



COSCO SHIPPING Ports Limited

中遠海運港口有限公司

PRESS RELEASE

COSCO SHIPPING Ports Announces 2021 Annual Results

Improve Quality and Efficiency to Enhance Development Lean Operations Achieves Results

Hong Kong, 30 March 2022 – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “CSP” or the “Company”, SEHK: 1199), the world’s leading ports operator, today announced the annual results of the Company and its subsidiaries (the “Group”) ended 31 December 2021.

2021 Fourth Quarter Results Highlight

- Revenue increased by 25.1% YoY to US\$347.6 million
- Gross profit increased by 57.7% YoY to US\$99.4 million
- Share of profits from joint ventures and associates increased by 8.8% YoY to US\$69.6 million
- Profit attributable to equity holders of the Company decreased by 5.4% YoY to US\$92.9 million

2021 FY Results Highlight

- Revenue increased by 20.7% YoY to US\$1,208.3 million
- Gross profit increased by 39.8% YoY to US\$325.2 million
- Share of profits from joint ventures and associates increased by 20.8% YoY to US\$329.4 million
- Profit attributable to equity holders of the Company increased by 2.1% YoY to US\$354.7 million
- Profit attributable to equity holders of the Company was US\$332.5 million, a YoY increase of 23.6% (excluding one-off items)^{Note}
- Declared a second interim dividend of US 2.16 cents per share (equivalent to HK 17 cents per share)

Note: For 2021, excluding the after-tax disposal gain of US\$11,451,000 from disposal of Tianjin Port Euroasia International Container Terminal Co., Ltd. and after-tax gain of US\$10,669,000 on re-measurement of the previously held 16.01% interest in Tianjin Port Container Terminal Co., Ltd. (“Tianjin Container Terminal”) at fair value upon acquisition of additional equity interest in Tianjin Container Terminal to make it a subsidiary; and for 2020, excluding the after-tax disposal gain of US\$61,472,000 from disposal of interest in Zhangjiagang Win Hanverky Container Terminal Co., Ltd. and Yangzhou Yuanyang International Ports Co., Ltd. and the after-tax disposal gain of US\$7,074,000 and US\$9,896,000 from disposal of Jiangsu Yangtze Petrochemical Co., Ltd. and Guangxi Qinzhou International Container Terminal Co., Ltd., respectively.



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FINANCIAL REVIEW

COSCO SHIPPING Ports seized the opportunity of the recovery of world economy and trade. During the period, driven by the positive impact from our lean operation strategy, overall business recorded growth in 2021, with revenue increased by 20.7% YoY to US\$1,208.3 million. The gross profit margin of the Company in 2021 expanded to 26.9%, an increase of 3.7 percentage points YoY. Gross profit increased 39.8% YoY to US\$325.2 million. Terminal profit from our subsidiaries surged by 156.4% to US\$88.8 million. Excluding one-off items, profit attributable to equity holders of the Company increased by 23.6% YoY to US\$332.5 million.

OPERATIONAL REVIEW

2021 Fourth Quarter

Total throughput was 32,855,049 TEU, +0.4% YoY
Total equity throughput was 10,089,172 TEU, -0.2% YoY
Total throughput from subsidiaries was 6,092,740 TEU, +4.0% YoY

2021 Full Year

Total throughput was 129,286,375 TEU, +4.4% YoY
Total equity throughput was 39,874,105 TEU, +3.7% YoY
Total throughput from subsidiaries was 23,374,915 TEU, +4.7% YoY

Greater China

Total throughput of the Greater China region increased by 4.1% YoY to 99,275,231 TEU in 2021 (2020: 95,380,835 TEU) and accounted for 76.8% of the Group's total.

Bohai Rim

Total throughput of the Bohai Rim region increased by 2.3% YoY to 42,835,185 TEU in 2021 (2020: 41,884,560 TEU) and accounted for 33.1% of the Group's total. In particular, the overall increase in container volume of Tianjin Port drove the increase in container volume of domestic and foreign trade of Tianjin Container Terminal. The throughput of Tianjin Container Terminal increased by 9.9% to 8,642,445 TEU (2020: 7,866,145 TEU).

Yangtze River Delta

Total throughput of the Yangtze River Delta region increased by 4.5% YoY to 15,436,773 TEU in 2021 (2020: 14,768,442 TEU) and accounted for 11.9% of the Group's total. Shanghai Pudong International Container Terminals Limited and Shanghai Mingdong Container Terminals Limited secured some ad-hoc



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shipping calls, and the throughput increased by 6.4% YoY and 9.6% YoY to 2,600,511 TEU and 6,845,534 TEU respectively (2020: 2,443,406 TEU and 6,246,932 TEU). Nantong Tonghai Port Co., Ltd. continued to strengthen internal synergy and external customer marketing, and further improved the domestic trade routes network, as a result of which the throughput increased by 3.3% YoY to 1,452,334 TEU (2020: 1,405,658 TEU).

Southeast Coast and others

Total throughput of the Southeast Coast region increased by 12.9% YoY to 6,149,785 TEU in 2021 (2020: 5,445,662 TEU) and accounted for 4.8% of the Group's total. Throughput of Xiamen Ocean Gate Terminal surged by 22.7% YoY to 2,541,035 TEU (2020: 2,070,159 TEU), mainly due to the favorable trend of overall shipment as a result of the good momentum maintained in foreign trade and increased investment in transportation capacity by shipping companies.

Pearl River Delta

Total throughput of the Pearl River Delta region increased by 3.4% YoY to 28,841,688 TEU in 2021 (2020: 27,898,470 TEU) and accounted for 22.3% of the Group's total. Driven by the increase in the US, EU and empty cargoes, the throughput of Yantian Terminals increased by 6.1% YoY to 14,161,034 TEU (2020: 13,348,546 TEU).

Southwest Coast

Total throughput of the Southwest Coast region increased by 11.7% YoY to 6,011,800 TEU in 2021 (2020: 5,383,701 TEU) and accounted for 4.6% of the Group's total, which was mainly benefited from the increased trade activities between China and Southeast Asia.

Overseas

Total throughput of the overseas region increased by 5.5% YoY to 30,011,144 TEU in 2021 (2020: 28,443,740 TEU) and accounted for 23.2% of the Group's total. Due to the continuous congestion of major ports in northwest Europe, CSP Zeebrugge Terminal became an important buffer port for the region and, together with the addition of new routes, its throughput increased by 52.9% YoY to 931,447 TEU (2020: 609,277 TEU). As result of new routes and the significant increase in local cargoes due to the increased ability to connect to the cargo hinterland, the throughput of CSP Spain Related Companies increased by 6.9% YoY to 3,621,188 TEU (2020: 3,387,820 TEU).



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Prospects

Year 2021 marks the start of the 14th Five-Year Plan for COSCO SHIPPING Ports. The Company will continue to promote the high-quality development of COSCO SHIPPING Ports under the guidance of the 14th Five-Year Plan, actively grasp strategic development opportunities, promote the Company's scale expansion, unswervingly deepen the lean operation, and enhance the quality and efficiency of the terminal.

Looking forward to 2022, despite the complex and uncertain global macro environment, the resilience of China's economic development, the strong domestic market, a sound supply system and the coming into force of the Regional Comprehensive Economic Partnership ("RCEP") will provide support to China's economy and the long-term economic fundamentals will remain unchanged. With the penetration of vaccines and the gradual recovery of production capacity in developed countries, the growth rate of China's foreign trade is expected to slow down in 2022, and the demand for container transport will gradually return to normal.

In 2022, the Company will hold the principle of value creation and build on the positive momentum to win the battle of lean operations, the key for the Company to improve quality and efficiency. The Company will earnestly progress to increase revenue per TEU of terminals in which the Group has controlling stake and increase its control over the cost per TEU, improve the investment return from terminals in which the Group has controlling stake, thus steadily improve the Company's efficiency.

The Company will further promote the implementation of digital transformation planning and technology planning, continue to improve the system functions of the Management Information System (MIS) at headquarters, and accelerate the launch of the Enterprise Asset Management (EAM) system for terminals in which the Group has controlling stake. The Company will firmly follow the trend of smart, green and low-carbon, consolidate and intensify technological innovation, and promote green shore power system for domestic terminals in which the Group has controlling stake. Concentrating on the construction of smart port demonstration projects, the Company will seize the opportunity presented by the 5G smart port 2.0 to promote the intelligent transformation of traditional terminals and build smart, green and low-carbon ports.

The Company will endeavor to promote its global terminal network, seek new breakthroughs in scale expansion, improve and optimize its global terminal network, strengthen the expansion of projects in emerging markets, capture fulcrums along the regions covered by the "Belt and Road Initiative", and grasp opportunities in premium projects in Southeast Asia, the Middle East and Africa under RCEP. While promoting scale expansion, the Company will proactively consolidate and manage the Company's terminal resources, and dispose its investment in terminals of less strategic importance, low investment returns and poor development prospects in a timely manner to enhance the overall value of the Company's assets.

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

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK) is a leading ports operator in the world; its terminals portfolio covers the five main port regions in Mainland China, Southeast Asia, the Middle East, Europe, South America and the Mediterranean. As at 31 December 2021, CSP operated and managed 367 berths at 37 ports worldwide, of which 220 were for containers, with a combined annual handling capacity of 122 million TEU. COSCO SHIPPING Ports has adopted "The Ports for ALL" as its mission and is working towards building a global terminal network with controlling stake that offers linkage effects on costs, services and synergies, a synergistic platform that offers mutual benefits to all in the shipping industry, connecting global routes and becoming truly "the ports for all people".

Please visit the Company's website <https://ports.coscoshipping.com> and the designated website of Hong Kong Exchanges and Clearing Limited <https://www.hkexnews.hk> for 2021 Annual Results Announcement.

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