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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 2021

This announcement is made by the Company on a voluntary basis to enhance the practice of good corporate governance and further promote the transparency and accountability of the Company. The Company currently intends to continue to publish quarterly financial and operational highlights in the future.

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 2021.

Results Highlights

- Total throughput increased by 9.9% to 30,187,744 TEU; equity throughput increased by 7.2% to 9,293,125 TEU
- Throughput from terminals in which the Group has controlling stakes increased by 5.3% to 5,365,528 TEU; throughput from the Group’s non-controlling terminals increased by 10.9% to 24,822,216 TEU
- Profit attributable to equity holders of the Company was US\$73,027,000, an increase of 140.1% (excluding one-off items)^{Note}

Financial Highlights

US\$ (million)

	1Q2021	1Q2020	Change (%)
Revenue	265.3	220.5	+20.3
Cost of sales	203.4	174.9	+16.2
Gross profit	61.9	45.6	+35.9
Share of profits from joint ventures and associates	81.0	52.3	+54.8
Profit attributable to equity holders of the Company	73.0	91.9	-20.5
Basic earnings per share (US cents)	2.20	2.91	-24.4
Profit attributable to equity holders of the Company (excluding one-off items) ^{Note}	73.0	30.4	+140.1
Basic earnings per share (US cents) (excluding one-off items) ^{Note}	2.20	0.96	+129.2

Note: For 1Q2020, excluded one-off after-tax disposal gain of US\$61,472,000 from the disposals of all the shares in COSCO Ports (Yangzhou) Limited together with its 51% interest in Yangzhou Yuanyang International Ports Co., Ltd. (“Yangzhou Yuanyang Terminal”) and all the shares in Win Hanverky Investments Limited together with its 51% interest in Zhangjiagang Win Hanverky Container Terminal Co., Ltd. (“Zhangjiagang Terminal”) and 4.59% interest in Yangzhou Yuanyang Terminal.

Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2021

	As at 31 March 2021 US\$ '000	As at 31 December 2020 US\$ '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,308,256	3,358,970
Right-of-use assets	952,205	978,473
Investment properties	9,917	9,996
Intangible assets	443,074	474,570
Joint ventures	1,228,899	1,222,414
Loans to a joint venture	23,151	23,218
Associates	3,149,881	3,112,653
Loans to associates	112,806	118,360
Financial assets at fair value through other comprehensive income	157,747	158,206
Deferred tax assets	105,429	110,351
Other non-current assets	7,729	2,409
	<u>9,499,094</u>	<u>9,569,620</u>
Current assets		
Inventories	15,395	14,853
Trade and other receivables	293,263	293,172
Current tax recoverable	1,322	5,187
Restricted bank deposits	33,101	31,224
Cash and cash equivalents	1,265,204	1,310,289
	<u>1,608,285</u>	<u>1,654,725</u>
Total assets	<u>11,107,379</u>	<u>11,224,345</u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	42,574	42,574
Reserves	5,446,215	5,507,630
	<u>5,488,789</u>	<u>5,550,204</u>
Non-controlling interests	<u>819,123</u>	<u>827,022</u>
Total equity	<u>6,307,912</u>	<u>6,377,226</u>

LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	113,120	115,300
Lease liabilities	760,048	784,243
Long term borrowings	2,531,270	2,748,292
Loans from non-controlling shareholders of a subsidiary	702	737
Derivative financial instruments	6,321	7,752
Put option liability	227,307	225,679
Other long term liabilities	51,648	51,063
	<u>3,690,416</u>	<u>3,933,066</u>
Current liabilities		
Trade and other payables and contract liabilities	563,087	536,890
Current tax liabilities	33,211	31,912
Current portion of lease liabilities	40,860	42,093
Current portion of long term borrowings	396,074	226,651
Short term borrowings	72,284	72,798
Derivative financial instruments	3,535	3,709
	<u>1,109,051</u>	<u>914,053</u>
Total liabilities	<u>4,799,467</u>	<u>4,847,119</u>
Total equity and liabilities	<u>11,107,379</u>	<u>11,224,345</u>

**Unaudited Condensed Consolidated Income Statement
For the three months ended 31 March 2021**

	Note	Three months ended 31 March	
		2021	2020
		<i>US\$ '000</i>	<i>US\$ '000</i>
Revenues		265,330	220,549
Cost of sales		<u>(203,365)</u>	<u>(174,948)</u>
Gross profit		61,965	45,601
Administrative expenses		(29,561)	(28,210)
Other operating income, net		<u>2,432</u>	<u>67,432</u>
Operating profit		34,836	84,823

Finance income		2,499	3,464
Finance costs		(28,275)	(30,135)
Operating profit (after finance income and costs)		9,060	58,152
Share of profits less losses of			
- joint ventures		19,414	14,213
- associates		61,544	38,081
Profit before income tax		90,018	110,446
Income tax expenses		(11,245)	(15,214)
Profit for the period		78,773	95,232
Profit attributable to:			
Equity holders of the Company		73,027	91,887
Non-controlling interests		5,746	3,345
		78,773	95,232
Earnings per share for profit attributable to the equity holders of the Company			
- basic	1	US2.20 cents	US2.91 cents
- diluted	1	US2.20 cents	US2.91 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 2021 of 3,315,296,374 shares (three months ended 31 March 2020: 3,161,958,830 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. During the three months ended 31 March 2021 was 3,315,296,374 shares (three months ended 31 March 2020: 3,161,958,830 shares). The outstanding share options granted by the Company did not have any dilutive effect on the earnings per share during the three months ended 31 March 2021.

2. The accounting policies adopted in preparation of the financial data for the three months ended 31 March 2021 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2020.

The financial data for the three months ended 31 March 2021 are based on the internal records and financial data of the Group and are unaudited.

Operational Review

For the three months ended 31 March 2021, the Group captured the opportunities arising from trade rebound, leading to an increase of 9.9% YoY in total throughput to 30,187,744 TEU (1Q2020: 27,479,714 TEU). Equity throughput for the period increased by 7.2% YoY to 9,293,125 TEU (1Q2020: 8,671,140 TEU). Throughput from terminals in which the Group has controlling stake increased by 5.3% YoY to 5,365,528 TEU (1Q2020: 5,097,361 TEU), making up 17.8% of the Group's total. Throughput from non-controlling terminals increased by 10.9% YoY to 24,822,216 TEU (1Q2020: 22,382,353 TEU).

	1Q2021 (TEU)	1Q2020 (TEU)	Change (%)
Total Throughput	30,187,744	27,479,714	+9.9
Throughput from terminals in which the Group has controlling stake	5,365,528	5,097,361	+5.3
Throughput from the Group's non-controlling terminals	24,822,216	22,382,353	+10.9
Equity Throughput	9,293,125	8,671,140	+7.2
Equity throughput from terminals in which the Group has controlling stake	3,402,993	3,340,017	+1.9
Equity throughput from the Group's non-controlling terminals	5,890,132	5,331,123	+10.5

Greater China

For the three months ended 31 March 2021, total throughput of the Greater China region increased by 12.5% YoY to 23,228,766 TEU (1Q2020: 20,655,665 TEU), accounting for 76.9% of the Group's total throughput. The aforementioned increase of throughput was benefitted from the smooth resumption of operations after Chinese New Year and the rebound of international trade in 2021 which led to an increase in throughput for foreign trade.

Bohai Rim

For the three months ended 31 March 2021, total throughput of the Bohai Rim region increased by 3.4% YoY to 9,933,430 TEU (1Q2020: 9,610,666 TEU), accounting for 32.9% of the Group's total throughput. Total throughput of Qingdao Port International Co., Ltd. increased by 10.1% YoY to 5,550,000 TEU (1Q2020: 5,040,000 TEU).

Yangtze River Delta

For the three months ended 31 March 2021, total throughput of the Yangtze River Delta region increased by 13.4% YoY to 3,679,444 TEU (1Q2020: 3,245,605 TEU) and made up 12.2% of the Group's total. As the epidemic was brought under control in China, trade activities have gradually recovered since the fourth quarter of 2020. Throughput of Shanghai Pudong International Container Terminals Limited increased by 10.8% YoY to 595,566 TEU (1Q2020: 537,444 TEU). Throughput of Shanghai Mingdong Container Terminals Limited increased by 22.0% YoY to 1,675,239 TEU (1Q2020: 1,373,656 TEU). Benefitting from the strong demand for transshipment, throughput of Nantong Tonghai Port Co., Ltd. increased by 22.0% YoY to 350,707 TEU (1Q2020: 287,567 TEU).

Southeast Coast and Others

For the three months ended 31 March 2021, total throughput of the Southeast Coast region increased by 11.6% YoY to 1,362,382 TEU (1Q2020: 1,221,266 TEU) and accounted for 4.5% of the Group's total. Total throughput of Xiamen Ocean Gate Container Terminal Co., Ltd. remarkably increased by 32.0% YoY to 593,975 TEU (1Q2020: 450,026 TEU), which was mainly due to the addition of new shipping services.

Pearl River Delta

For the three months ended 31 March 2021, total throughput of the Pearl River Delta region increased by 24.8% YoY to 6,989,609 TEU (1Q2020: 5,599,728 TEU) and accounted for 23.2% of the Group's total. During the period, total throughput of Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") increased by 4.4% YoY to 1,329,708 TEU (1Q2020: 1,273,888 TEU), mainly due to the significant rebound of domestic production and consumption activities in China and rising foreign trade demand as compared to the same period of last year. Benefitting from enhanced terminal operating efficiency and an increase in shipping services, throughput of Yantian International Container Terminals Co., Ltd. increased by 45.9% YoY to 3,667,267 TEU (1Q2020: 2,514,169 TEU).

Southwest Coast

For the three months ended 31 March 2021, total throughput of the Southwest Coast region surged by 29.2% YoY to 1,263,901 TEU (1Q2020: 978,400 TEU) and accounted for 4.2% of the Group's total, which was mainly benefitted from the new investments of the Group in the region and the "New Land and Marine Routes for Western Region" strategy of China, which boosted the overall throughput in the region.

Overseas

For the three months ended 31 March 2021, total throughput of overseas region increased by 2.0% YoY to 6,958,978 TEU (1Q2020: 6,824,049 TEU) and accounted for 23.1% of the Group's total. Impacted by extreme weather, throughput of Piraeus Container Terminal Single Member S.A. decreased by 5.8% YoY to 1,145,005 TEU (1Q2020: 1,215,875 TEU). Throughput of CSP Zeebrugge Terminal NV surged by 42.9% YoY to 218,936 TEU (1Q2020: 153,209 TEU), which was mainly driven by increasing volume from ad-hoc shipping calls due to terminal congestion in other regions. Throughput of COSCO SHIPPING Ports (Spain) Holding, S.L. and its subsidiaries (together "CSP Spain Related Companies") increased by 7.4% YoY to 860,922 TEU (1Q2020: 801,323 TEU), which was mainly driven by an increase in throughput due to the improvement in the epidemic situation.

Prospects

We see the growth momentum of the ports industry in the first quarter of 2021 and believe the impact from COVID-19 epidemic on the ports industry has gradually eased. On the back of our growth strategy, we are committed to pursuing our total throughput growth in 2021 to outpace our peers. The Group will be able to leverage on its ample cash and cash equivalents to maintain a stable financial position and facilitate sustainable development, which will also support its dividend policy in 2021.

Following the implementation of the COVID-19 vaccination programmes around the world, it is expected that the epidemic will be brought under control globally. We expect the trade and economy to further recover and we are well prepared to seize opportunities arising from the rebound of global demand.

The Group will continue to seize the opportunities of global development and optimise our overall terminal portfolio. Meanwhile, the Group will actively enhance the gateway ports network, further strengthen supply chain services and explore expansion opportunities in the Middle East, Africa and Southeast Asia, etc.

The Group will continuously promote lean operations by the measures of cost reduction and revenue growth, keep strengthening control over terminals and enhance the quality and efficiency of its terminal assets. The Group will carry on improving information capabilities through digitalisation and intelligentisation with an aim to enhancing information integration with industrial chain, which helps the sustainable development of the industrial chain. Meanwhile, we will pursue to attract major shipping alliances to call at our terminals and optimise customer portfolio. COSCO SHIPPING Ports will uphold “The Ports for ALL” as its mission to serve all in the shipping industry and become truly “the ports for all people”.

Throughput of the Group for the three months ended 31 March 2021 was set out below:

	Three months ended		Change
	31 March		
	2021	2020	(%)
	(TEU)	(TEU)	
Bohai Rim	9,933,430	9,610,666	+3.4
Qingdao Port International Co., Ltd.	5,550,000	5,040,000	+10.1
Dalian Container Terminal Co., Ltd.	767,815	1,491,876	-48.5
Dalian Dagang China Shipping Container Terminal Co., Ltd.	3,702	3,871	-4.4
Tianjin Port Euroasia International Container Terminal Co., Ltd.	755,939	618,238	+22.3
Tianjin Port Container Terminal Co., Ltd.	1,927,584	1,550,734	+24.3
Yingkou Terminals ^{Note 1}	610,596	624,384	-2.2
Jinzhou New Age Container Terminal Co., Ltd.	163,413	140,719	+16.1
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	154,381	140,844	+9.6
Yangtze River Delta	3,679,444	3,245,605	+13.4
Shanghai Pudong International Container Terminals Limited	595,566	537,444	+10.8
Shanghai Mingdong Container Terminals Limited	1,675,239	1,373,656	+22.0
Ningbo Yuan Dong Terminals Limited	748,554	716,204	+4.5
Lianyungang New Oriental International Terminals Co., Ltd.	246,276	216,635	+13.7
Zhangjiagang Win Hanverky Container Terminal Co., Ltd. ^{Note 2}	N/A	48,008	N/A
Yangzhou Yuanyang International Ports Co., Ltd. ^{Note 2}	N/A	31,841	N/A
Taicang International Container Terminal Co., Ltd.	63,102	34,250	+84.2
Nantong Tonghai Port Co., Ltd.	350,707	287,567	+22.0
Southeast Coast and others	1,362,382	1,221,266	+11.6
Xiamen Ocean Gate Container Terminal Co., Ltd.	593,975	450,026	+32.0
Quan Zhou Pacific Container Terminal Co., Ltd.	264,263	236,788	+11.6
Jinjiang Pacific Ports Development Co., Ltd.	63,849	115,963	-44.9
Kao Ming Container Terminal Corp.	440,295	418,489	+5.2
Pearl River Delta	6,989,609	5,599,728	+24.8
Yantian International Container Terminals Co., Ltd.	3,667,267	2,514,169	+45.9
Guangzhou Terminals ^{Note 3}	2,568,671	2,378,622	+8.0
Hong Kong Terminals ^{Note 4}	753,671	706,937	+6.6
Southwest Coast	1,263,901	978,400	+29.2
Guangxi Beibu Gulf International Container Terminal Co., Ltd. ^{Note 5}	946,687	313,684	+201.8
Beibu Gulf Port Co., Ltd. ^{Note 6}	317,214	664,716	-52.3
Overseas	6,958,978	6,824,049	+2.0
Piraeus Container Terminal Single Member S.A.	1,145,005	1,215,875	-5.8
CSP Zeebrugge Terminal NV	218,936	153,209	+42.9
CSP Spain Related Companies	860,922	801,323	+7.4
CSP Abu Dhabi Terminal L.L.C.	158,389	158,475	-0.1
COSCO-PSA Terminal Private Limited	1,202,531	1,213,537	-0.9
Reefer Terminal S.p.A.	17,614	15,443	+14.1
Euromax Terminal Rotterdam B.V.	640,733	600,618	+6.7
Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A. Ş.	305,363	307,818	-0.8
Suez Canal Container Terminal S.A.E.	865,652	881,622	-1.8
Antwerp Gateway NV	541,475	508,887	+6.4
SSA Terminals (Seattle), LLC	59,139	51,821	+14.1
Busan Port Terminal Co., Ltd.	943,219	915,421	+3.0
Total	30,187,744	27,479,714	+9.9

- 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: On 10 February 2020, the Group completed the sale of Zhangjiagang Terminal and Yangzhou Yuanyang Terminal and therefore their throughput were not included in the throughput of the Group since February 2020. The figures of the two terminals for 2020 were the throughput for January 2020.
- 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: On 30 November 2020, the Group completed the acquisition of equity interest in Guangxi Beibu Gulf International Container Terminal Co., Ltd. (“Beibu Gulf Terminal”) through injection of its equity interest in Guangxi Qinzhou International Container Terminal Co., Ltd. (“Qinzhou International Terminal”) into Beibu Gulf Terminal and cash consideration. Therefore, throughput of Qinzhou International Terminal for January to November 2020 was included in the throughput of Beibu Gulf Terminal. Since December 2020, only throughput of Beibu Gulf Terminal was included in the throughput of the Group.
- Note 6: Throughput of Beibu Gulf Port Co., Ltd. (“Beibu Gulf Port”) did not include throughput of Beibu Gulf Terminal which had been separately listed out.
- Note 7: Total throughput of bulk cargo, excluding the throughput of Beibu Gulf Port, for the three months ended 31 March 2021 was 19,230,471 tons (1Q2020: 18,855,648 tons), representing an increase of 2.0%. Total throughput of automobile for the three months ended 31 March 2021 was 202,788 vehicles (1Q2020: 117,229 vehicles), representing an increase of 73.0%. Throughput of reefer of Reefer Terminal S.p.A. (Vado Reefer Terminal) for the three months ended 31 March 2021 was 84,903 pallets (1Q2020: 102,291 pallets), representing a decrease of 17.0%.

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 2021.

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
FENG Boming
Chairman

Hong Kong, 27 April 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. FENG Boming¹ (Chairman), Mr. ZHANG Dayu¹ (Managing Director), Mr. DENG Huangjun¹, 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