

# OPERATIONAL REVIEW

## MARKET REVIEW

2023 was a year of economic recovery following three years of COVID pandemic, however the slow pace of the recovery of the global economy, overall lackluster performance in global trade, as well as low external demand have brought challenges for growth in China's exports. Despite these difficulties and challenges, the overall performance of China's external trade was decent, maintaining a stable market share internationally. According to the statistics from the General Administration of Customs of China, the total value of China's imports and exports in 2023 was RMB41.76 trillion, posting a YoY growth rate of 0.2%. The amount of exports grew by 0.6% YoY to reach a new record high of RMB23.77 trillion.

## OVERALL PERFORMANCE

COSCO SHIPPING Ports is dedicated to "dual-driver" strategy. The overall quality of the Company's

operations and development and its results continues to improve. In 2023, the Group's total throughput increased by 4.4% YoY to 135,808,554 TEU (2022: 130,107,074 TEU). Total throughput from terminals in which the Group has controlling stake decreased by 2.7% YoY to 30,762,095 TEU (2022: 31,627,734 TEU), accounting for 22.7% of the Group's total, and the total throughput from non-controlling terminals increased by 6.7% YoY to 105,046,459 TEU (2022: 98,479,340 TEU), accounting for 77.3% of the Group's total.

During the year, the Group's total equity throughput increased by 3.1% YoY to 43,381,201 TEU (2022: 42,069,050 TEU). The equity throughput from terminals in which the Group has controlling stake increased by 0.7% YoY to 19,010,845 TEU (2022: 18,869,824 TEU), accounting for 43.8% of the Group's total, and the equity throughput from non-controlling terminals increased by 5.0% YoY to 24,370,356 TEU (2022: 23,199,226 TEU), accounting for 56.2% of the Group's total.

|   | 2023<br>(TEU)      | 2022<br>(TEU)      | Change<br>(%) |
|---|--------------------|--------------------|---------------|
| <b>Total Throughput</b>   | <b>135,808,554</b> | <b>130,107,074</b> | <b>+4.4</b>   |
| Throughput from terminals in which the Group has controlling stake        | 30,762,095         | 31,627,734         | -2.7          |
| Throughput from the Group's non-controlling terminals                     | 105,046,459        | 98,479,340         | +6.7          |
| <b>Equity Throughput</b>  | <b>43,381,201</b>  | <b>42,069,050</b>  | <b>+3.1</b>   |
| Equity throughput from terminals in which the Group has controlling stake | 19,010,845         | 18,869,824         | +0.7          |
| Equity throughput from the Group's non-controlling terminals              | 24,370,356         | 23,199,226         | +5.0          |

## Operational Review

## CHINA

Total throughput of the terminals in China increased by 4.8% YoY to 103,065,210 TEU in 2023 (2022: 98,338,099 TEU) and accounted for 75.9% of the Group's total throughput. Total equity throughput of terminals in China increased by 4.4% YoY to 30,679,108 TEU (2022: 29,382,264 TEU), accounting for 70.7% of the Group's total equity throughput.

### Bohai Rim

Total throughput of the Bohai Rim region increased by 8.0% YoY to 46,589,991 TEU in 2023 (2022: 43,120,988 TEU) and accounted for 34.3% of the Group's total. Total equity throughput of the Bohai Rim region increased by 5.1% YoY to 12,571,882 TEU (2022: 11,958,004 TEU) and accounted for 29.0% of the Group's total equity throughput. Dalian Container Terminal added several new international routes during the year, with its total throughput increased by 12.1% YoY to 4,906,861 TEU (2022: 4,377,050 TEU).

### Yangtze River Delta

Total throughput of the Yangtze River Delta region increased by 4.2% YoY to 14,569,524 TEU in 2023 (2022: 13,986,956 TEU) and accounted for 10.7% of the Group's total. Total equity throughput of the Yangtze River Delta region increased by 2.9% YoY to 4,093,259 TEU (2022: 3,976,608 TEU) and accounted for 9.4% of the Group's total equity throughput. Shanghai Mingdong Terminal began developing marketing strategies in cooperation with upstream and downstream logistics chain partners, achieving a 10.5% YoY increase in throughput to 6,054,308 TEU (2022: 5,477,740 TEU). CSP Wuhan Terminal has experienced an increase in number of services and throughput since it operates in April 2022, and actively developed water-rail intermodal transport; its total throughput increased by 138.6% YoY to 158,596 TEU (2022: 66,469 TEU).



## Operational Review

### Southeast Coast and Others

Total throughput in the Southeast Coast and Others region decreased by 6.9% YoY to 5,951,456 TEU in 2023 (2022: 6,392,128 TEU) and accounted for 4.4% of the Group's total throughput. Total equity throughput of Southeast Coast and Others region increased by 16.5% YoY to 4,242,346 TEU (2022: 3,642,358 TEU) and accounted for 9.8% of the Group's total equity throughput. The increase in equity throughput was mainly attributable to the Company's acquisition of a 30% equity interest in Xiamen Ocean Gate Terminal, in which the Company now holds a 100% equity interest. Xiamen Ocean Gate Terminal fully utilised its role as the hub of the OCEAN Alliance in the Southeastern region, so its throughput increased by 0.3% YoY to 2,748,313 TEU (2022: 2,741,179 TEU).

### Pearl River Delta

Total throughput of the Pearl River Delta region increased by 0.4% YoY to 27,932,139 TEU in 2023 (2022: 27,817,027 TEU) and accounted for 20.6% of the Group's total throughput. Total equity throughput of the Pearl River Delta region decreased by 1.7% YoY to 7,896,402 TEU (2022: 8,036,580 TEU) and accounted for 18.2% of the Group's total equity throughput. The throughput of Yantian Terminals increased by 3.5% YoY to 14,045,087 TEU (2022: 13,572,909 TEU) mainly due to a recovery in volume on routes to Europe and the US in the second half of the year.

### Southwest Coast

Total throughput of the Southwest Coast region increased by 14.3% YoY to 8,022,100 TEU in 2023 (2022: 7,021,000 TEU), accounting for 5.9% of the Group's total throughput. Total equity throughput of the Southwest Coast region increased by 6.0% YoY to 1,875,219 TEU (2022: 1,768,714 TEU) and accounted for 4.3% of the Group's total equity throughput. The increase in total throughput and equity throughput was mainly due to the increase in trade between China and Southeast Asia, also benefitting from positive factors such as the construction of the new western land-sea corridor and the establishment of RCEP, there are many opportunities for the high-quality development in the Southwest Coast region.

### OVERSEAS

Total throughput in overseas increased by 3.1% YoY to 32,743,344 TEU in 2023 (2022: 31,768,975 TEU) and accounted for 24.1% of the Group's total. Total equity throughput of overseas region increased by 0.1% YoY to 12,702,093 TEU (2022: 12,686,786 TEU) and accounted for 29.3% of the Group's total equity throughput. As Piraeus Terminal continuously strengthened its marketing strategy and actively introduced new shipping services and increased volume from third-party customers, its total throughput increased by 5.4% YoY to 4,586,535 TEU (2022: 4,352,059 TEU). Driven by the development of new businesses, total throughput of CSP Abu Dhabi Terminal increased by 32.8% YoY to 1,353,215 TEU (2022: 1,018,668 TEU).

## Operational Review

### PROSPECTS

The International Monetary Fund (IMF) released its latest World Economic Outlook report on 30 January 2024, estimating that the global economy will grow by 3.1% this year. Although the global economy continues to show resilient growth and inflation is declining steadily, the pace of economic growth remains slow, posing certain challenges to China's export growth. However, against the backdrop of global carbon neutrality, new structural highlights of China's exports continued to emerge. China's new energy industry chain products have a global leading edge in terms of price, technology and quality, and the export growth rate of new energy vehicles and photovoltaic products is expected to remain at a high level, bringing opportunities for the development of the port industry.

In 2023, COSCO SHIPPING Ports' total throughput and equity throughput ranked among the top in the world, and the Company's overall operations remained stable. Looking ahead to 2024, the Group will continue to strengthen its globalisation strategy in four areas: efficiency, networking, assets and staff, to realise its transformation into a global operator, and strive to build a world-class customer-focused port logistics service provider.

The Company will continue to focus on "improving quality and efficiency", taking service enhancement, cost control and business optimisation as the key measures, and digitalisation and automation as the driving forces to improve the profitability and efficiency of its asset portfolio. Grasping the opportunities presented by the growth of China's advanced manufacturing industries in overseas markets, the Company will expand its service scope to create incremental value; improve cost control to enhance its cost competitive edge; and innovate its commercial and marketing model to promote the strong interconnection of port and shipping resources.

The Company will continue to build a "full chain of services", focusing on the world's latest development trends and integrating into the "dual circulation" development pattern. We will fully utilise the advantages of our global terminal network, supply chain base, digital intelligence and other resources to create high-quality service benchmark products and provide efficient and convenient port logistics and supply chain solutions. We will continue to drive innovation and accelerate the construction of a new model of green transportation that is clean, low-carbon, safe and efficient.

The Company will actively promote its globalisation and seize the opportunities in emerging markets, especially those included in the RCEP, regional markets and third country markets, and explore investment opportunities in key hub ports and core supply chain resources behind the terminals. At the same time, we will continue to participate in domestic port resource integration to optimise terminal structure and enhance asset quality.

The Company will always adhere to the talent-oriented principle and build a global hub for talent in the port industry, building pathways for outstanding talents and enabling employees to share the responsibility, results, and growth with the Company. All employees of COSCO SHIPPING Ports will continue to uphold an open mind and cooperative attitude, relying on the port's high-quality resources, and promote the development of the industry through joint discussions and cooperation with partners in the industry chain, to achieve win-win cooperation while fostering the development of global trade and promoting the prosperity of the regional economy.

## Operational Review

## China

Total Throughput  
**103,065,210** TEU  
**▲4.8%**



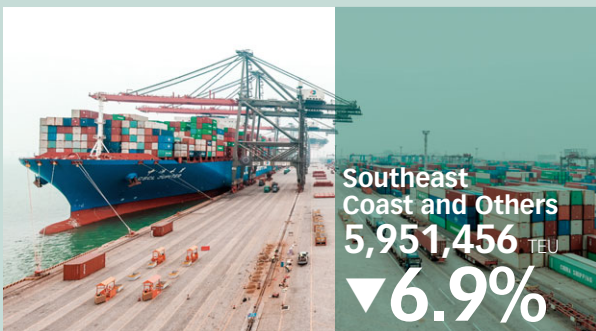
|                                     |            |        |
|-------------------------------------|------------|--------|
| QPI                                 | 30,020,000 | +11.9% |
| Dalian Container Terminal           | 4,906,861  | +12.1% |
| Dalian Dagang Terminal              | 23,202     | -5.0%  |
| Tianjin Container Terminal          | 8,223,425  | -3.0%  |
| Yingkou Terminals <sup>Note 1</sup> | 2,230,824  | +7.7%  |
| Jinzhou New Age Terminal            | 640,486    | -10.7% |
| Qinhuangdao New Harbour Terminal    | 545,193    | -13.4% |

## Overseas

Total Throughput  
**32,743,344** TEU  
**▲3.1%**



|                                   |           |         |
|-----------------------------------|-----------|---------|
| Shanghai Pudong Terminal          | 2,610,086 | +0.4%   |
| Shanghai Mingdong Terminal        | 6,054,308 | +10.5%  |
| Ningbo Yuan Dong Terminal         | 3,143,607 | +3.0%   |
| Lianyungang New Oriental Terminal | 1,008,171 | +6.6%   |
| Taicang Terminal                  | 266,555   | +21.0%  |
| Nantong Tonghai Terminal          | 1,328,201 | -18.2%  |
| CSP Wuhan Terminal                | 158,596   | +138.6% |

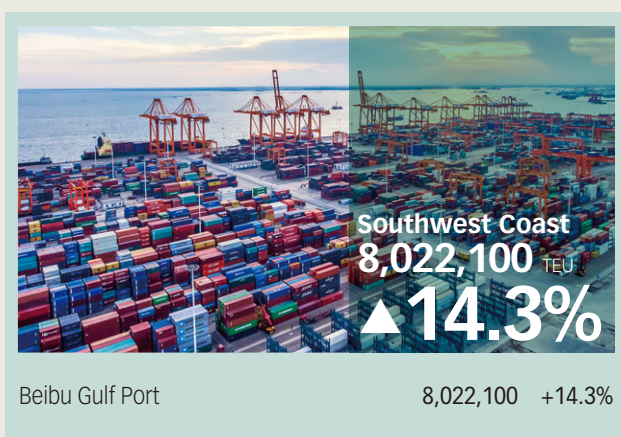
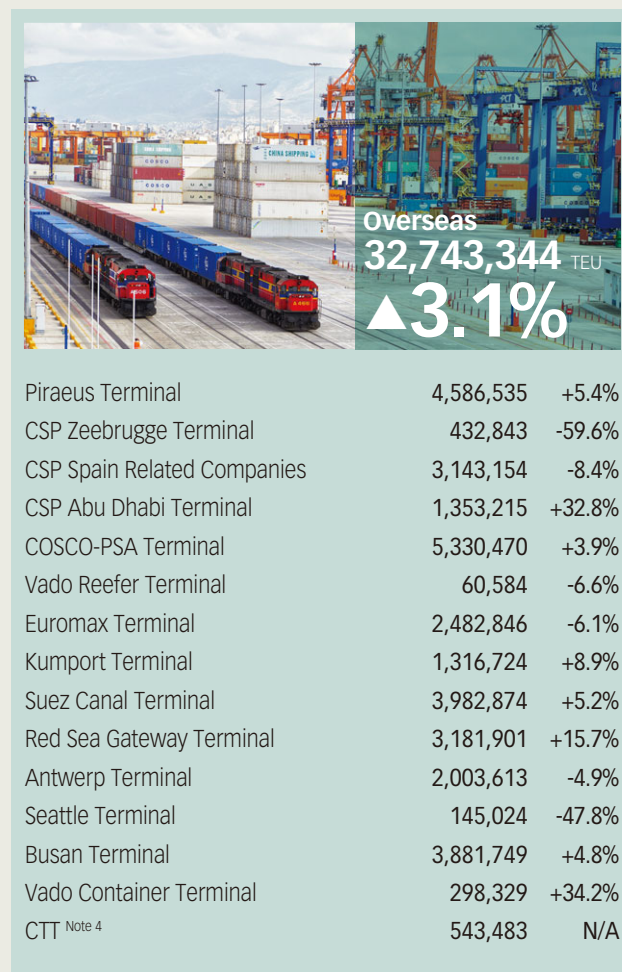
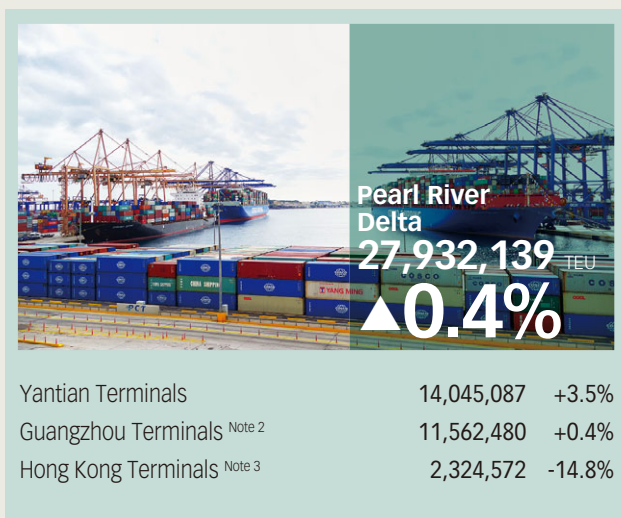


|                            |           |        |
|----------------------------|-----------|--------|
| Xiamen Ocean Gate Terminal | 2,748,313 | +0.3%  |
| Quan Zhou Pacific Terminal | 1,311,018 | -2.2%  |
| Jinjiang Pacific Terminal  | 222,405   | -15.3% |
| Kao Ming Terminal          | 1,669,720 | -18.5% |

## Notes:

- Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminal and Yingkou New Century Terminal.

## Operational Review



- Throughput of Guangzhou Terminals was the total throughput of Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal.
- Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminal and Asia Container Terminal.
- Throughput of the terminal was included since July 2023. Therefore, the figure of the terminal for the year ended 31 December 2023 was the throughput of the terminal from July to December 2023.
- Total throughput of bulk cargo, excluding throughput of Beibu Gulf Port, for the year ended 31 December 2023 was 438,082,338 tons (2022: 433,346,347 tons), representing an increase of 1.1%. Total throughput of automobile for the year ended 31 December 2023 was 773,961 vehicles (2022: 790,241 vehicles), representing a decrease of 2.1%. Throughput of reefer of Vado Reefer Terminal for the year ended 31 December 2023 was 375,963 pallets (2022: 355,754 pallets), representing an increase of 5.7%.

## Operational Review

## Terminal Portfolio (As of 31 December 2023)

| Terminal company                  | Share holdings | Target number of berths | Designed annual handling capacity (TEU) | Depth (m) |
|-----------------------------------|----------------|-------------------------|---|-----------|
|                                   |                | 64                      | 29,750,000                              |           |
| Bohai Rim                         |                | 3                       | 780,000 vehicles                        |           |
|                                   |                | 65                      | 236,020,000 tons                        |           |
| QPI                               | 19.79%         | 24                      | 10,000,000                              | N/A       |
|                                   |                | 62                      | 207,020,000 tons                        | N/A       |
| Dalian Container Terminal         | 19%            | 18                      | 9,500,000                               | 17.8      |
| Dalian Dagang Terminal            | 35%            | 1                       | 100,000                                 | 9.1       |
| Dalian Automobile Terminal        | 24%            | 3                       | 780,000 vehicles                        | 11        |
| Tianjin Container Terminal        | 51%            | 13                      | 6,000,000                               | 12-17     |
| Yingkou Container Terminal        | 50%            | 2                       | 1,200,000                               | 14        |
| Yingkou New Century Terminal      | 40%            | 2                       | 1,200,000                               | 15.5      |
| Jinzhou New Age Terminal          | 51%            | 2                       | 800,000                                 | 15.4      |
| Qinhuangdao New Harbour Terminal  | 30%            | 2                       | 950,000                                 | 15.8      |
| Dongjiakou Ore Terminal           | 25%            | 3                       | 29,000,000 tons                         | 20-25     |
| Yangtze River Delta               |                | 26                      | 15,092,400                              |           |
|                                   |                | 7                       | 13,570,000 tons                         |           |
| Shanghai Pudong Terminal          | 30%            | 3                       | 2,300,000                               | 12        |
| Shanghai Mingdong Terminal        | 20%            | 7                       | 5,600,000                               | 12.8      |
| Ningbo Yuan Dong Terminal         | 20%            | 3                       | 3,000,000                               | 17.1      |
| Lianyungang New Oriental Terminal | 55%            | 4                       | 1,400,000                               | 11.5-15   |
| Taicang Terminal                  | 39.04%         | 2                       | 550,000                                 | 12        |
|                                   |                | 2                       | 4,000,000 tons                          | 12        |
| Nantong Tonghai Terminal          | 51%            | 3                       | 1,470,000                               | 9-11      |
|                                   |                | 1                       | 5,370,000 tons                          | 6         |
| CSP Wuhan Terminal                | 84.94%         | 4                       | 772,400                                 | 6.4       |
|                                   |                | 4                       | 4,200,000 tons                          | 6.4       |

## Operational Review

**Terminal Portfolio (As of 31 December 2023)**

| Terminal company                         | Share holdings | Target number of berths | Designed annual handling capacity (TEU) | Depth (m) |
|--|----------------|-------------------------|---|-----------|
| <b>Southeast Coast and Others</b>        |                | 15                      | 9,000,000                               |           |
|  |                | 5                       | 9,200,000 tons                          |           |
| Xiamen Ocean Gate Terminal               | 100%           | 4                       | 2,600,000                               | 15        |
|  |                | 1                       | 4,000,000 tons                          | 6.6-13.6  |
| Quan Zhou Pacific Terminal               | 82.35%         | 5                       | 3,000,000                               | 11.6-15.1 |
|  |                | 2                       | 1,000,000 tons                          | 5.1-9.6   |
| Jinjiang Pacific Terminal                | 80%            | 2                       | 600,000                                 | 9.5-15.3  |
|  |                | 2                       | 4,200,000 tons                          | 7.5-9.5   |
| Kao Ming Terminal                        | 20%            | 4                       | 2,800,000                               | 16.5      |
| <b>Pearl River Delta</b>                 |                | 34                      | 25,600,000                              |           |
| Yantian Terminal Phases I & II           | 14.59%         | 9                       | 7,300,000                               | 17.6      |
| Yantian Terminal Phase III               | 13.36%         | 11                      | 5,700,000                               | 17.6      |
| Guangzhou Nansha Stevedoring Terminal    | 40%            | 4                       | 5,000,000                               | 14.5-15.5 |
| Guangzhou South China Oceangate Terminal | 39%            | 6                       | 4,200,000                               | 15.5      |
| COSCO-HIT Terminal                       | 50%            | 2                       | 1,800,000                               | 15.5      |
| Asia Container Terminal                  | 60%            | 2                       | 1,600,000                               | 15.5      |
| <b>Southwest Coast</b>                   |                | 24                      | 14,400,000                              |           |
|  |                | 102                     | 287,400,000 tons                        |           |
| Beibu Gulf Port <sup>Note</sup>          | 9.82%          | 18                      | 10,800,000                              | N/A       |
|  |                | 100                     | 268,400,000 tons                        | N/A       |
| Beibu Gulf Terminal                      | 30.32%         | 6                       | 3,600,000                               | 15.1      |
| Chisha Terminal                          | 20%            | 2                       | 19,000,000 tons                         | 25        |

Note: The target number of berths and the designed annual handling capacity do not include Beibu Gulf Terminal.



## Operational Review

## Terminal Portfolio (As of 31 December 2023)

| Terminal company   | Share holdings | Target number of berths | Designed annual handling capacity (TEU) | Depth (m) |
|--|----------------|-------------------------|---|-----------|
|  |                | 82                      | 47,200,000                              |           |
| Overseas   |                | 2                       | 6,200,000 tons                          |           |
|  |                | 2                       | 600,000 pallets                         |           |
| Piraeus Terminal   | 100%           | 8                       | 6,200,000                               | 14.5-19.5 |
| CSP Zeebrugge Terminal   | 90%            | 3                       | 1,300,000                               | 17.5      |
| CSP Abu Dhabi Terminal   | 40%            | 3                       | 2,500,000                               | 18        |
| CSP Valencia Terminal  | 51%            | 6                       | 4,100,000                               | 16        |
| CSP Bilbao Terminal  | 39.51%         | 3                       | 1,000,000                               | 21        |
| CSP Chancay Terminal   | 60%            | 2                       | 1,000,000                               | 16-18     |
|  |                | 2                       | 6,200,000 tons                          | 14        |
| Suez Canal Terminal  | 20%            | 8                       | 5,000,000                               | 17        |
| Kumport Terminal   | 26%            | 6                       | 2,100,000                               | 15-16.5   |
| Antwerp Terminal   | 20%            | 4                       | 3,700,000                               | 16        |
| COSCO-PSA Terminal   | 49%            | 5                       | 4,850,000                               | 18        |
| Busan Terminal   | 4.23%          | 8                       | 4,000,000                               | 15-16     |
| Seattle Terminal   | 13.33%         | 2                       | 400,000                                 | 15.2      |
| Euromax Terminal   | 17.85%         | 5                       | 3,200,000                               | 17.65     |
| Red Sea Gateway Terminal   | 20%            | 11                      | 5,200,000                               | 18        |
| Vado Reefer Terminal   | 40%            | 2                       | 250,000                                 | 14.5      |
|  |                | 2                       | 600,000 pallets                         | 14.1      |
| Vado Container Terminal  | 40%            | 2                       | 860,000                                 | 17.25     |
| CTT  | 24.99%         | 4                       | 1,540,000                               | 15.1      |
| <b>Total</b>   |                | <b>431</b>              |   |           |
| <b>Target total number of container berths/<br/>Designed annual handling capacity</b>  |                | <b>245</b>              | <b>141,042,400</b>                      |           |
| <b>Target total number of bulk berths/<br/>Designed annual handling capacity</b>       |                | <b>181</b>              | <b>552,390,000 tons</b>                 |           |
| <b>Target total number of automobile berths/<br/>Designed annual handling capacity</b> |                | <b>3</b>                | <b>780,000 vehicles</b>                 |           |
| <b>Target total number of reefer berths/<br/>Designed annual handling capacity</b>     |                | <b>2</b>                | <b>600,000 pallets</b>                  |           |

Operational Review

# The Ports for ALL



| China                             |                |
|-----------------------------------|----------------|
| Terminal Coverage                 | 22 Ports       |
| Target No. of Container Berths    | 163            |
| Designed Annual Handling Capacity | 93,842,400 TEU |
| Overseas                          |                |
| Terminal Coverage                 | 16 Ports       |
| Target No. of Container Berths    | 82             |
| Designed Annual Handling Capacity | 47,200,000 TEU |

### Bohai Rim



Percentage of total designed annual handling capacity **21.1%**  
 Target No. of container berths **64**  
**29,750,000 TEU**  
 Designed annual handling capacity

### Yangtze River Delta



Percentage of total designed annual handling capacity **10.7%**  
 Target No. of container berths **26**  
**15,092,400 TEU**  
 Designed annual handling capacity

### Southeast Coast and Others



Percentage of total designed annual handling capacity **6.4%**  
 Target No. of container berths **15**  
**9,000,000 TEU**  
 Designed annual handling capacity

### Pearl River Delta



Percentage of total designed annual handling capacity **18.2%**  
 Target No. of container berths **34**  
**25,600,000 TEU**  
 Designed annual handling capacity

### Southwest Coast



Percentage of total designed annual handling capacity **10.2%**  
 Target No. of container berths **24**  
**14,400,000 TEU**  
 Designed annual handling capacity

### Overseas



Percentage of total designed annual handling capacity **33.4%**  
 Target No. of container berths **82**  
**47,200,000 TEU**  
 Designed annual handling capacity