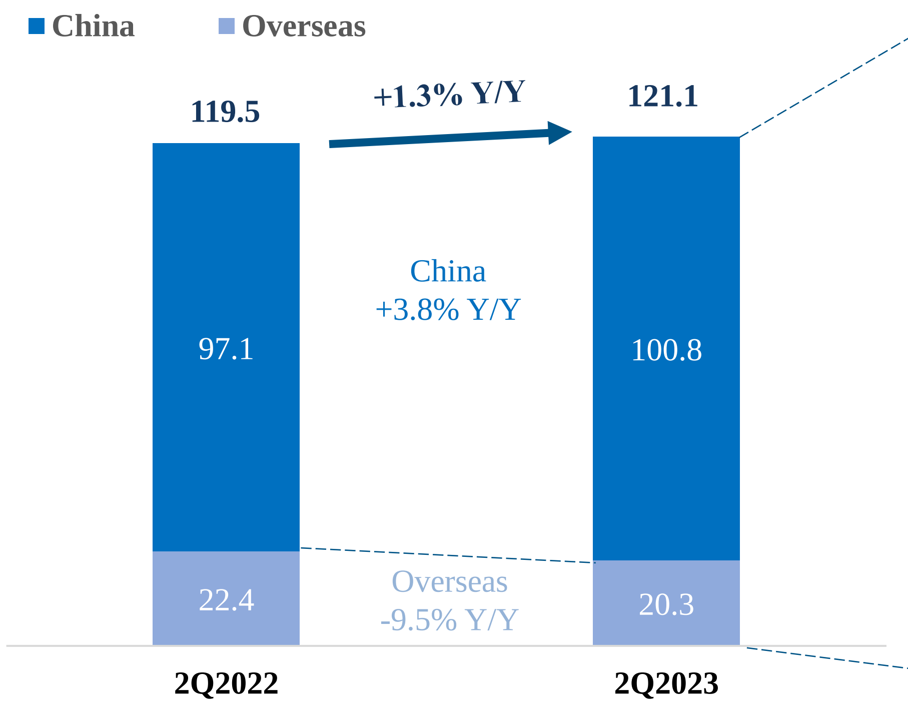
		1H2022	1H2023	Y/Y
Overseas region	Subsidiary:	19.5	14.0	-28.0%
	Non-subsidiary:	16.1	20.6	+27.8%
	Total	**35.6**	**34.6**	**-2.8%**

2Q2023 Terminals Profitability

Total Terminal Profit Recorded Improvement in 2Q2023

- Total terminal profit jumped 1.3%YoY in 2Q2023 compared to a decline of 6.3% YoY in 1Q2023
- Terminal profit in China rose 3.8% YoY in 2Q driven by the contribution of newly acquired stake in Xiamen Terminal and Haitou Supply Chain Project

2Q2023 Total terminal profit (US$ Million)



2Q2023 Terminal profit in China (US$ Million)

		2Q2022	2Q2023	Y/Y
China	Subsidiary:	23.0	25.5	+11.0%
	Non-subsidiary:	74.1	75.3	+1.6%
	Total	**97.1**	**100.8**	**+3.8%**

2Q2023 Terminal profit in overseas region (US$ Million)

		2Q2022	2Q2023	Y/Y
Overseas region	Subsidiary:	13.3	8.4	-36.9%
	Non-subsidiary:	9.1	11.9	+30.8%
	Total	**22.4**	**20.3**	**-9.5%**

02

Financial Performance

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Financial Highlights

Performance Improvement of JV & Associates in 2Q2023

- In 2Q2023, share of profits of JVs and Associates increased 8.9% YoY, mainly driven by the recovery of Shanghai Pudong and Mingdong terminals as well as outperformance at other non-subsidiary terminals in the regions such as the Middle East
- Profit attributable to equity holders dropped by 15.4% YoY in 1H2023, mainly due to higher net finance costs amid interest rate hike in the US and European markets

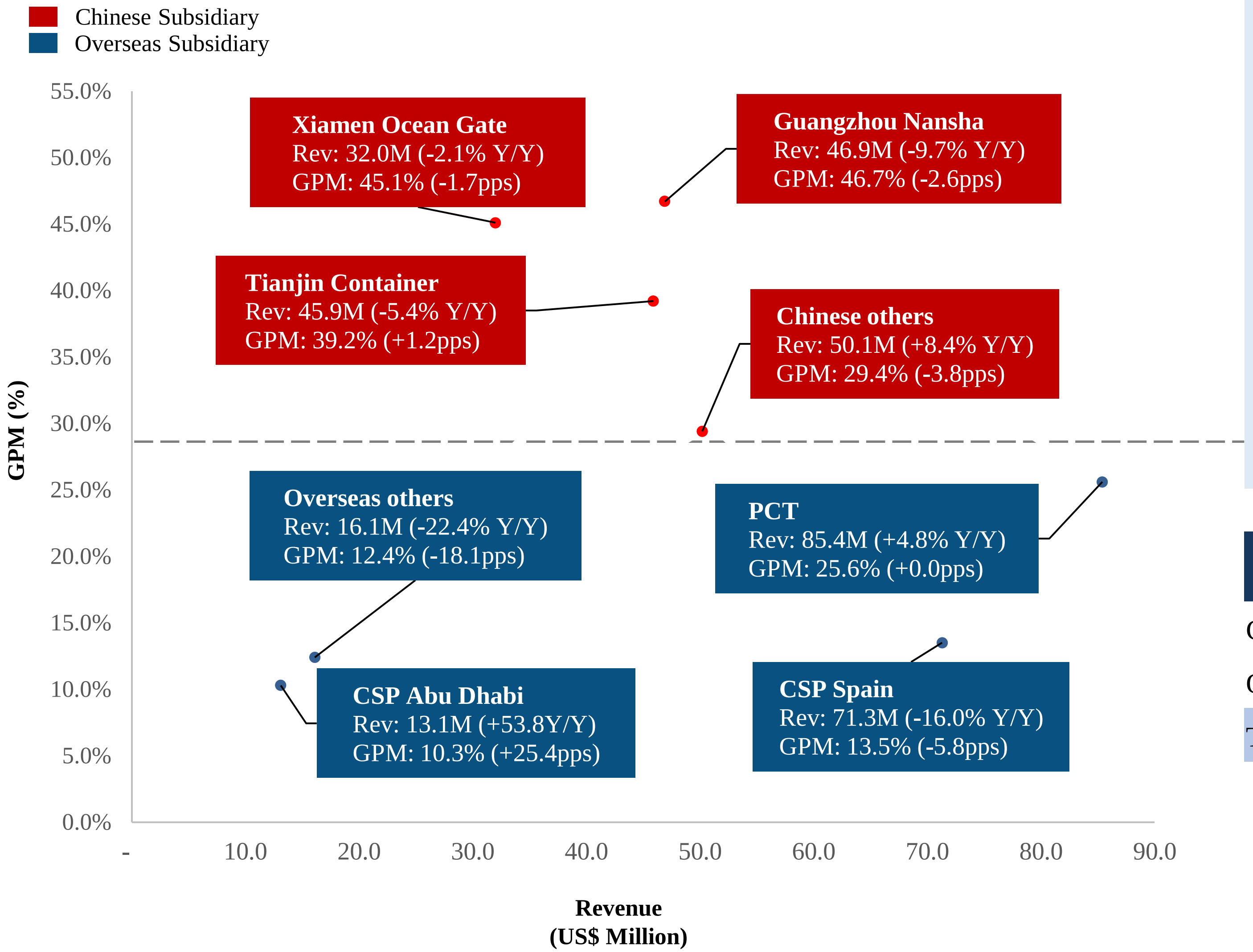
(US$ Million, unless stated otherwise)	2Q2022	2Q2023	Y/Y	1H2022	1H2023	Y/Y
Total throughput from subsidiaries (M TEU)	8.19	8.08	-1.4%	15.68	14.73	-6.0%
Revenue	375.0	360.8	-3.8%	704.6	688.9	-2.2%
Cost	(258.1)	(257.0)	-0.4%	(506.9)	(495.1)	-2.3%
Gross profit	116.8	103.8	-11.1%	197.7	193.8	-2.0%
Net finance costs	(26.1)	(34.8)	+33.4%	(52.5)	(69.3)	+31.9%
Share of profits less losses of JV and Associates	77.7	84.6	+8.9%	160.2	153.6	-4.1%
Profit attributable to equity holders	101.6 (1)	87.8	-13.6%	177.7 (1)	150.3	-15.4%
Dividend per share (US cents)	-	-	-	2.128	1.744	-18.1%
Payout ratio	-	-	-	40%	40%	-

(1) In 1H2023, 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 2Q2022 was adjusted from US$102,035,000 to US$101,567,000 and 1H2022 was adjusted from US$176,983,000 to US$177,676,000.

2Q2023 Revenue and Gross Profit Margin

Average GPM of Chinese Subsidiaries Higher Than Overseas Subsidiaries

2Q2023 Subsidiaries' revenue (US$ Million) and GPM (%)



- **Terminals in China:**
  - GPM in China was at 39.5% in 2Q2023 with relatively good margin expansion shown in Tianjin Container Terminal
- **Overseas terminals:**
  - Lean operations management continues boosting the performance at CSP Abu Dhabi Terminal
  - Due to lower throughput and revenue of CSP Spain and CSP Zeebrugge, performance of these two terminals were negatively affected in 2Q. However, we will put more effort to improve the volume and profitability going forward

	2Q2023 Revenue (US$ Million)	2Q2023 GPM (%)
China Subsidiary	174.9 (-2.5%)	39.5% (-2.1%)
Overseas Subsidiary	185.9 (-5.0%)	18.7% (-2.9%)
Total Subsidiary	**360.8 (-3.8%)**	**28.8% (-2.4%)**

2Q2023 Terminal Profit

Total Terminal Profit in 2Q was up 1.3% YoY, Outperformed 6.3% YoY Decline in 1Q

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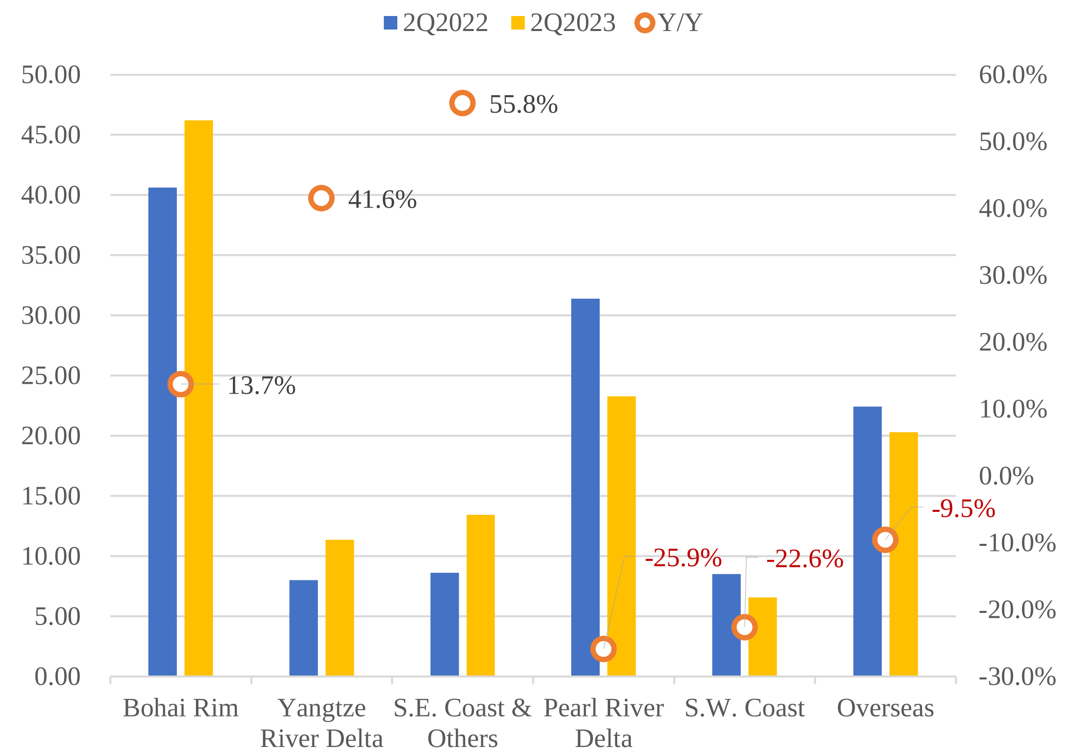
- Chinese terminal profit in 2Q was up 3.8%YoY, improved from drop of 8.6%YoY in 1Q, underpinned by "Dual Circulation" to support domestic markets
- The Yangtze River Delta recorded 41.6% YoY growth in terminal profit due to the recovery at Shanghai Pudong and Mingdong terminals
- Terminal profit in S.E. Coast recorded 55.8% YoY growth mainly driven by a 30% stake acquisition in Xiamen Ocean Gate Terminal

2Q2023 Terminal profit by regions (US$ Million)



Terminals (Subsidiaries in bold*)	2Q2022	Terminals (Subsidiaries in bold*)	2Q2023
QPI	27.6%	QPI	29.6%
Yantian Terminals	13.6%	Yantian Terminals	11.5%
PCT*	**9.4%**	**Xiamen Ocean Gate Terminal***	**9.4%**
Xiamen Ocean Gate Terminal*	**6.3%**	**PCT***	**9.1%**
Beibu Gulf Port	5.6%	**Guangzhou Oceangate Terminal***	**5.0%**
Guangzhou Oceangate Terminal*	**5.3%**	Kumport Terminal	4.9%
Kumport Terminal	4.1%	Shanghai Pudong Terminal	3.8%
Tianjin Container Terminal*	**3.9%**	Beibu Gulf Port	3.8%
CSP Zeebrugge Terminal*	**3.1%**	**Tianjin Container Terminal***	**3.4%**
CSP Spain Related Companies*	**3.1%**	COSCO-PSA Terminal	2.4%
Total	**82.0%**	**Total**	**82.9%**

1H2023 Financial Position

Healthy Financial Condition to Promote Sustainable Development

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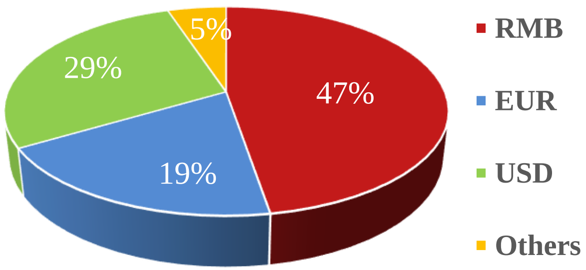
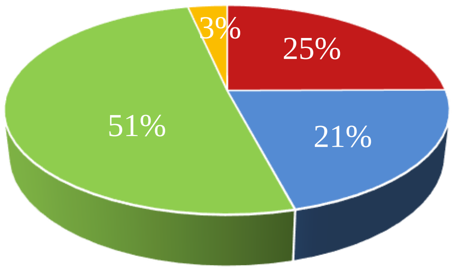
- Healthy cash and net gearing level enable us to continue to capture growth opportunities
- Total CAPEX in 1H2023 was USD437M, with investment and PP&E accounting for about 62% and 38%, respectively
- The average borrowing rate was 4.97% 1H2023, vs. 2.91% in 1H2022, due to the higher interest rate in the US and European markets

(US$ Million)	As of 31 Dec 2022	As of 30 Jun 2023
Total assets	11,326.4	**11,325.0**
Total liabilities	4,687.2	**4,805.3**
Equity attributable to shareholders	5,532.0	**5,459.7**
Cash and bank balance	1,069.3	**922.8**
Total debt	2,908.6	**2,981.6**

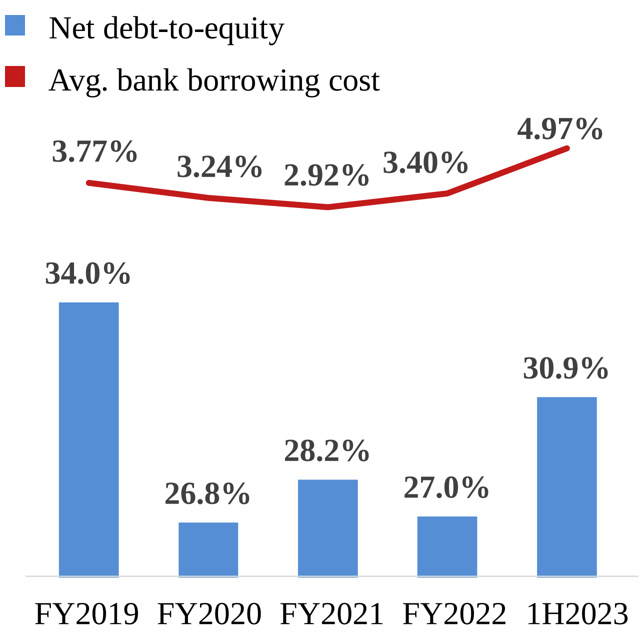
1H2023 Cash and bank balance



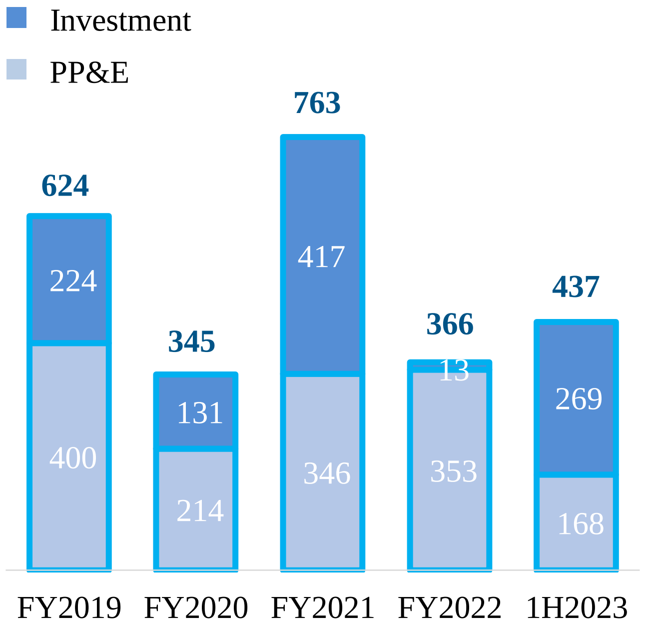
1H2023 Total debt structure



Net debt-to-equity & average bank borrowing cost



Capex (US$ Million)



03

Operational Review

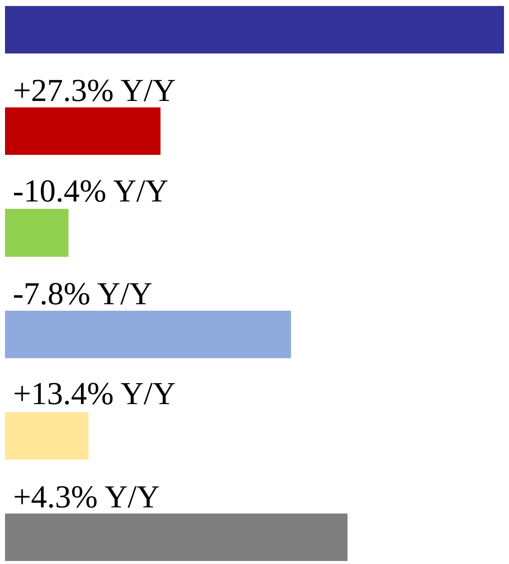
2Q2023 Throughput

Equity throughput in 2Q was up 4.8% YoY, outperformed 2.5% YoY decline in 1Q

➢ Strong equity throughput growth in YRD at 20.3% YoY in 2Q (-4.0% YoY in 1Q) was mainly driven by Shanghai Pudong and Mingdong terminals

2Q2023 Total throughput (Million TEU)

Total: 34.27M TEU (+4.1% Y/Y)

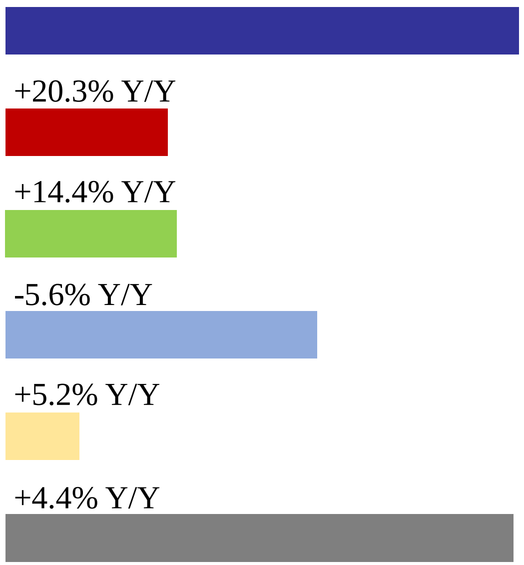


	Y/Y	% of total
Bohai Rim	+6.5% Y/Y	34.9% (+1.4pps)
Yangtze River Delta	+27.3% Y/Y	10.9% (+1.8pps)
S.E. Coast & Others	-10.4% Y/Y	4.4% (-0.8pps)
Pearl River Delta	-7.8% Y/Y	20.0% (-2.7pps)
S.W. Coast	+13.4% Y/Y	5.8% (+0.5pps)
Overseas	+4.3% Y/Y	24.0% (-0.2pps)

Subsidiary:	**8.08M TEU (-1.4% Y/Y)**	**23.6% (-1.3pps)**
Non-subsidiary:	**26.19M TEU (+5.9% Y/Y)**	**76.4% (+1.3pps)**

2Q2023 Equity throughput (Million TEU)

Total: 11.14M TEU (+4.8% Y/Y)



	Y/Y	% of total
Bohai Rim	+4.9% Y/Y	29.3% (+0.3pps)
Yangtze River Delta	+20.3% Y/Y	9.3% (+1.1pps)
S.E. Coast & Others	+14.4% Y/Y	9.8% (+0.7pps)
Pearl River Delta	-5.6% Y/Y	17.9% (-2.1pps)
S.W. Coast	+5.2% Y/Y	4.2% (-0.1pps)
Overseas	+4.4% Y/Y	29.5% (+0.1pps)

Subsidiary:	**5.00M TEU (+3.0% Y/Y)**	**44.9% (-0.8pps)**
Non-subsidiary:	**6.14M TEU (+6.3% Y/Y)**	**55.1% (+0.8pps)**

Sales And Marketing

38 New Shipping Routes And ASP Increment in 1H2023

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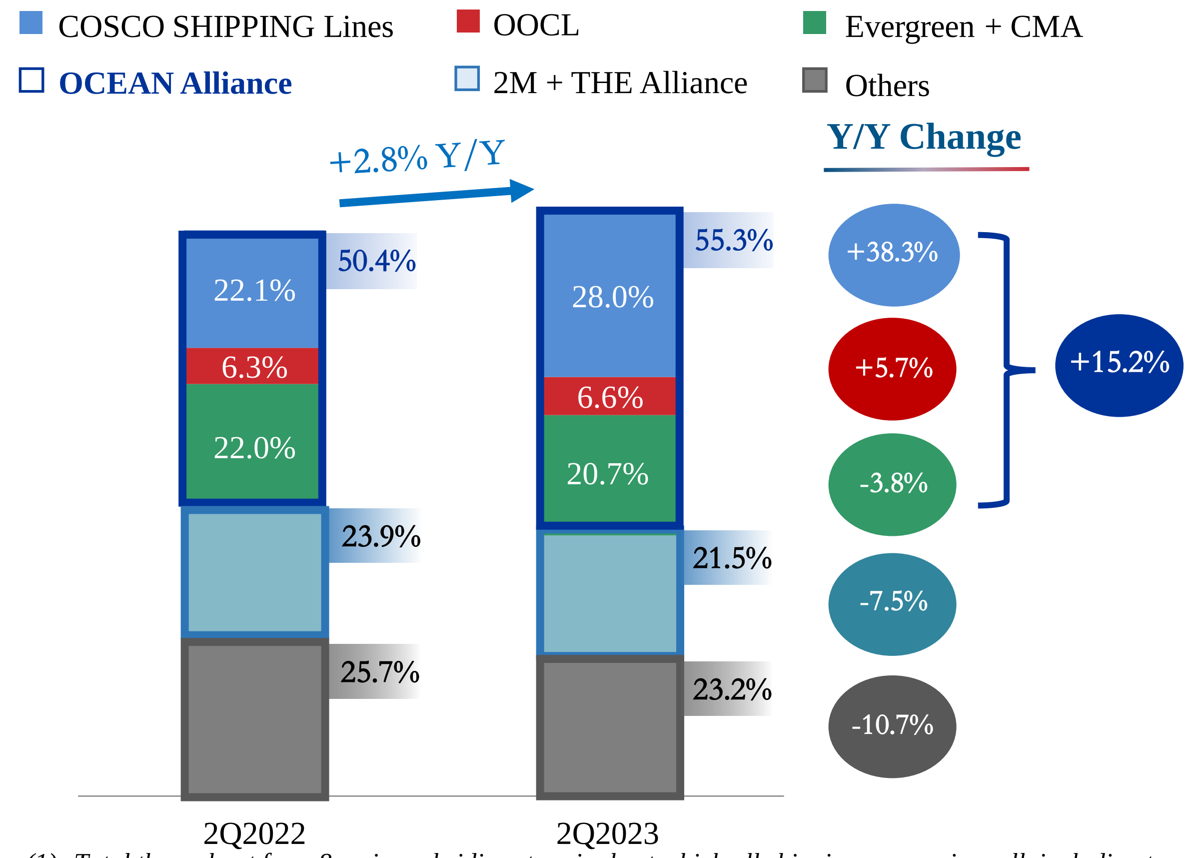
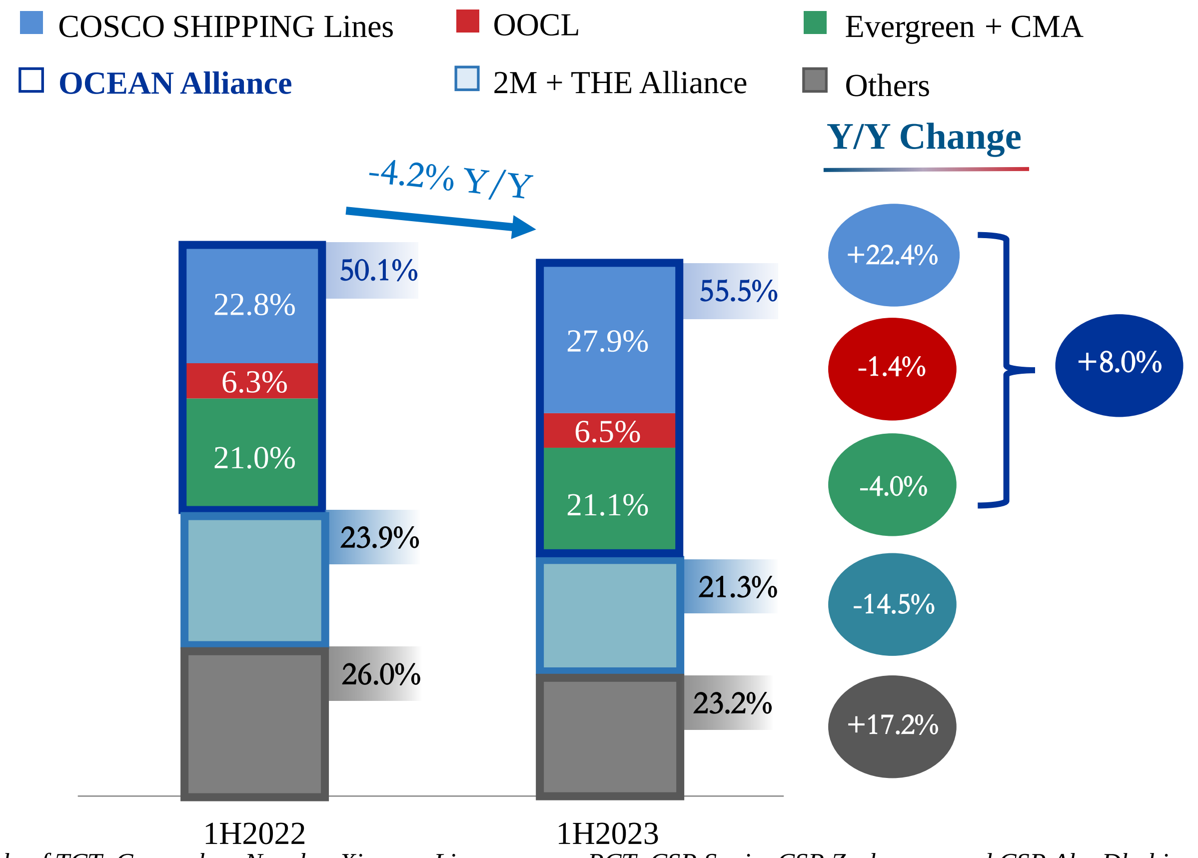
- Our Subsidiaries have made positive progress in introducing 38 new shipping routes with 661,165 TEU during 1H2023
- During 1H, in local currency terms, avg ASP of Chinese subsidiaries grew 5.5% YoY; avg ASP of European subsidiaries rose 5.6% YoY (2)

2Q2023 Customers as a percentage of total throughput (1)



1H2023 Customers as a percentage of total throughput (1)



(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.*
(2) *Subsidiary terminals in operation including TCT, Jinzhou, Lianyungang, Nantong, Xiamen, Quanzhou, Jinjiang, Guangzhou Nansha, PCT, CSP Spain and CSP Zeebrugge terminals on a comparable basis, excluding projects of CSP Abu Dhabi, CSP Wuhan, Guinea and Peru Chancay terminals.*

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
Xiamen Haitou CFS	532,000	159,000	94M USD	Now operating
Xiamen Haicang CFS	23,800	20,000	135M RMB	2023 Expected
CSP Abu Dhabi CFS Phase 1 [(1)]	273,970	50,666	64M USD	Now operating
CSP Zeebrugge CFS	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 1H2023, China's exports of electric vehicles surged 160% YoY to about 534K units
- Our subsidiaries captured the opportunities of EV export, delivered about 60K units in 1H, generated new sources of volume and profit growth

04

Strategy & Outlook

Strategy

Global Terminal Network and Lean Operations Management

Capitalizing on global economic growth to optimize terminal portfolio

- Global Expansion
- Diversify
- Disposing

Further implementing lean operations management to boost quality and efficiency

- Revenue expansion
- Cost reduction
- Headquarters' empowerment

Outlook

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

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- 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

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05

Q&A

06

Appendix


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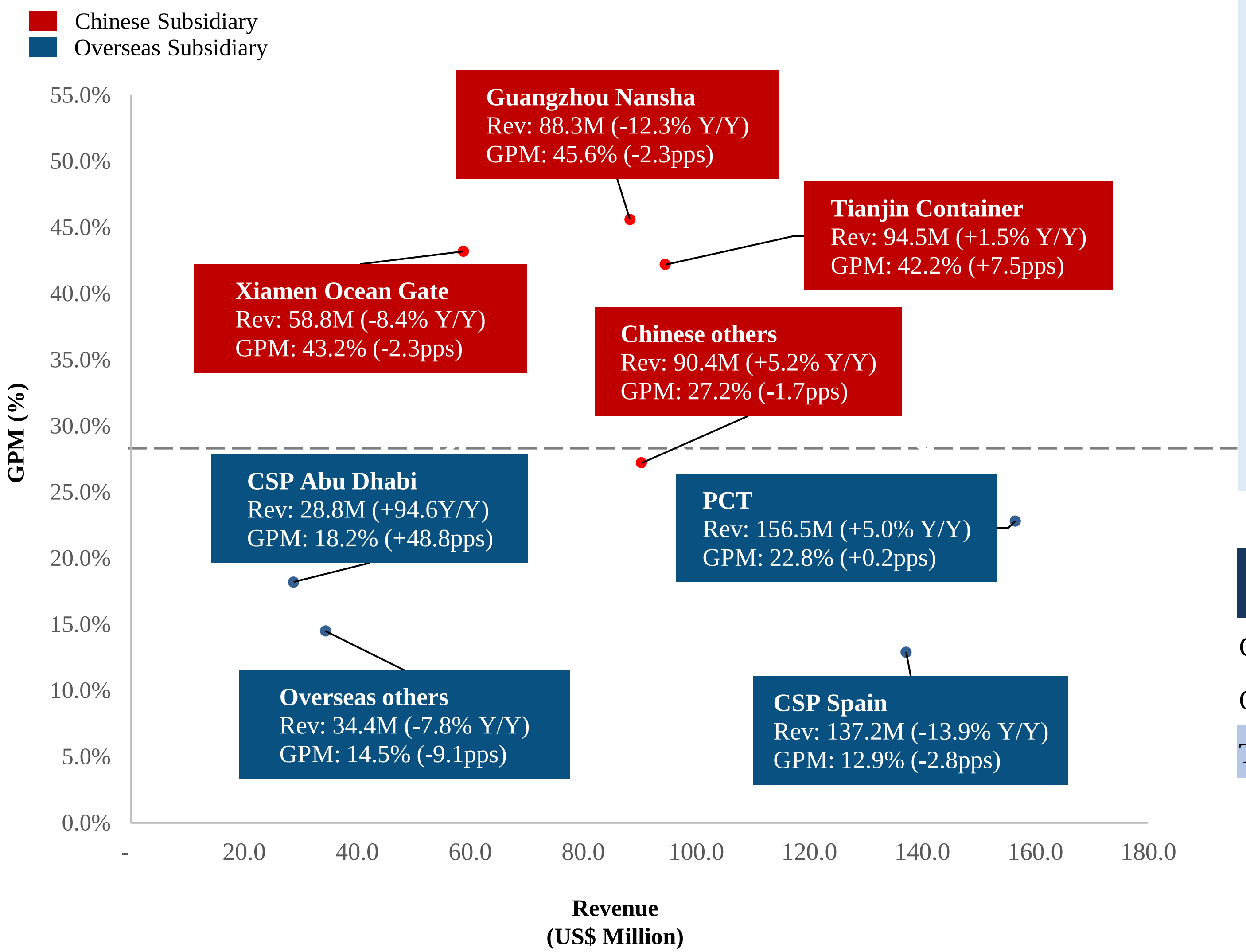
DISCLOSURE INSIGHT ACTION
SUSTAINABLE DEVELOPMENT GOALS
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

1H2023 Revenue and Gross Profit Margin

1H2023 Subsidiaries' revenue (US$ Million) and GPM (%)



- **Terminals in China:**
  - GPM in China remained at a relatively high level at 39.2% in 1H2023
  - Xiamen and Guangzhou terminals experienced declining throughput and revenue given their product mix relying more on foreign trade
- **Overseas Terminals:**
  - CSP Abu Dhabi outperformed in overseas portfolio
  - We expect lean operation management will improve the performance at CSP Spain and CSP Zeebrugge terminals

	1H2023 Revenue (US$ Million)	1H2023 GPM (%)
China Subsidiary	332.0 (-3.5%)	39.2% (+0.0%)
Overseas Subsidiary	356.9 (-1.0%)	17.8% (+0.3%)
Total Subsidiary	**688.9 (-2.2%)**	**28.1% (+0.0%)**

1H2023 Terminal Profit

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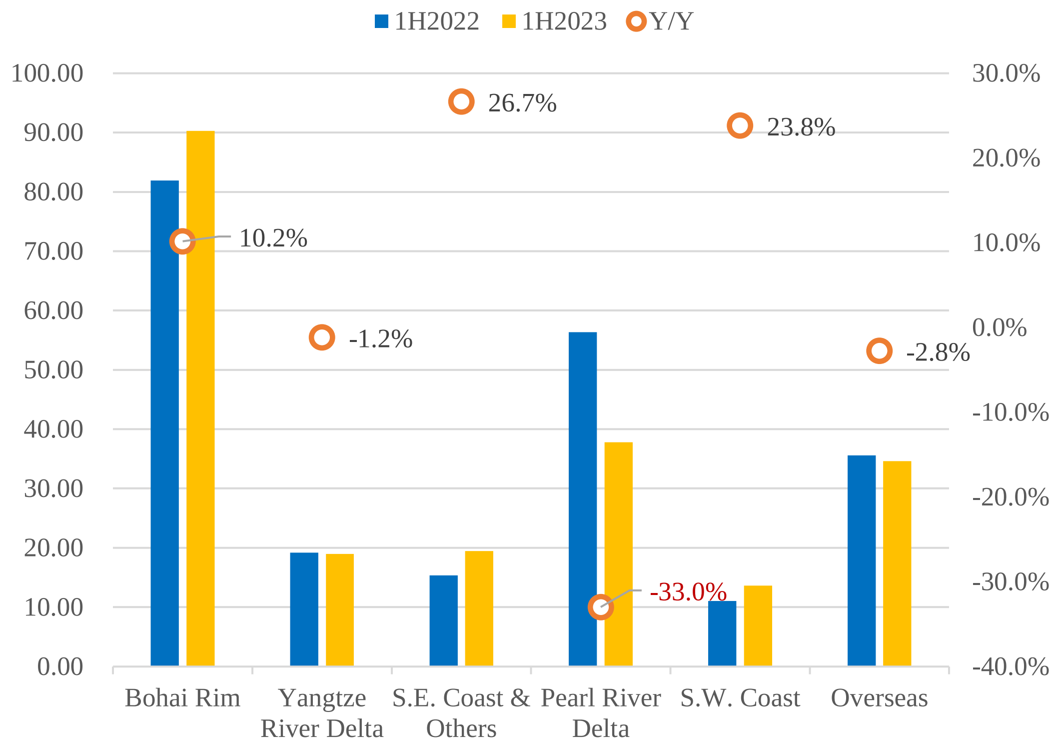
- The terminal profit in 1H2023 was down 2.2% YoY. Subsidiaries' terminal profits dropped 3.7% and non-subsidiaries' declined 1.6%
- Terminal profits in Bohai Rim, S.E Coast & Others and S.W. Coast recorded the growth of 10.2%, 26.7% and 23.8%, respectively

1H2023 Terminal profit by regions (US$ Million)



1H2023 Terminal profit (US$ Million)

	1H2022	1H2023	Y/Y
Subsidiary:	59.0	56.8	-3.7%
Non-subsidiary:	160.5	157.9	-1.6%
Total	**219.5**	**214.7**	**-2.2%**

Terminals (Subsidiaries in bold*)	1H2022	Terminals (Subsidiaries in bold*)	1H2023
QPI	30.7%	QPI	32.7%
Yantian Terminals	14.3%	Yantian Terminals	11.1%
PCT*	**8.4%**	**PCT***	**8.4%**
Xiamen Ocean Gate Terminal*	**6.2%**	**Xiamen Ocean Gate Terminal***	**7.9%**
Guangzhou Oceangate Terminal*	**5.4%**	Kumport Terminal	5.1%
Kumport Terminal	4.2%	**Guangzhou Oceangate Terminal***	**5.0%**
Shanghai Pudong Terminal	3.6%	Beibu Gulf Port	4.6%
Tianjin Container Terminal*	**3.4%**	**Tianjin Container Terminal***	**4.5%**
Beibu Gulf Port	3.4%	Shanghai Pudong Terminal	3.8%
COSCO-HIT Terminal	2.5%	Suez Canal Terminal	2.1%
Total	**82.0%**	**Total**	**85.2%**

1H2023 Throughput

➢ The equity throughput in 1H2023 reached 20.75M TEU, up 1.3% YoY, driven by the regions of Bohai Rim and Yangtze River Delta

1H2023 Total throughput (Million TEU)

Total: 64.57M TEU (+2.2% Y/Y)

	Y/Y	% of total
Bohai Rim	+8.4% Y/Y	34.9% (+2.1pps)
Yangtze River Delta	+8.9% Y/Y	10.9% (+0.6pps)
S.E. Coast & Others	-15.3% Y/Y	4.3% (-0.9pps)
Pearl River Delta	-8.1% Y/Y	19.7% (-2.2pps)
S.W. Coast	+14.0% Y/Y	5.6% (+0.6pps)
Overseas	+1.4% Y/Y	24.6% (-0.2pps)

Subsidiary:	**14.73M TEU (-6.0% Y/Y)**	**22.8% (-2.0pps)**
Non-subsidiary:	**49.84M TEU (+4.9% Y/Y)**	**77.2% (+2.0pps)**

1H2023 Equity throughput (Million TEU)

Total: 20.75M TEU (+1.3% Y/Y)

	Y/Y	% of total
Bohai Rim	+5.1% Y/Y	29.6% (+1.3pps)
Yangtze River Delta	+7.6% Y/Y	9.3% (+0.4pps)
S.E. Coast & Others	+2.9% Y/Y	9.8% (+0.8pps)
Pearl River Delta	-6.6% Y/Y	17.9% (-1.5pps)
S.W. Coast	+4.2% Y/Y	4.2% (+0.2pps)
Overseas	+0.0% Y/Y	29.1% (-1.2pps)

Subsidiary:	**9.07M TEU (-3.0% Y/Y)**	**43.7% (-1.9pps)**
Non-subsidiary:	**11.68M TEU (+4.8% Y/Y)**	**56.3% (+1.9pps)**

Pledge to Reach Carbon Neutrality at Subsidiary Level

Enhancing Energy Use Efficiency to Reduce Emissions and Combat Climate Change

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GHG Emissions

Long-term commitment:

- To achieve carbon neutrality no later than 2060

Short-term target:

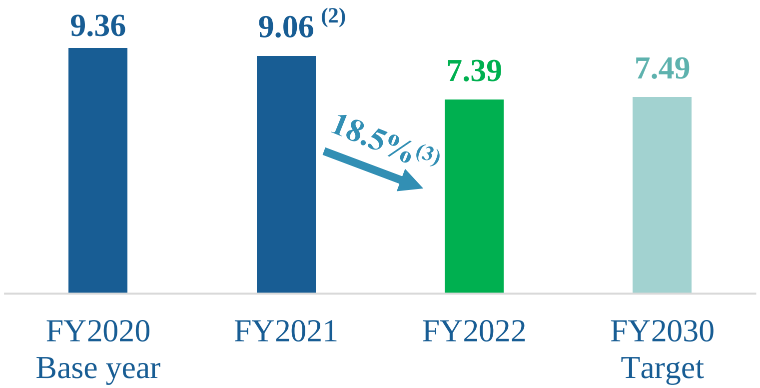
- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of our Subsidiaries by 20% in 2030, as compared with 2020

Energy Consumption

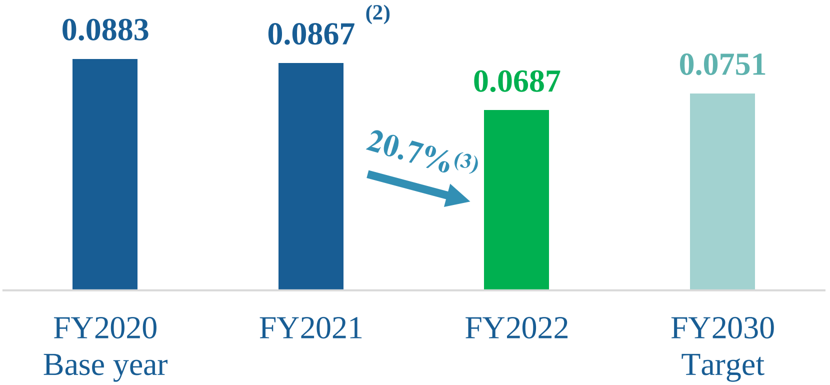
Short-term target:

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

Subsidiaries' GHG emission intensity [(1)]:
(kg of CO_2e per TEU)



Subsidiaries' energy consumption intensity [(1)]:
(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

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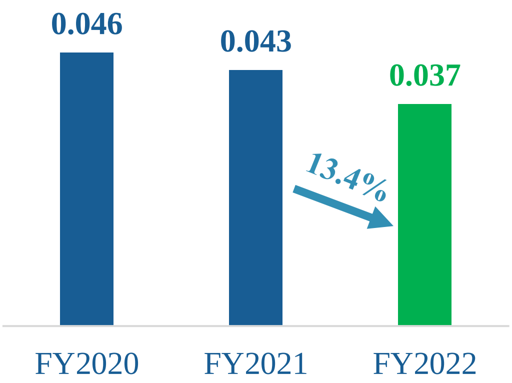
Water Consumption

Target:

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

Subsidiaries' water consumption intensity [(1)]:
(m^3 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 [(1)]:

- 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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