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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)

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

The board of directors of COSCO SHIPPING Ports Limited (the “Company” or “COSCO SHIPPING Ports”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2024.

Results Highlights

- Total throughput increased by 9.8% YoY to 33,262,222 TEU; total equity throughput increased by 9.3% YoY to 10,507,302 TEU
- Total throughput from terminals in which the Group has controlling stakes increased by 11.5% YoY to 7,423,080 TEU; throughput from the Group’s non-controlling terminals increased by 9.3% YoY to 25,839,142 TEU
- Revenue of the Company increased by 1.4% YoY to US\$332,716,000
- Profit attributable to equity holders of the Company increased by 0.6% YoY to US\$62,878,000

Financial Highlights

US\$ (million)

	1Q2024	1Q2023	Change (%)
Revenue	332.7	328.0	+1.4
Cost of sales	245.1	238.1	+3.0
Gross profit	87.6	89.9	-2.6
Share of profits from joint ventures and associates	72.2	69.0	+4.6
Profit attributable to equity holders of the Company	62.9	62.5	+0.6
Basic earnings per share (US cents)	1.76	1.82	-3.3

Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2024

	As at 31 March 2024 US\$'000	As at 31 December 2023 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,168,896	4,143,919
Right-of-use assets	990,142	1,003,805
Investment properties	90,393	90,580
Intangible assets	381,217	394,733
Joint ventures	1,069,414	1,060,374
Associates	3,373,800	3,343,432
Loans to associates	31,379	32,181
Financial asset at fair value through profit or loss	54,370	53,745
Financial assets at fair value through other comprehensive income	155,231	139,022
Deferred tax assets	101,717	102,115
Other non-current assets	25,540	29,676
	<u>10,442,099</u>	<u>10,393,582</u>
Current assets		
Inventories	20,846	19,817
Trade and other receivables, prepayments and contract assets	335,255	303,954
Current tax recoverable	3,185	3,791
Derivative financial instruments	1,291	2,698
Restricted bank deposits	44,312	45,113
Cash and cash equivalents	994,133	1,162,926
	<u>1,399,022</u>	<u>1,538,299</u>
Total assets	<u>11,841,121</u>	<u>11,931,881</u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	45,742	45,742
Reserves	5,692,008	5,724,989
	<u>5,737,750</u>	<u>5,770,731</u>
Non-controlling interests	<u>1,075,518</u>	<u>1,071,794</u>
Total equity	<u>6,813,268</u>	<u>6,842,525</u>

LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	146,058	142,486
Lease liabilities	757,140	762,332
Long term borrowings	2,336,725	2,275,593
Loans from non-controlling shareholders of subsidiaries	542	556
Put option liability	-	246,013
Pension and retirement liabilities	14,421	13,895
Other long term liabilities	43,946	41,176
	3,298,832	3,482,051
Current liabilities		
Trade and other payables and contract liabilities	584,611	577,427
Current tax liabilities	22,711	22,643
Current portion of lease liabilities	47,674	48,197
Current portion of long term borrowings	417,754	617,710
Short term borrowings	408,483	341,328
Put option liability	247,788	-
	1,729,021	1,607,305
Total liabilities	5,027,853	5,089,356
Total equity and liabilities	11,841,121	11,931,881

Unaudited Condensed Consolidated Income Statement
For the three months ended 31 March 2024

	Note	Three months ended	
		31 March	
		2024	2023
		<i>US\$ '000</i>	<i>US\$ '000</i>
Revenues		332,716	328,027
Cost of sales		(245,138)	(238,098)
Gross profit		87,578	89,929
Administrative expenses		(39,878)	(41,319)
Other operating income, net		2,979	8,396
Operating profit		50,679	57,006

Finance income		8,231	4,791
Finance costs		(43,231)	(39,265)
Operating profit (after finance income and costs)		15,679	22,532
Share of profits less losses of			
- joint ventures		12,903	12,477
- associates		59,306	56,524
Profit before taxation		87,888	91,533
Taxation		(11,413)	(13,993)
Profit for the period		76,475	77,540
Profit attributable to:			
Equity holders of the Company		62,878	62,515
Non-controlling interests		13,597	15,025
		76,475	77,540
Earnings per share for profit attributable to the equity holders of the Company			
- basic	1	US1.76 cents	US1.82 cents
- diluted	1	US1.76 cents	US1.82 cents

Notes:

1. 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 three months ended 31 March 2024 of 3,563,579,085 shares (three months ended 31 March 2023: 3,440,657,627 shares).

Diluted earnings per share is calculated based on the profit attributable to the 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 consideration as if all outstanding dilutive share options granted by the Company had been exercised. The Company had no potentially dilutive ordinary shares in issue during the three months ended 31 March 2024 and 2023.

2. The accounting policies adopted in preparation of the financial data for the three months ended 31 March 2024 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2023. The financial data are based on the internal records and financial data of the Group and are unaudited.

Operational Review

For the three months ended 31 March 2024, the Group's total throughput increased by 9.8% YoY to 33,262,222 TEU (1Q2023: 30,305,420 TEU). Total throughput from terminals in which the Group has controlling stake increased by 11.5% YoY to 7,423,080 TEU (1Q2023: 6,654,729 TEU), accounting for 22.3% of the Group's total, and the total throughput from non-controlling terminals increased by 9.3% YoY to 25,839,142 TEU (1Q2023: 23,650,691 TEU), accounting for 77.7% of the Group's total.

During the period, the Group's total equity throughput increased by 9.3% YoY to 10,507,302 TEU (1Q2023: 9,609,708 TEU). The equity throughput from terminals in which the Group has controlling stake increased by 11.1% YoY to 4,521,439 TEU (1Q2023: 4,069,787 TEU), accounting for 43.0% of the Group's total, and the equity throughput from non-controlling terminals increased by 8.0% YoY to 5,985,863 TEU (1Q2023: 5,539,921 TEU), accounting for 57.0% of the Group's total.

	1Q2024 (TEU)	1Q2023 (TEU)	Change (%)
Total Throughput	33,262,222	30,305,420	+9.8
Throughput from terminals in which the Group has controlling stake	7,423,080	6,654,729	+11.5
Throughput from the Group's non-controlling terminals	25,839,142	23,650,691	+9.3
Equity Throughput	10,507,302	9,609,708	+9.3
Equity throughput from terminals in which the Group has controlling stake	4,521,439	4,069,787	+11.1
Equity throughput from the Group's non-controlling terminals	5,985,863	5,539,921	+8.0

China

For the three months ended 31 March 2024, total throughput of the terminals in China increased by 11.4% YoY to 25,225,841 TEU (1Q2023: 22,650,786 TEU) and accounted for 75.8% of the Group's total throughput. Total equity throughput of terminals in China increased by 13.2% YoY to 7,506,619 TEU (1Q2023: 6,629,855 TEU), accounting for 71.4% of the Group's total equity throughput.

Bohai Rim

During the period, total throughput of the Bohai Rim region increased by 10.0% YoY to 11,610,844 TEU (1Q2023: 10,554,580 TEU) and accounted for 34.9% of the Group's total. Total equity throughput of the Bohai Rim region increased by 9.2% YoY to 3,077,242 TEU (1Q2023: 2,817,567 TEU) and accounted for 29.3% of the Group's total equity throughput. As the foreign trade market continues to recover, the total throughput of Dalian Container Terminal Co., Ltd. increased by 10.1% YoY to 1,206,782 TEU (1Q2023: 1,096,033 TEU).

Yangtze River Delta

During the period, total throughput of the Yangtze River Delta region increased by 15.0% YoY to 3,833,054 TEU (1Q2023: 3,333,179 TEU) and accounted for 11.5% of the Group's total. Total equity throughput of the Yangtze River Delta region increased by 18.9% YoY to 1,089,465 TEU (1Q2023: 916,590 TEU) and accounted for 10.4% 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 12.8% YoY to 1,629,750 TEU (1Q2023: 1,444,697 TEU).

Southeast Coast and Others

During the period, total throughput in the Southeast Coast and Others region increased by 11.2% YoY to 1,400,623 TEU (1Q2023: 1,260,014 TEU) and accounted for 4.2% of the Group's total throughput. Total equity throughput of Southeast Coast and Others region increased by 27.6% YoY to 1,020,203 TEU (1Q2023: 799,270 TEU) and accounted for 9.7% of the Group's total equity throughput. The significantly increase in equity throughput was mainly attributable to the Company's acquisition of a 30% equity interest in Xiamen Ocean Gate Container Terminal Co., Ltd. ("Xiamen Ocean Gate Terminal"), in which the Company now holds a 100% equity interest. Benefitting from the acceleration of foreign trade exports, the total throughput of Xiamen Ocean Gate Terminal increased by 14.4% YoY to 634,468 TEU (1Q2023: 554,752 TEU).

Pearl River Delta

During the period, total throughput of the Pearl River Delta region increased by 9.3% YoY to 6,441,520 TEU (1Q2023: 5,891,113 TEU) and accounted for 19.4% of the Group's total throughput. Total equity throughput of the Pearl River Delta region increased by 9.0% YoY to 1,873,865 TEU (1Q2023: 1,719,191 TEU) and accounted for 17.8% of the Group's total equity throughput. In the first quarter, due to the year-on-year increase in the number of European and American routes, the total throughput of Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") increased by 16.5% YoY to 1,412,986 TEU (1Q2023: 1,213,077 TEU). Yantian International Container Terminals Co., Ltd. and Yantian International Container Terminals (Phase III) Limited strengthened its business marketing strategy, and its total throughput increased by 8.1% to 3,029,217 TEU (1Q2023: 2,801,693 TEU).

Southwest Coast

During the period, total throughput of the Southwest Coast region increased by 20.3% YoY to 1,939,800 TEU (1Q2023: 1,611,900 TEU), accounting for 5.8% of the Group's total throughput. Total equity throughput of the Southwest Coast region increased by 18.2% YoY to 445,844 TEU (1Q2023: 377,236 TEU) and accounted for 4.2% of the Group's total equity throughput. The increase in total throughput and equity throughput was mainly due to the construction of the new western land-sea corridor and the ongoing benefits brought by the Regional Comprehensive Economic Partnership ("RCEP") policy, driving volume in the Southwest Coast Region to maintain strong growth.

Overseas

During the period, total throughput in overseas terminals increased by 5.0% YoY to 8,036,381 TEU (1Q2023: 7,654,634 TEU) and accounted for 24.2% of the Group's total. Total equity throughput of overseas region increased by 0.7% YoY to 3,000,683 TEU (1Q2023: 2,979,853 TEU) and accounted for 28.6% of the Group's total equity throughput. Affected by the Red Sea Incident, the total throughput of Piraeus Container Terminal Single Member S.A. ("Piraeus Terminal") decreased by 11.4% YoY to 931,350 TEU (1Q2023: 1,050,970 TEU). The Company quickly coordinated with OCEAN Alliance members and suggested that some of the containers originally shipped to Piraeus Terminal temporarily transferred to CSP Zeebrugge Terminal NV ("CSP Zeebrugge Terminal") or CSP Iberian Valencia Terminal, S.A.U., driving total throughput of CSP Zeebrugge Terminal increase by 3.7% YoY to 155,488 TEU (1Q2023: 149,921 TEU), and total throughput of COSCO SHIPPING Ports (Spain) Holding, S.L. and its subsidiaries, increase by 4.3% YoY to 764,748 TEU (1Q2023: 733,496 TEU). CSP Abu Dhabi Terminal L.L.C. ("CSP Abu Dhabi Terminal") continuously strengthened its routes and marketing, the total throughput increased by 52.6% YoY to 431,217 TEU (1Q2023: 282,597 TEU).

Prospects

Since 2024, China's economic recovery has accelerated with the success of macroeconomic policies. According to data from the General Administration of Customs of the People's Republic of China, the total value of China's import and export of goods in the first quarter amounted to RMB10.2 trillion, representing a YoY growth of 5%. Among them, exports amounted to RMB5.8 trillion, an increase of 4.9% YoY, while imports amounted to RMB4.4 trillion, an increase of 5% YoY. In the first quarter, China's imports and exports to the other 14 members of the RCEP amounted to RMB3.08 trillion, an increase of 2.7% YoY, accounting for 30.3% of China's total imports and exports of goods.

Leveraging on its global terminal network with highly efficient connectivity, COSCO SHIPPING Ports continued to capitalize on the synergies of the "dual brand" of its parent company and the OCEAN Alliance, achieving a 9.8% YoY growth in total throughput in the first quarter. Looking ahead, China's economic development is expected to continue to rebound against the backdrop of a dynamic domestic market and gradually improving external demand. According to the data from the Ministry of Commerce of the People's Republic of China, China has signed 22 Free Trade Agreements ("FTAs") with 29 countries and regions. With the signing and upgrading of FTAs, free trade dividends continue to be released, which will bring significant opportunities for the development of the ports industry.

2024 is a critical year for the Group to realize the objectives and tasks under the "14th Five-Year Plan". Against the backdrop of the global upgrading of the manufacturing industry, the Group will proactively grasp the opportunities arising from FTAs and the development of Chinese industries abroad. We will further strengthen our global resource deployment and continue to explore investment and development opportunities in emerging markets, regional and third country markets as well as core supply chain resources near the terminals. We will accelerate the construction of Peru Chancay Terminal, strengthen the marketing of key hub ports such as Piraeus Terminal and CSP Abu Dhabi Terminal, and enhance the service capacity of hub ports. We will actively participate in the construction of green shipping corridors, accelerate the development and upgrading of green fuels and green and clean energy equipment, and build a green port ecosystem.

Throughput of the Group for the three months ended 31 March 2024 was set out below:

	Three months ended		Change
	31 March		
	2024	2023	
	(TEU)	(TEU)	(%)
Bohai Rim	11,610,844	10,554,580	+10.0
Qingdao Port International Co., Ltd.	7,670,000	6,880,000	+11.5
Dalian Container Terminal Co., Ltd.	1,206,782	1,096,033	+10.1
Dalian Dagang Container Terminal Co., Ltd.	4,567	4,797	-4.8
Tianjin Port Container Terminal Co., Ltd.	1,870,488	1,725,880	+8.4
Yingkou Terminals ^{Note 1}	555,825	530,764	+4.7
Jinzhou New Age Container Terminal Co., Ltd.	176,882	148,104	+19.4
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	126,300	169,002	-25.3
Yangtze River Delta	3,833,054	3,333,179	+15.0
Shanghai Pudong International Container Terminals Limited	661,366	605,683	+9.2
Shanghai Mingdong Container Terminals Limited	1,629,750	1,444,697	+12.8
Ningbo Yuan Dong Terminals Limited	773,478	722,489	+7.1
Lianyungang New Oriental International Terminals Co., Ltd.	262,173	211,838	+23.8
Taicang International Container Terminal Co., Ltd.	65,446	50,338	+30.0
Nantong Tonghai Port Co., Ltd.	394,182	259,132	+52.1
Wuhan CSP Terminal Co., Ltd.	46,659	39,002	+19.6
Southeast Coast and others	1,400,623	1,260,014	+11.2
Xiamen Ocean Gate Container Terminal Co., Ltd.	634,468	554,752	+14.4
Quan Zhou Pacific Container Terminal Co., Ltd.	336,368	270,640	+24.3
Jinjiang Pacific Ports Development Co., Ltd.	37,965	53,634	-29.2
Kao Ming Container Terminal Corp.	391,822	380,988	+2.8
Pearl River Delta	6,441,520	5,891,113	+9.3
Yantian Terminals ^{Note 2}	3,029,217	2,801,693	+8.1
Guangzhou Terminals ^{Note 3}	2,880,980	2,515,547	+14.5
Hong Kong Terminals ^{Note 4}	531,323	573,873	-7.4
Southwest Coast	1,939,800	1,611,900	+20.3
Beibu Gulf Port Co., Ltd.	1,939,800	1,611,900	+20.3
Overseas	8,036,381	7,654,634	+5.0
Piraeus Container Terminal Single Member S.A.	931,350	1,050,970	-11.4
CSP Zeebrugge Terminal NV	155,488	149,921	+3.7
COSCO SHIPPING Port (Spain) Holding, S.L. and its subsidiaries	764,748	733,496	+4.3
CSP Abu Dhabi Terminal L.L.C.	431,217	282,597	+52.6
COSCO-PSA Terminal Private Limited	1,295,751	1,270,873	+2.0
Reefer Terminal S.p.A.	18,380	14,371	+27.9
Euromax Terminal Rotterdam B.V.	583,941	593,003	-1.5
Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A. Ş.	296,815	327,493	-9.4
Suez Canal Container Terminal S.A.E.	1,011,375	970,846	+4.2
Red Sea Gateway Terminal Company Limited	655,437	766,461	-14.5
Antwerp Gateway NV	524,575	475,390	+10.3
SSA Terminals (Seattle), LLC	25,306	44,479	-43.1
Busan Port Terminal Co., Ltd.	1,037,986	905,340	+14.7
Vado Gateway S.p.A.	52,150	69,394	-24.8
HHLA Container Terminal Tollerort GmbH ^{Note 5}	251,862	N/A	N/A
Total	33,262,222	30,305,420	+9.8

- 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 of Port of Yantian.
- 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 Terminals (Hong Kong) Limited and Asia Container Terminals Limited.
- Note 5: Throughput of the terminal was included since July 2023. Therefore, no comparable figure is available for the throughput from January to March 2023.
- Note 6: Total throughput of bulk cargo, excluding the throughput of Beibu Gulf Port Co., Ltd., for the three months ended 31 March 2024 was 115,693,626 tons (1Q2023: 111,954,353 tons), representing an increase of 3.3%. Total throughput of automobile for the three months ended 31 March 2024 was 158,620 vehicles (1Q2023: 173,430 vehicles), representing a decrease of 8.5%. Throughput of reefer of Reefer Terminal S.p.A. (Vado Reefer Terminal) for the three months ended 31 March 2024 was 89,588 pallets (1Q2023: 90,150 pallets), representing a decrease of 0.6%.

Caution Statement

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Investors are cautioned not to rely on the financial and operational highlights for the three months ended 31 March 2024.

The Company's shareholders and potential investors are urged to exercise caution when dealing in the shares of the Company and are recommended to consult their professional advisers if they are in doubt as to their investment positions.

By Order of the Board
COSCO SHIPPING Ports Limited
YANG Zhijian
Chairman

Hong Kong, 26 April 2024

As at the date of this announcement, the Board comprises Mr. YANG Zhijian¹ (Chairman), Mr. ZHU Tao¹ (Managing Director), Mr. ZHANG Wei², Mr. CHEN Dong², 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