



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

PRESS RELEASE

COSCO SHIPPING Ports Announces 2020 Third Quarter Results

**Dedicated to implementing Lean Operations
Enhance the Company's profitability progressively**

Hong Kong, 27 October 2020 – COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports” or “CSP” or the “Company”, SEHK: 1199), the world’s leading ports operator, today announced the results of the Company and its subsidiaries (the “Group”) for the three months and the nine months ended 30 September 2020.

2020 Third Quarter Results Highlight

- Revenue was US\$270.0 million, +6.0% yoy
- Gross profit was US\$ 70.5 million, +5.9% yoy
- Share of profits from JV and associates was US\$ 80.1 million, +12.3%yoy
- Profit attributable to equity holders of the Company was US\$ 85.9 million, +19.7% yoy
- Earnings per share was US 2.66 cents, +16.7%yoy

2020 Nine Months Results Highlight

- Revenue was US\$722.7 million, -6.5% yoy
- Gross profit was US\$ 169.6 million, -22.9% yoy
- Share of profits from JV and associates was US\$ 208.8 million, -3.3%yoy
- Profit attributable to equity holders of the Company was US\$ 249.3 million, +13.5% yoy^{Note}
- Earnings per share was US 7.83 cents, +11.4%yoy

Note: Including one-off after-tax disposal gain of US\$61,472,000 from the disposal of all the shares in COSCO Ports (Yangzhou) Limited together with its 51% interest in Yangzhou Yuanyang Terminal and the disposal of all the shares in Win Hanverky Investments Limited together with its 51% interest in Zhangjiagang Terminal and 4.59% interest in Yangzhou Yuanyang Terminal, and the one-off after-tax disposal gain of US\$7,074,000 from the disposal of Jiangsu Petrochemical.

Operational Review

2020 Third Quarter

- Total throughput was 33,462,086 TEU, +3.3%yoy
- Total equity throughput was 10,273,724 TEU, -0.7%yoy

2020 Nine Months

- Total throughput was 91,096,277 TEU, -1.2%yoy
- Total equity throughput was 28,351,193 TEU, -4.5%yoy



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- Total throughput from subsidiaries was 5,968,859 TEU, -9.1%yoy
- Total throughput from subsidiaries was 16,470,341 TEU, -13.4%yoy

Greater China

For the three months ended 30 September 2020, the throughput of the Greater China region increased by 3.4% to 26,069,126 TEU (3Q2019: 25,208,454 TEU), accounting for 77.9% of the Group's total throughput. For the nine months ended 30 September 2020, throughput of the Greater China region decreased by 1.6% to 70,106,667 TEU (3Q2019: 71,223,785 TEU), and accounted for 77.0% of the Group's total throughput.

Bohai Rim

During the period, throughput of the Bohai Rim region increased by 5.3% to 11,198,475 TEU (3Q2019: 10,634,378 TEU), accounting for 33.5% of the Group's total throughput. Throughput of QPI increased by 6.0% to 5,714,000 TEU (3Q2019: 5,390,000 TEU).

Yangtze River Delta

Throughput of the Yangtze River Delta region decreased by 26.1% to 3,906,628 TEU (3Q2019: 5,287,580 TEU), accounting for 11.7% of the Group's total throughput. The drop in throughput was mainly due to completion of the disposal of Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal by the Group and throughput for the three-month period mentioned above excluded the throughput of these three terminals. As Nantong Tonghai Terminal enhanced marketing activities to increase shipping lines, the throughput increased by 8.2% YoY to 373,763 TEU (3Q2019: 345,462 TEU). Benefitting from new shipping lines, throughput of Ningbo Yuan Dong Terminal increased by 8.3% to 851,829 TEU (3Q2019: 786,564 TEU).

Southeast Coast and Others

Throughput of the Southeast Coast region increased by 2.0% to 1,482,874 TEU (3Q2019: 1,453,456 TEU), accounting for 4.4% of the Group's total throughput. Benefitting from new shipping lines from Southeast Asia, throughput of Xiamen Ocean Gate Container Terminal increased by 9.0% to 594,809 TEU (3Q2019: 545,518 TEU).



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Pearl River Delta

Throughput of the Pearl River Delta region increased by 8.2% to 8,008,049 TEU (3Q2019: 7,399,838 TEU), accounting for 23.9% of the Group's total throughput. Guangzhou South China Oceangate Terminal increased volume from existing shipping lines, the throughput increased by 1.9% to 1,515,785 TEU (3Q2019: 1,488,139 TEU).

Southwest Coast

Throughput of the Southwest Coast region increased by 240.0% to 1,473,100 TEU (3Q2019: 433,202 TEU), accounting for 4.4% of the Group's total throughput, which was mainly because throughput from Beibu Gulf Port was included since January 2020 and the throughput from July to September 2020 amounted to 982,301 TEU. Since the epidemic is largely contained in mainland China, the throughput of Qinzhou International Terminal increased by 13.3% to 490,799 TEU (3Q2019: 433,202 TEU).

Overseas Regions

Throughput of overseas region increased by 2.7% to 7,392,960 TEU (3Q2019: 7,196,552 TEU), accounting for 22.1% of the Group's total throughput. Impacted by decrease in global economic demand due to the epidemic, throughput of Piraeus Terminal decreased by 4.1% YoY to 1,287,109 TEU (3Q2019: 1,342,395 TEU). Benefitting from new shipping lines, throughput of CSP Abu Dhabi Terminal increased by 3.2% YoY to 165,295 TEU (3Q2019: 160,213 TEU) and throughput of CSP Spain Related Companies increased by 2.7% to 910,404 TEU (3Q2019: 886,065 TEU).

Outlook

Although countries around the world are still facing challenges brought by COVID-19 epidemic, uncertainties lie ahead in global economy and trade activities, COSCO SHIPPING Ports has made improvement in both throughput and earnings in the third quarter. This year, the Group continues to actively implement "Lean Operations" strategy and adopt a series of measures, such as control cost and improve efficiency. In terms of cost control, domestic terminals have shown preliminary achievements. As the utilization rate of overseas newly-developed terminals



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continues to increase and the epidemic gradually starts to be under control, overseas terminals are expected to achieve improvement in reducing cost per TEU.

As at the end of September, the Group has cash and bank deposits of approximately US\$1.22 billion. It is expected that there will be sufficient cash to support the dividend policy of the Company in the year 2020. The Group is considering the declaration and payment of second interim dividend in lieu of final dividend in order for shareholders to receive the dividend earlier.

The Group is actively accelerating informatization and digitization, unifying terminal operating system and continuing to implement Navis N4 system in its subsidiaries.

In addition, COSCO SHIPPING Ports continues to actively control cost and introduce “cost per TEU” in the operations and management of terminals, in order to set up operational cost control target for terminals in which the Group has controlling stakes. The Group continues to fine-tune cost analysis model, analyze the composition and percentage of terminal costs, set up operational cost control target and set up cost control plan; cultivate the mindset of cost-oriented in marketing and daily operation, formulate feasible, scientific and effective measures with clear target; find out cost-optimising parts and procedures to enhance competitive advantage in cost reduction.

The Group endeavors to innovate sales and marketing strategies and enhance the overall sales and marketing, build customer value analysis model to mainly analyze the profit contribution from each type of container of each shipping company, in order to develop more effective marketing and negotiation strategies based on each terminal’s situation, as well as further tap customer value and improve terminals’ throughput and revenue.

COSCO SHIPPING Ports will continue to deploy resources prudently, optimize the cost structure, enhance operational efficiency and enhance risk management. The Group remains steadfastly committed to building well-balanced terminal network with extended services to meet the needs of shipping alliances; and will continue to prudently seize development



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opportunity to strengthen its global terminal network. Although the epidemic brings certain impacts to the industry, the Group continue to shoulder social responsibility, support staff's work and place emphasis on employee's safety and health, in order to respond to the challenges brought by the epidemic.

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

COSCO SHIPPING Ports Limited (Stock Code: 1199.HK) a leading ports operator in the world; its terminals portfolio covers the five main port regions in Mainland China, Southeast Asia, Middle East, Europe, South America the Mediterranean. As at 30 September 2020, CSP operated and managed 360 berths at 36 ports worldwide, of which 206 were for containers, with a combined annual handling capacity of 115 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 2020 Third Quarter Results Announcement.

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