



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

3Q2021 Results Presentation

Capturing Strategic Development Opportunities
Continuing to Enhance Lean Operations

October 29, 2021



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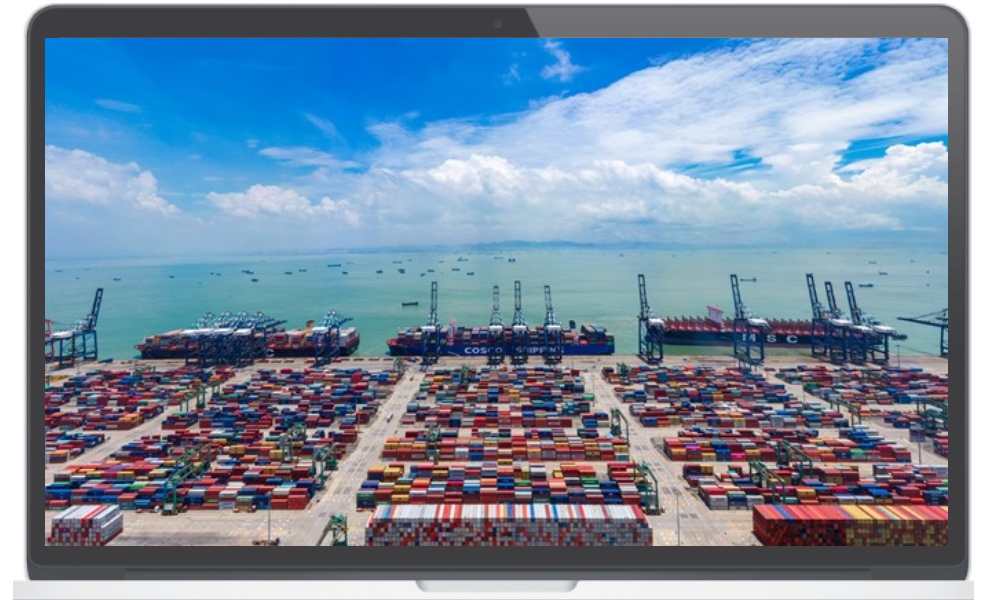
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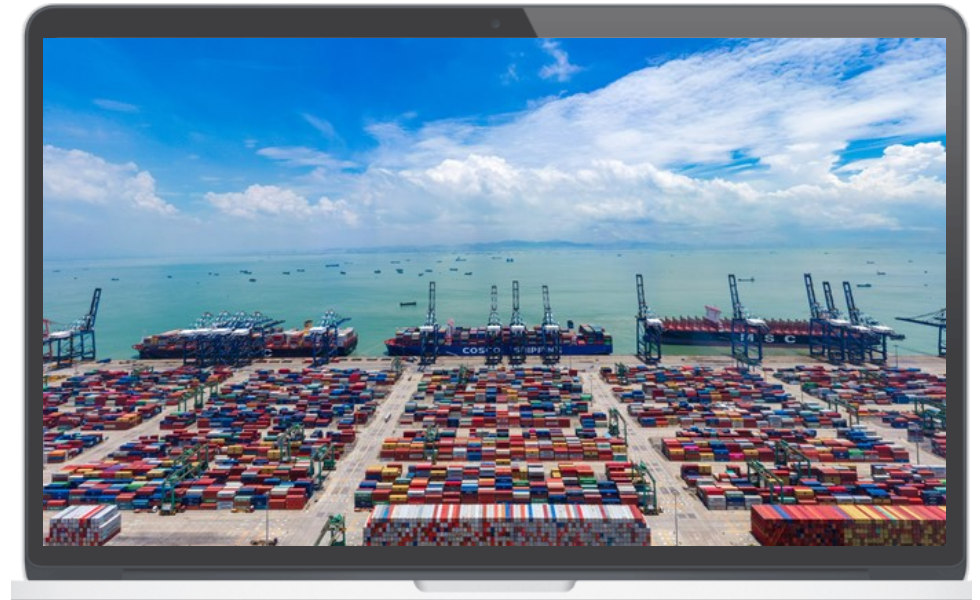
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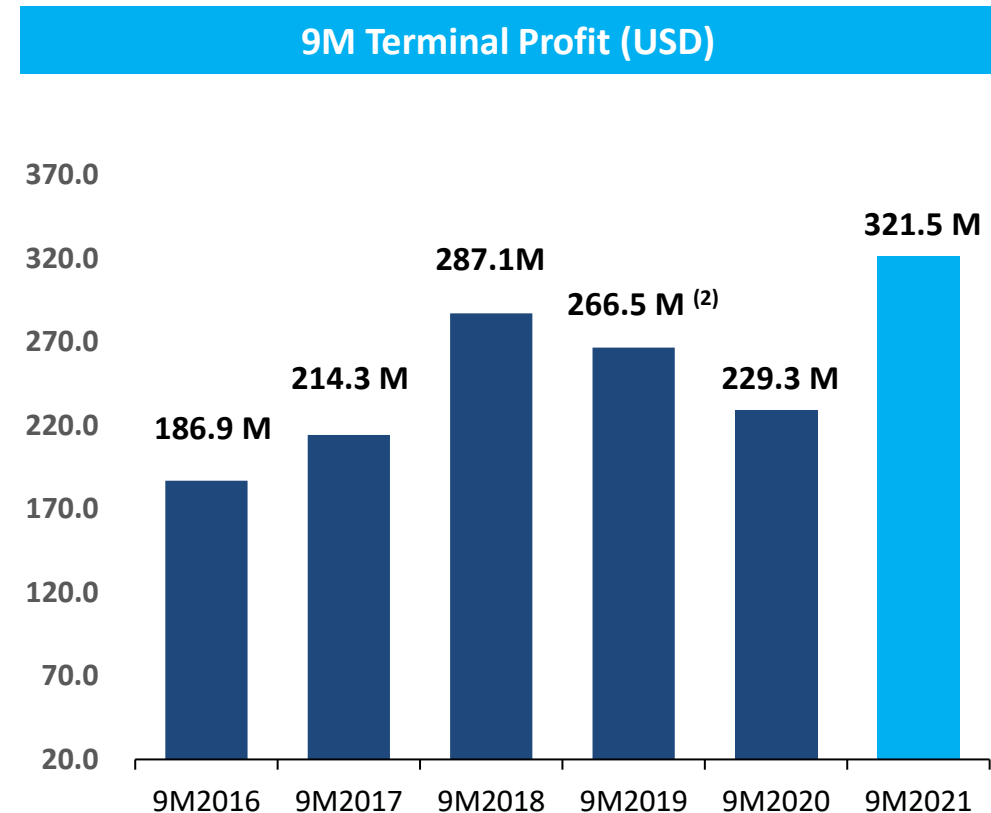
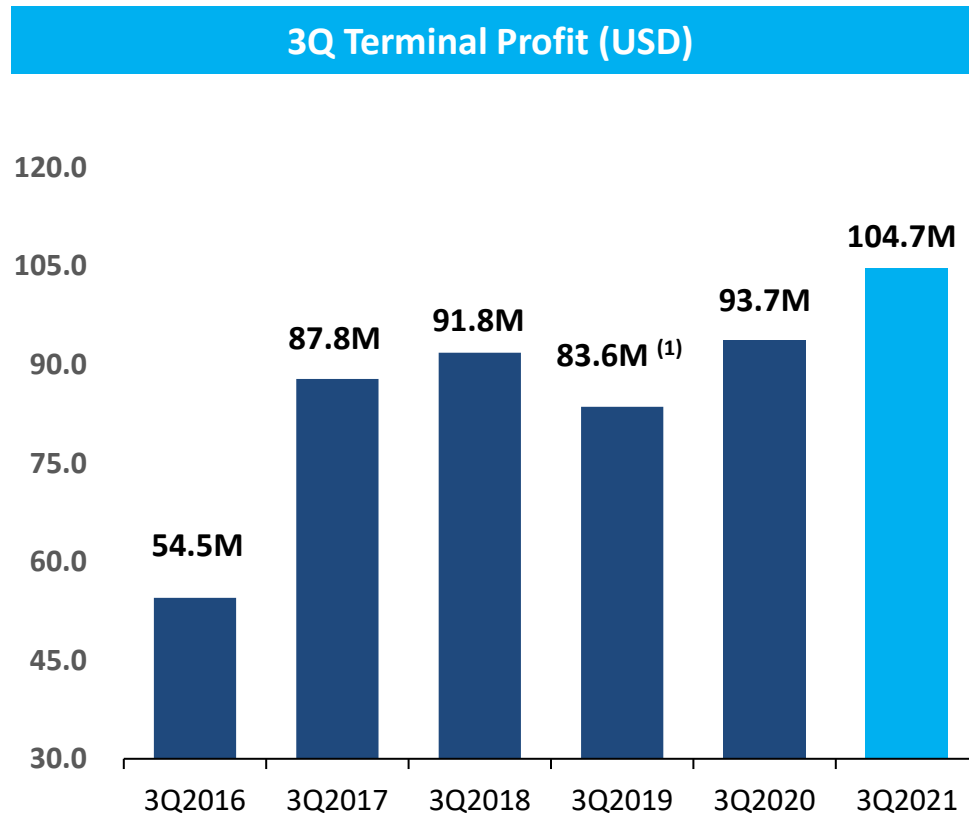
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Highest 3Q & 9M Terminal Profit since 2016

- 3Q terminal profit increased by 11.7% YoY to USD 104.7 M; 9M terminal profit surged by 40.2% YoY to USD 321.5 M
- We achieved the highest 3Q and 9M terminal profit on the back of our lean operations strategy as well as macro environment improvement



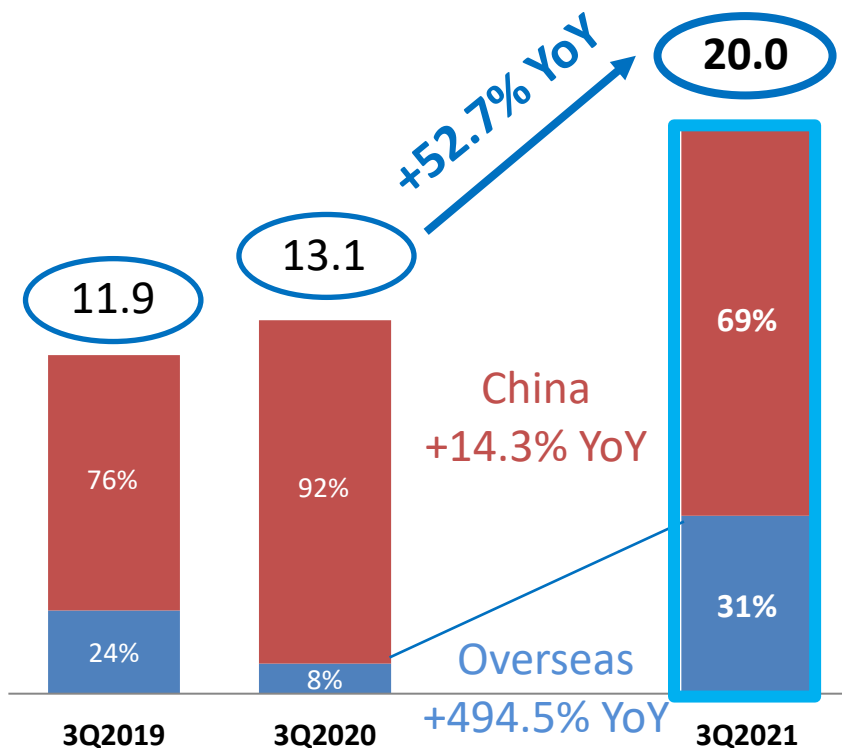
Note:

(1) Excluding fair value loss of USD 1.7 million from Beibu Gulf Port in 3Q2019.

(2) Excluding fair value gain of USD 18.8 million from Beibu Gulf Port in 9M2019.

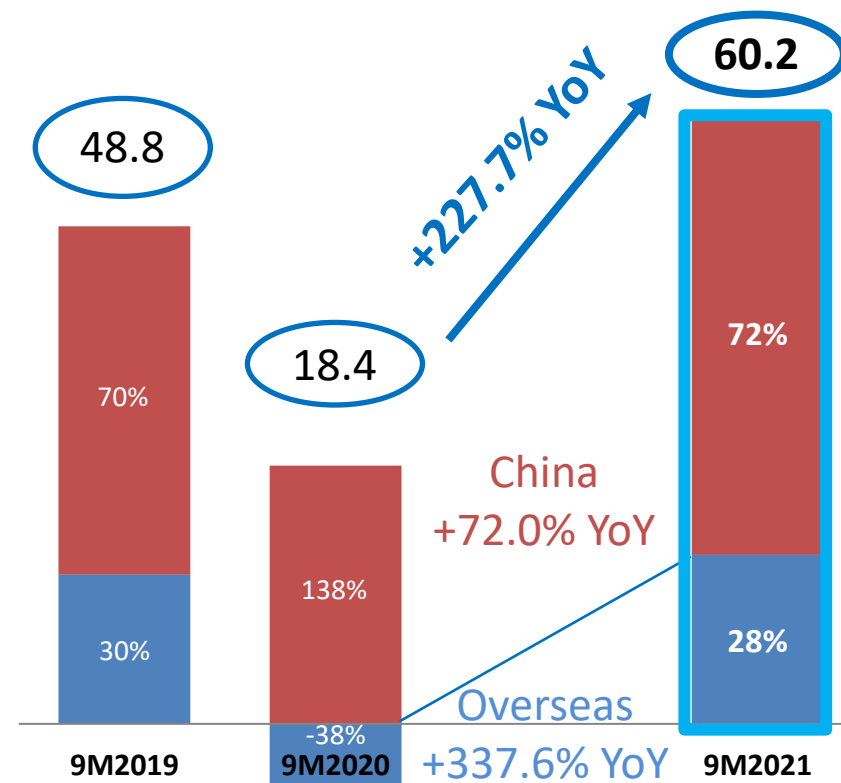
Substantial Enhancement for Subsidiaries Terminal Profit Through Effective Lean Operation

3Q Terminal profit of subsidiaries (US\$ million)



3Q (US\$ million)	3Q19	3Q20	YoY	3Q21	YoY
Greater China	9.0	12.0	+34.4%	13.8	+14.3%
Overseas	2.9	1.1	-63.9%	6.2	+494.5%
Total	11.9	13.1	+10.3%	20.0	+52.7%

9M Terminal profit of subsidiaries (US\$ million)



9M (US\$ million)	9M19	9M20	YoY	9M21	YoY
Greater China	34.2	25.4	-25.9%	43.6	+72.0%
Overseas	14.6	-7.0	-147.7%	16.6	+337.6%
Total	48.8	18.4	-62.4%	60.2	+227.7%

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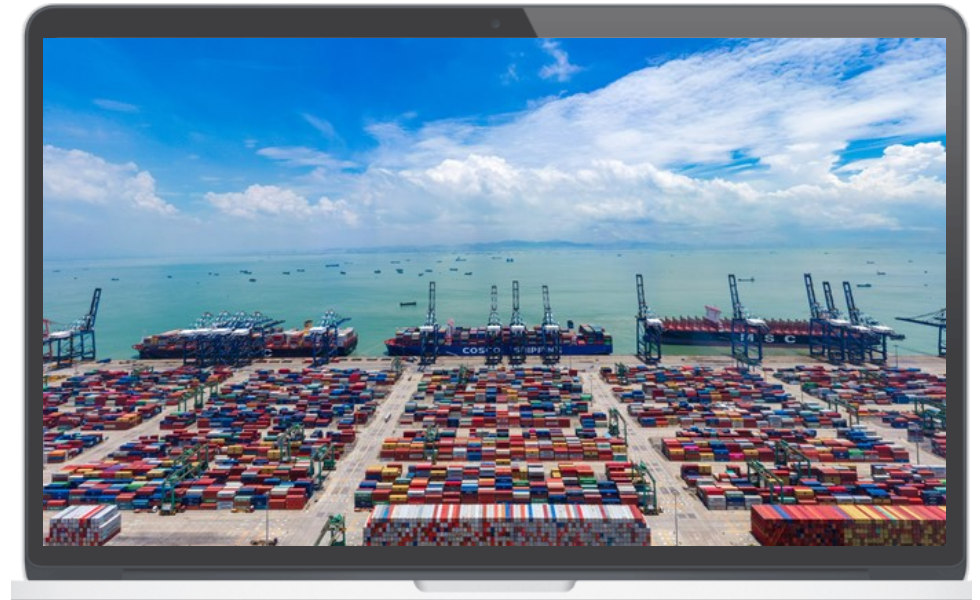
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Continued YoY Growth in Revenue per TEU of Subsidiaries During 3Q2021

(US\$ million, unless stated otherwise)	3Q2020	3Q2021	YoY Change (%)
Consolidated throughput from Subsidiaries (in '000 TEU)	5,968.9	5,919.3	-0.8
Revenue	270.0	295.8	+9.5
Cost of sales	199.5	218.3	+9.4
Gross profit	70.5	77.5	+9.9
Gross profit margin	26.1%	26.2%	+0.1 pps
Share of profits from Joint Ventures & Associates	80.1	84.6	+5.7
Net profit attributable to shareholders	85.9	86.1	+0.2
EPS (US cents) ⁽¹⁾	2.66	2.60	-2.3

Notes:

(1) The slight drop in EPS was mainly due to the increase in total number of shares issued from Scrip Dividend Scheme.

Strong Net Profit YoY Growth in 9M2021

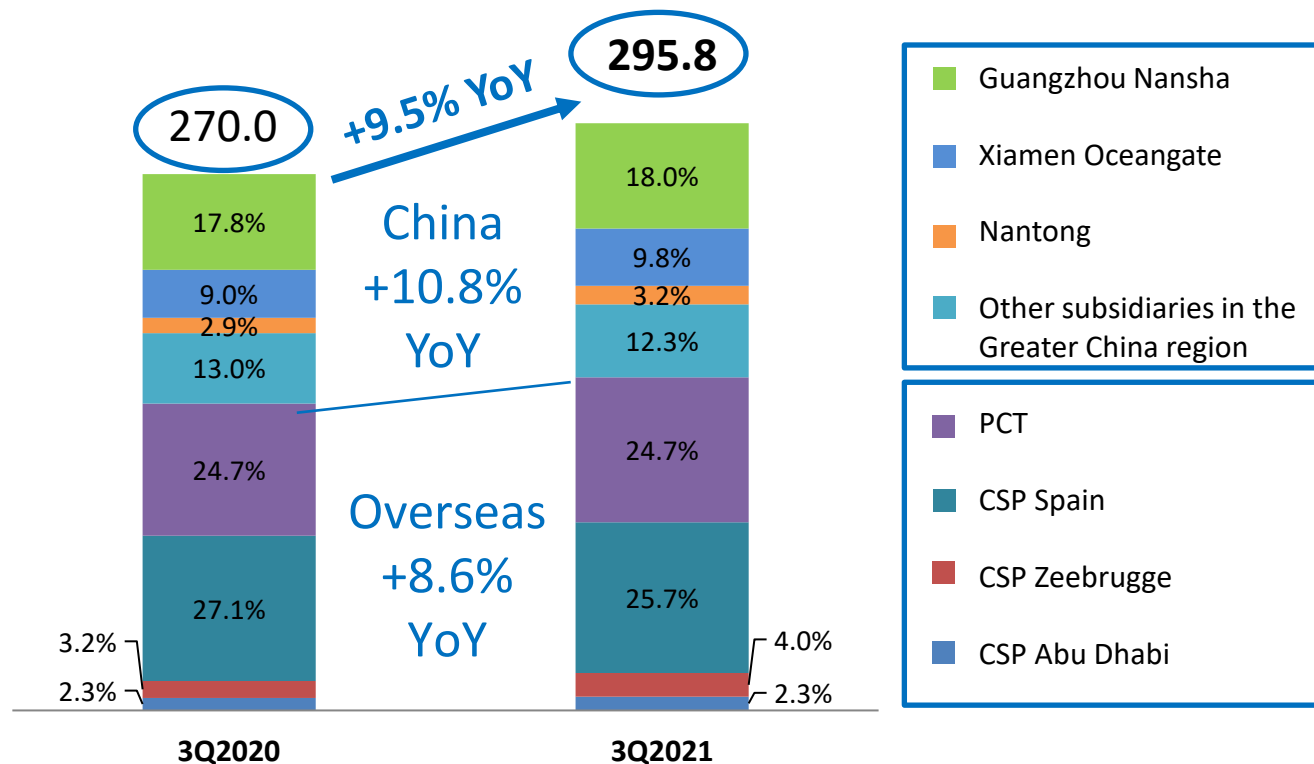
(US\$ million, unless stated otherwise)	9M2020	9M2021	YoY Change (%)
Consolidated throughput from Subsidiaries (in '000 TEU)	16,470.3	17,282.2	+4.9
Revenue	722.7	860.6	+19.1
Cost of sales	553.1	634.9	+14.8
Gross profit	169.6	225.8	+33.1
Gross profit margin	23.5%	26.2%	+2.7 pps
Share of profits from Joint Ventures & Associates	208.8	259.8	+24.4
Net profit attributable to shareholders	249.3	261.8	+5.0
EPS (US cents)	7.83	7.90	+0.9
Net profit attributable to shareholders (Excluding one-off items) ⁽¹⁾	180.8	261.8	+44.8
EPS (US cents) (Excluding one-off items) ⁽¹⁾	5.67	7.90	+39.3

Notes:

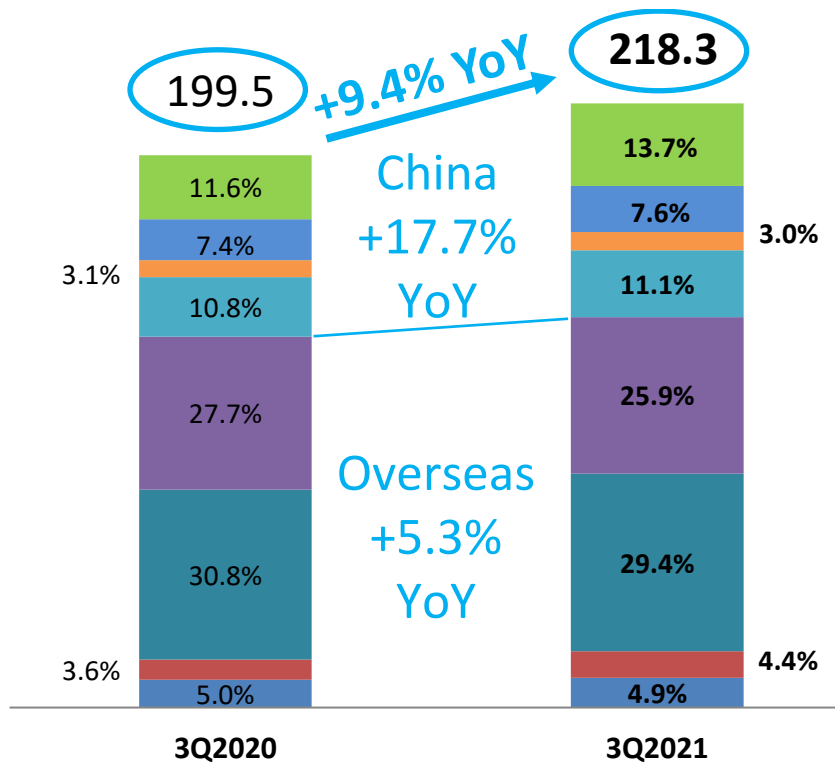
(1) Excluding 1Q2020 after-tax gain of USD\$61.5M on disposal of interest in Yangzhou Terminal and Zhangjiagang Terminal as well as 2Q2020 after-tax gain of USD\$7.1M on disposal of interest in Jiangsu Yangtze Petrochemical Terminal.

Solid Revenue Growth & Effective Cost Control in Overseas terminals 3Q2021

Revenue (US\$ million)



Cost of sales (US\$ million)

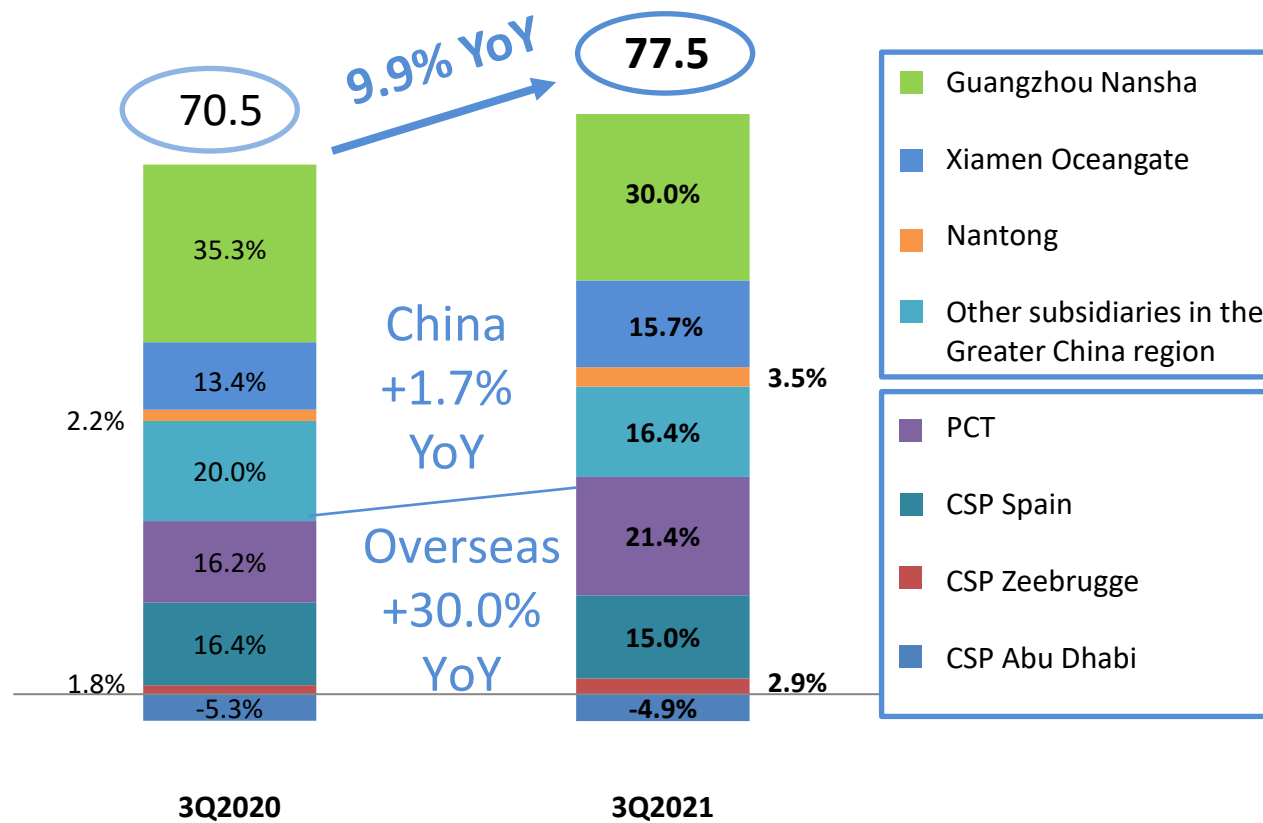


Revenue (US\$ million)	3Q20	%	3Q21	%	YoY
Greater China	115.5	43	128.0	43	+10.8%
Overseas	154.5	57	167.8	57	+8.6%
Total	270.0	100	295.8	100	+9.5%

Cost of sales (US\$ million)	3Q20	%	3Q21	%	YoY
Greater China	65.5	33	77.2	35	+17.7%
Overseas	134.0	67	141.1	65	+5.3%
Total	199.5	100	218.3	100	+9.4%

Further GP Enhancement in Overseas Terminals During 3Q2021

Gross profit (US\$ million)



Greater China	3Q20	%	3Q21	%	YoY
Gross profit (US\$ million)	49.9	71%	50.8	65%	+1.7%
Gross profit margin	43.2%		39.7%		-3.5 pps

Overseas region	3Q20	%	3Q21	%	YoY
Gross profit (US\$ million)	20.6	29%	26.7	35%	+30.0%
Gross profit margin	13.3%		15.9%		+2.6 pps

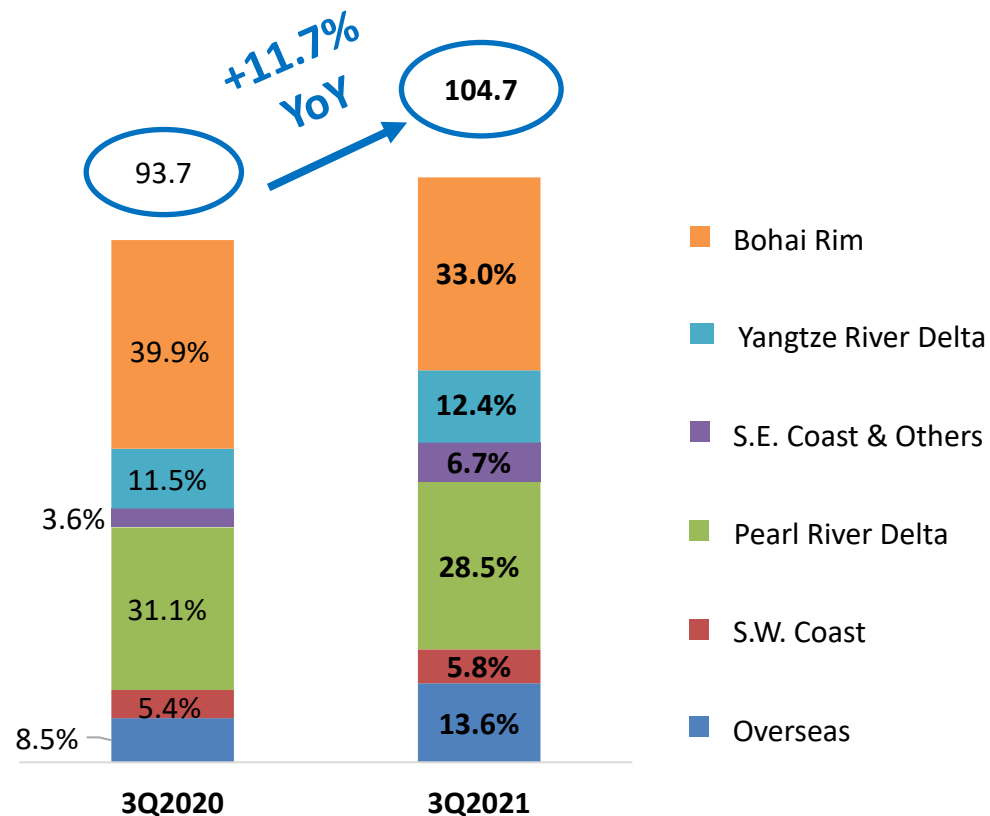


Total	3Q20	%	3Q21	%	YoY
Gross profit (US\$ million)	70.5	100%	77.5	100%	+9.9%
Gross profit margin	26.1%		26.2%		+0.1 pps

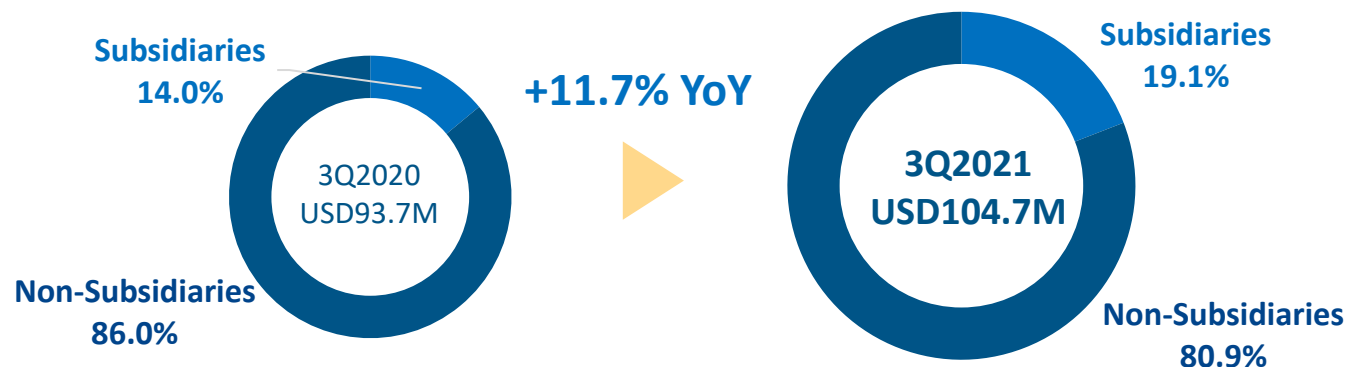
Continued Terminal Profitability Enhancement in 3Q2021

➤ *Benefiting from effective lean operations strategy, terminal profit in 3Q2021 increased by 11.7% YoY and the portfolio has become more diversified and sustainable*

Terminals Profit by Regions (US\$ million)



Terminals Profit from Subsidiaries & Non-subsidiaries



Top 10 Terminal Contributors

	3Q2020	3Q2021
QPI	26.9%	27.6%
Yantian	17.2%	16.8%
Guangzhou Nansha	6.4%	PCT
Shanghai Pudong	5.6%	Guangzhou Nansha
COSCO-PSA Terminal	4.4%	Shanghai Pudong
Beibu Gulf Port	4.3%	Xiamen Ocean Gate Terminal
Kumport	3.7%	Beibu Gulf Port
PCT	3.4%	Kumport
Xiamen Ocean Gate Terminal	3.3%	COSCO-HIT
COSCO-HIT	3.1%	Shanghai Mingdong
Total:	78.3%	Total: 82.5%

Solid Financial Position to Support Further M&A Projects

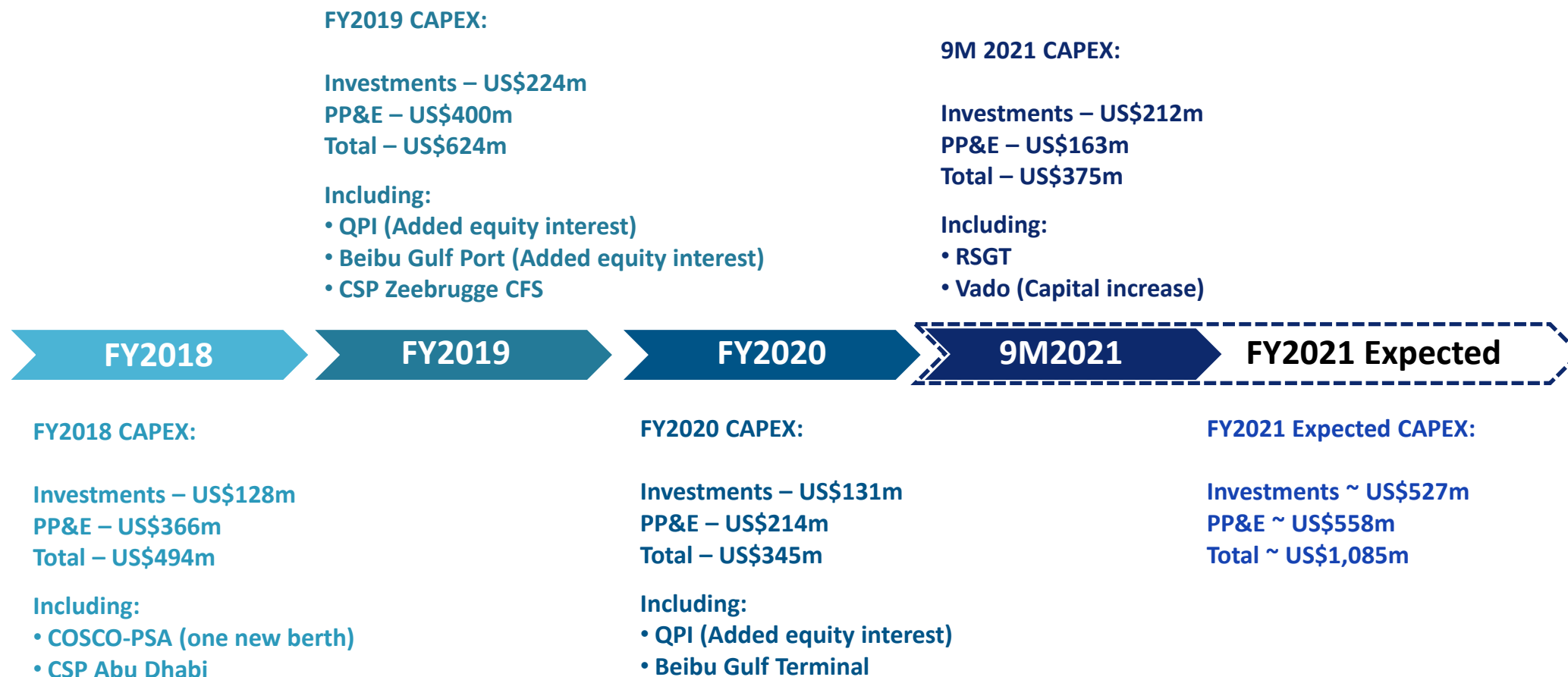
- As at 30 September 2021, our cash position maintained strong with cash and cash equivalents of USD 1.04 billion
- Net gearing ratio remained at a healthy level of 29.1%

(US\$ million, unless stated otherwise)	As at 31 Dec 2020	As at 30 Sep 2021
Total assets	11,224	11,200
Total liabilities	4,847	4,716
Total equity	6,377	6,484
Total debt	3,048	2,957
Cash and cash equivalents	1,310	1,036
Net debt to equity	26.8%	29.1%
Book value per share (HK\$) ⁽¹⁾	13.0	13.3

Notes:

(1) Book value per share is calculated by capital and reserves attributable to the equity holders divided by total number of shares issued as at the end of Dec 2020 and Sep 2021.

Capital Expenditure



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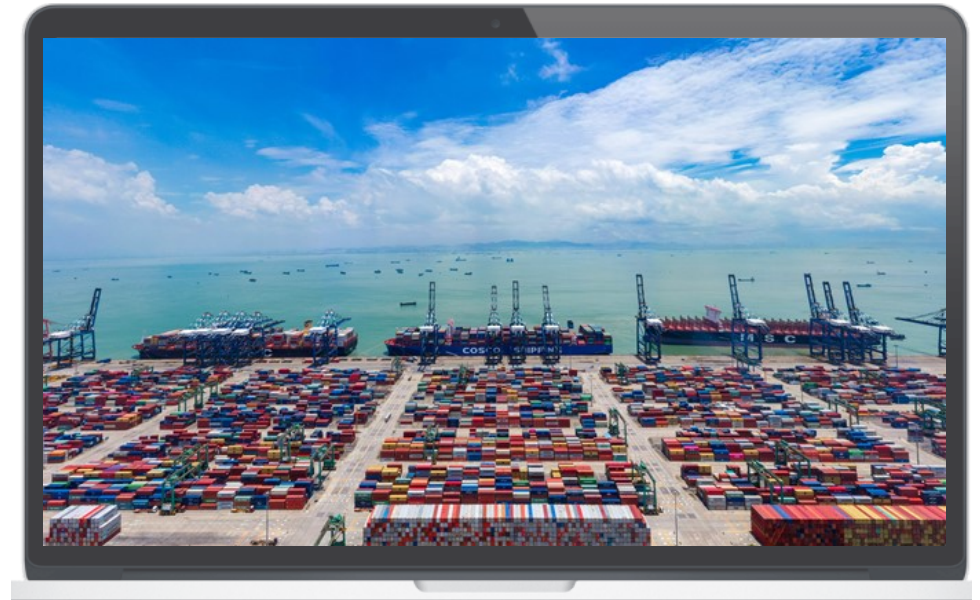
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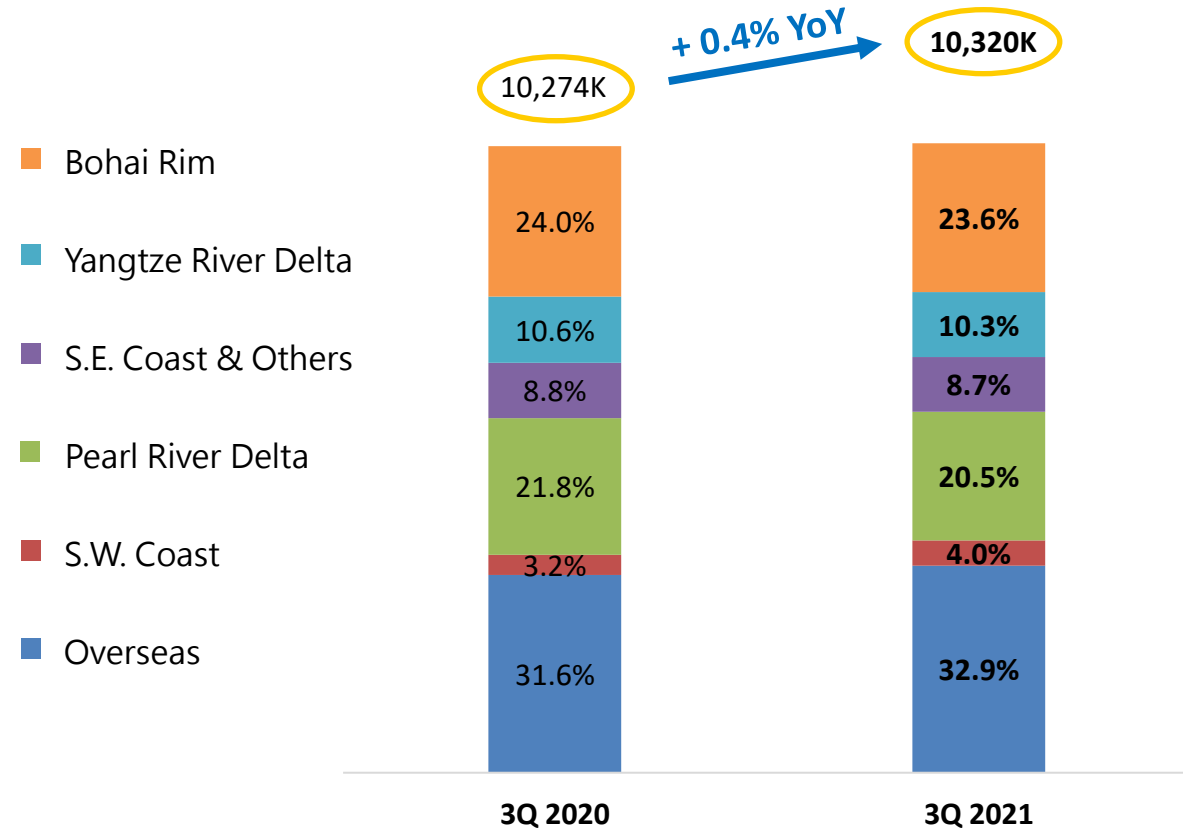
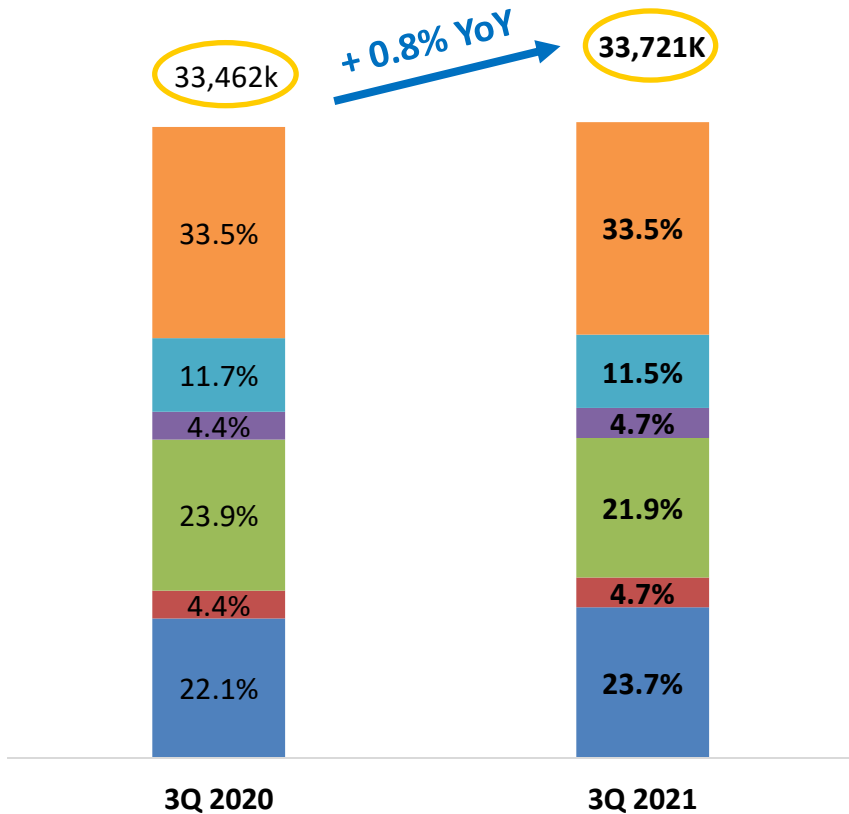
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Operational Results – Continued Stable Throughput Growth in 3Q2021

Total Throughput ('000 TEU)	3Q2020	3Q2021	YoY Change
- Subsidiaries	5,969	5,919	-0.8%
- Non-subsidiaries	27,493	27,801	+1.1%
Total throughput	33,462	33,721	+0.8%

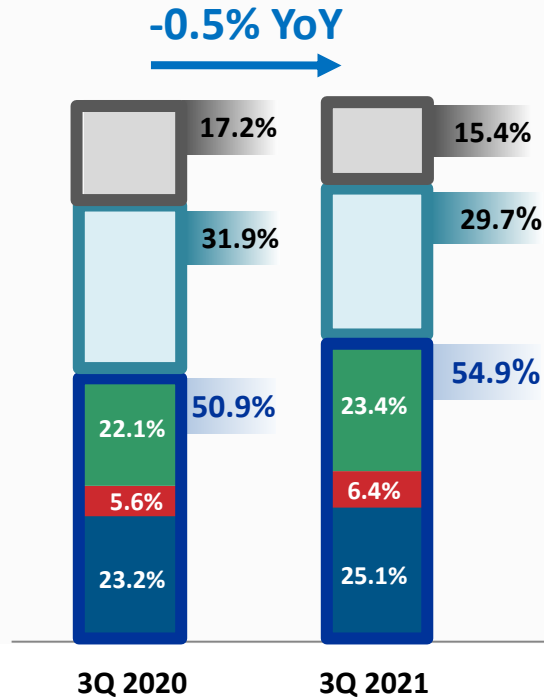
Equity Throughput ('000 TEU)	3Q2020	3Q2021	YoY Change
- Subsidiaries	3,787	3,774	-0.4%
- Non-subsidiaries	6,487	6,546	+0.9%
Equity throughput	10,274	10,320	+0.4%



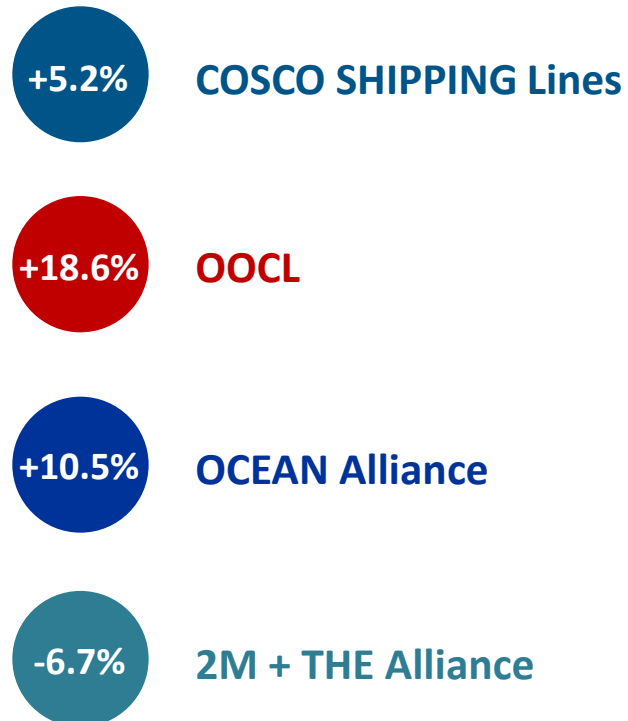
Further Enhancing Synergy with OCEAN Alliance

Customers percentage of total throughput in 3Q2021 ⁽¹⁾

■ COSCO SHIPPING Lines ■ OOCL ■ Evergreen + CMA
□ OCEAN Alliance □ 2M + THE Alliance □ Others



3Q2021 YoY growth in total throughput ⁽¹⁾



- Driven by throughput growth at CSP Zeebrugge and CSP Abu Dhabi, which increased by 74.7% and 92.6% YoY, respectively; throughput volume from COSCO SHIPPING Lines increased by 5.2% YoY during Q3 2021
- YoY throughput growth of OOCL reached 18.6%, mainly driven by growth at CSP Zeebrugge and CSP Abu Dhabi, an increase of 82.9% and 58.3%, respectively

Note:

(1) Total throughput from 7 major subsidiary terminals at which all shipping companies call, including terminals at Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi.

Global Footprint and Future M&A Opportunities



Key Overseas Terminals	Annual Designed Capacity (TEU)
PCT ⁽¹⁾	6,200,000
CSP Spain Group ⁽¹⁾	5,100,000
CSP Abu Dhabi ⁽¹⁾	2,500,000
CSP Zeebrugge ⁽¹⁾	1,300,000
Chancay ⁽¹⁾	1,000,000
RSGT	5,200,000
Suez Canal	5,000,000
COSCO-PSA	4,850,000
Antwerp	3,700,000
Euromax	3,200,000
Kumport	2,100,000

- Strategically pursue investment opportunities to create value to our shareholders
- Future M&A opportunities in the regions of Southeast Asia, the Middle East, Africa and South America
- To target Hurdle rate at least **low double-digit equity IRR**

Note:
 (1) Overseas subsidiaries

Optimizing Terminal Assets Portfolio

ACQUISITIONS

➤ **RSGT**

*has a wide coverage of container market in the Middle East and East Africa, bringing growth momentum
(The transaction was completed in July 2021)*

➤ **Tianjin Container Terminal**

further enhances synergy with the OCEAN Alliance and strengthens investment and expanding the space for development for both parties

➤ **Container Terminal Tollerort GmbH**

Further optimizes our global ports portfolio and providing high-quality supply chain services to all shipping companies around the world

DISPOSALS

➤ **Yangzhou Yuanyang Terminal & Zhangjiagang Terminal**

disposal gain after tax of around USD\$61M

➤ **Jiangsu Petrochemical**

disposal gain after tax of around USD\$7M

➤ **These 3 terminals were selling at a PB ratio of about 1.5-1.7 times. CSPL's share price is now traded at around 0.5 times, deeply undervalued. The disposals created value for shareholders**

Technology Development to Facilitate Lean Operations



9M 2021

Coming 3-4 years

Quanzhou Terminal and Jinjiang Terminal implemented Navis N4 system during 9M2021

Application of Navis N4 system to most of our subsidiaries in the coming 3-4 years



Further enhance terminals' IT infrastructure through the participation of GSBN and application of blockchain technology



- Actively advocate 5G smart ports
- Demonstration port for 5G smart application, Xiamen Ocean Gate Terminal is actively carrying out research and development of driverless container truck system
- Rapidly enhance the construction of EAM system, in order to effectively manage equipment procurement and maintenance cost
- Develop MIS system, provide auxiliary decision-making for the transparency of production and operation management through unified data standards and process

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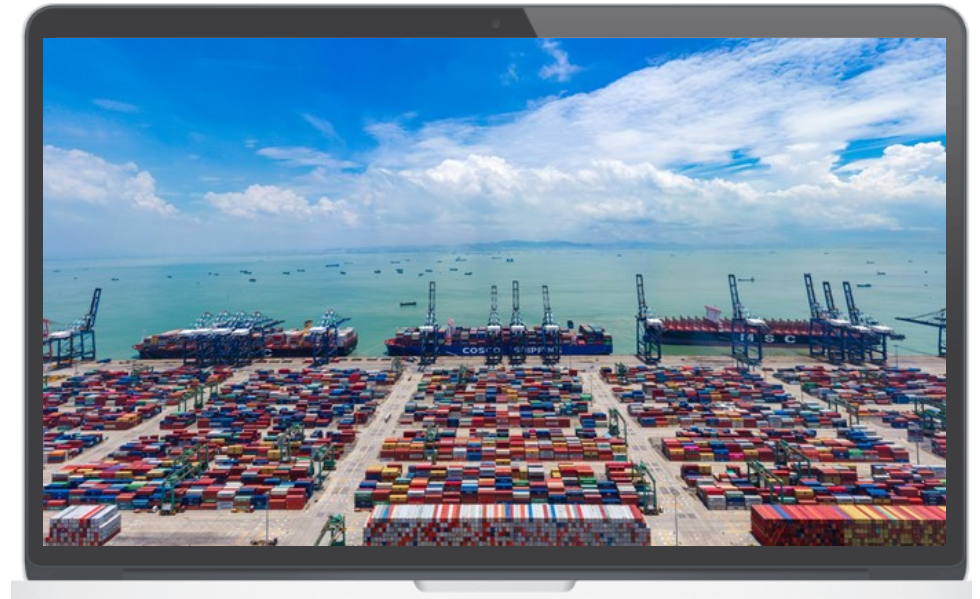
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Corporate Strategies — Global Terminal Network, Lean Operations and Value-Added Projects

*Capitalize on global economic growth
optimize terminal portfolio*

*Further implement lean operations to boost
quality and efficiency*



Accelerate value-added projects to create new sources of profit growth

Global Terminal Network and Lean Operations

*Capitalize on
global economic growth
optimize terminal portfolio*

- Identifying potential projects and tapping into the markets such as Southeast Asia, the Middle East and Africa, particularly in strategic subsidiaries and highly-profitable non-subsidiaries amid global economic growth to enhance balanced global network
- Restructuring terminals through port resources consolidation to increase efficiency
- Disposing terminals without strategic value to enhance global portfolio and increase total assets

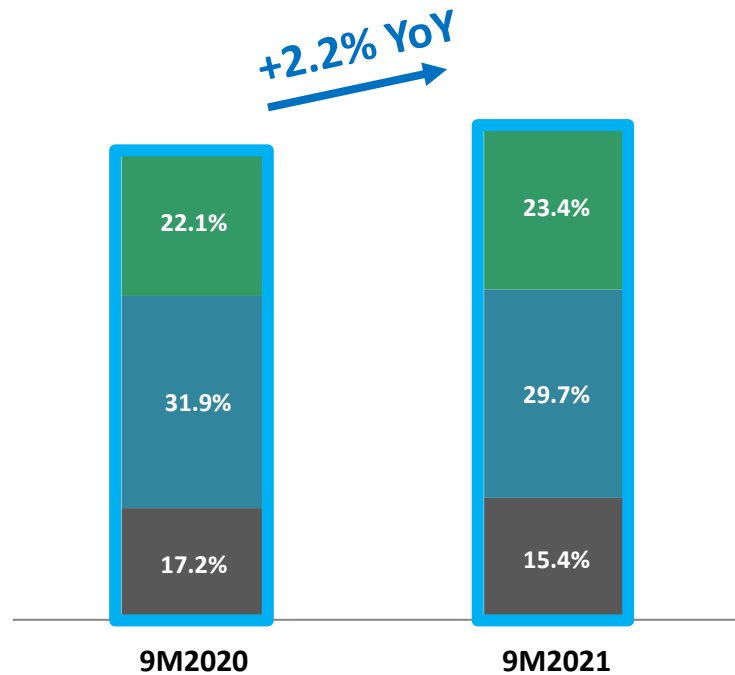
*Further implement
lean operations to boost
quality and efficiency*

- Continuing “lean operations” in 3 ways to enhance portfolio and raise efficiency:
 - Revenue boost – capitalizing on global network and switching from single terminal service to network marketing to provide shipping companies with budget and efficient service in order to increase our bargaining power. Actively collaborating with other ports operators to raise throughput and improve overall efficiency
 - Cost reduction – focusing on financial control and featuring “cost per TEU” to enhance terminal operations and management
 - Headquarters’ empowerment – setting up COE (Center of Excellence) team to enhance port operations and management

Lean Operations — Enhance Revenue

Increasing volume from third-party customers ⁽¹⁾

■ Evergreen + CMA ■ 2M+THE Alliance ■ Other customers



- **Strengthen overall marketing activities and negotiation strategies to further increase customer value. Terminals maintain good relationships with shipping companies and have made positive progress in introducing new shipping services. Our Subsidiaries have added 21 new shipping services during the first nine months of 2021**
- **Apart from maximizing synergy with parent company and OOCL, we also cooperate with different shipping companies to optimize our client portfolio**
- **Given the improving global economy and our effective lean operations strategy, we have stronger bargaining power to increase ASP; average contract ASP from our subsidiaries during 9M 2021 rose by 6% YoY. In particular, PCT's overall ASP increased by 15% YoY**

Note:

(1) Excluding the percentage of volume contribution from parent company and OOCL, the volume contribution as a percentage of our third-party customers to our 7 major subsidiary terminals at which shipping companies call, including terminals at Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi.

Lean Operations — Cost Control

Four measures to improve lean operations and cost control capabilities

- ✔ Innovatively set up ports operations management COE Team
- ✔ Establish cost control incentive system
- ✔ Formulate four-stage cost control and supervision system, including 1) terminals; 2) Operations Center and COE Team; 3) Audit & Supervision Department supervise the work; 4) In terms of long-term problem which can not be effectively solved regarding cost control, introduce personnel change and disciplinary inspection when necessary
- ✔ Set up centralized procurement system based on the principle of making as many necessary purchases as possible from the same supplier

A series of cost control measures

- ✔ Actively promote and enhance automation in the terminal to improve efficiency and lower outsourcing cost
- ✔ Evaluate the allocation of human resources and maximize human resources by one job post with multi-functions or change of job to lower labor cost
- ✔ Improve the working efficiency of cranes to reduce equipment electricity and fuel cost
- ✔ Increase durability of equipment by in-house maintenance to lower maintenance expense

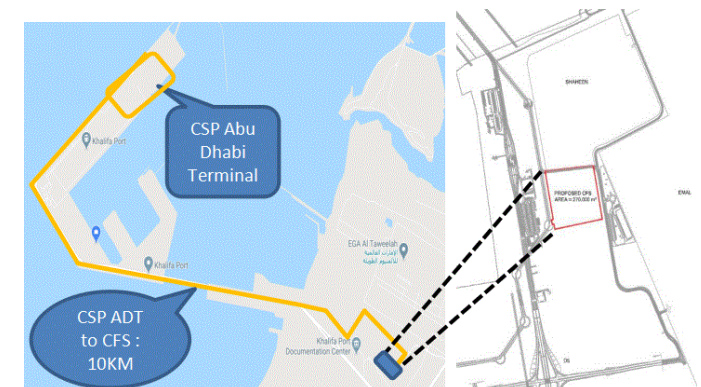
- Our Terminals highly value the cost control system, focusing on cost per TEU. Hence, we incorporated the “cost per TEU” concept into KPI and established operating cost control goals for subsidiaries in order to effectively implement cost control measures within the operational system

Accelerating Development of Value-Added Projects to Create New Sources of Growth

Accelerate supply chain business to create new sources of profit growth

- Develop the supply chain business and accelerate the construction of the extended supply chain platform
- Build up logistics network with the supply chain platform as a link and expand service categories, better attract and retain customers, bringing new sources of profit growth

CSP Abu Dhabi CFS Phase 1



CSP Zeebrugge CFS



	Total Area (sqm)	Warehouse Area (sqm)	Capex (Million)	Commencement date
CSP Abu Dhabi CFS Phase 1 ⁽¹⁾	273,970	50,666	60 USD	Now operating
CSP Zeebrugge CFS	77,869	41,580	13 EUR	Now operating
Xiamen CFS	23,800	N/A	130 RMB	2022 Expected

Note:

(1) The total warehouse area and estimated capex of phase 1 and 2 is about 105,225 sqm and approximately USD\$ 138 million.

First Water-rail Intermodal Container Transport Project in Yangtze River Commenced Operation

- On 1 August 2021, Wuhan Yangluo International Port water-rail intermodal container transport project commenced operation. The terminal designed capacity is 1m TEU/year and water-rail intermodal transport capacity is 500,000 TEU/year.
- Wuhan is the economic center of central region of China with GDP (around RMB 1.56 trillion) ranked 9th among all cities in China in 2020 and is expected to achieve GDP growth of 10% in 2021.
- CSP Wuhan Terminal will act as the gateway hub for Hubei as well as Central and Western regions of China to the world. We expect it will contribute additional throughput and create synergy with our terminals in Yangtze Delta Region.
- The project realized the applications of technologies such as Driverless Container Vehicle (DCV) through the 5G network which covers the whole port area, building the first automatic water-rail intermodal terminal on the Yangtze River.



Outlook

Challenges

- Negative impact to global economy due to COVID-19
- Global economy growth looks stagnant
- Geopolitical risk

Opportunities

- Long term opportunities for overseas terminals development
- Opportunities amid domestic terminals consolidation
- Good prospect on the back of our effective lean operations strategy

- We will actively enhance the gateway ports network and further strengthen supply chain to build terminal network in Middle East, Africa, Southeast Asia and South America
- Stronger bargaining power to raise ASP on the back of the strong demand in the value chain
- Effective lean operations strategy to increase revenue and control cost, leading to higher profit margin in our portfolio

Expect our volume growth of 2021 will be in line with the average of industry

Strong revenue growth and effective cost control could drive better and sustainable profitability

5-Year Target Plan Starting from Year 2021



To achieve targets by the end of 2025 ⁽¹⁾

➤ Equity throughput

57 million TEU

5-year growth rate **48%**

(5-year CAGR of about **8.2%**)

➤ Operational cost per TEU

Decrease by **15~20%** in 5 years

(Average annual decline by **3~4%** in 5 years)

Notes:

(1) Year 2021 - year 2025





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Q & A Session
Thank you!



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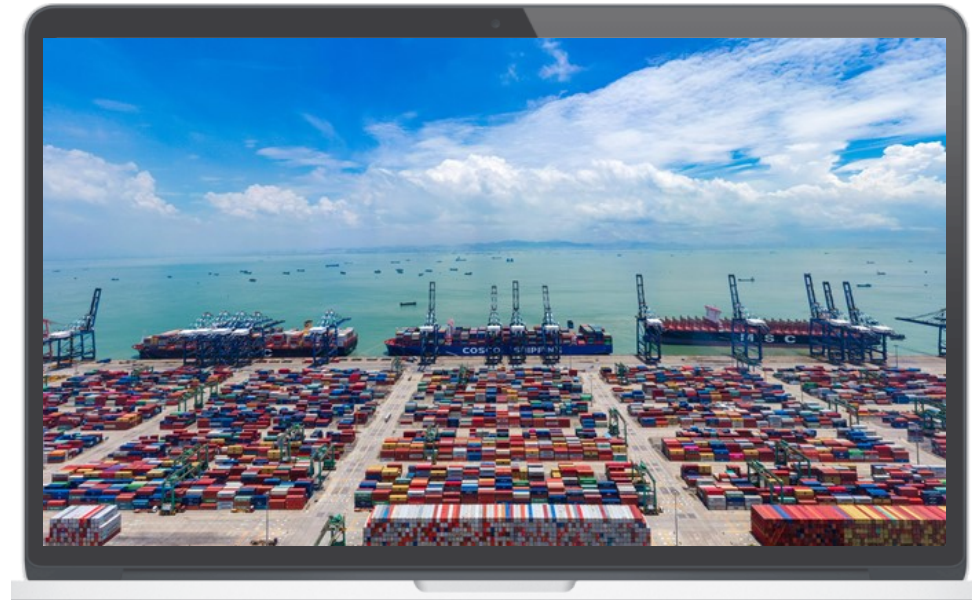
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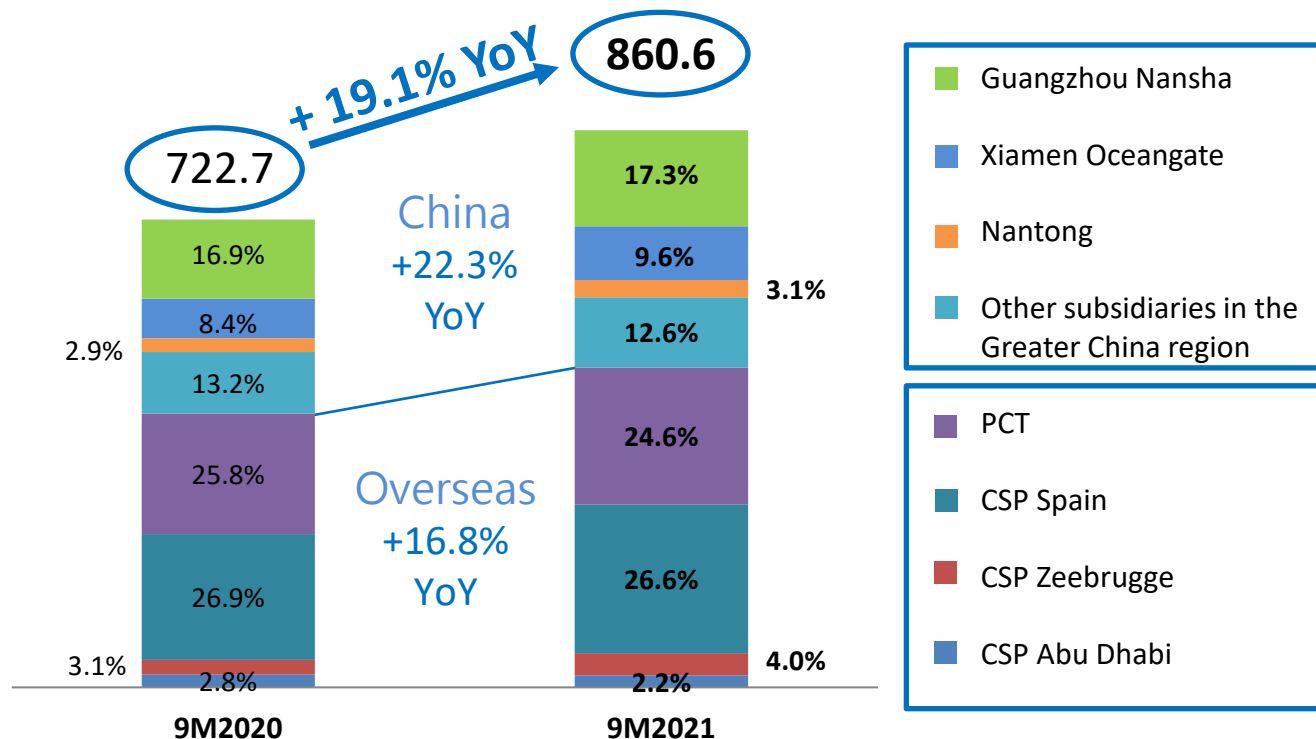
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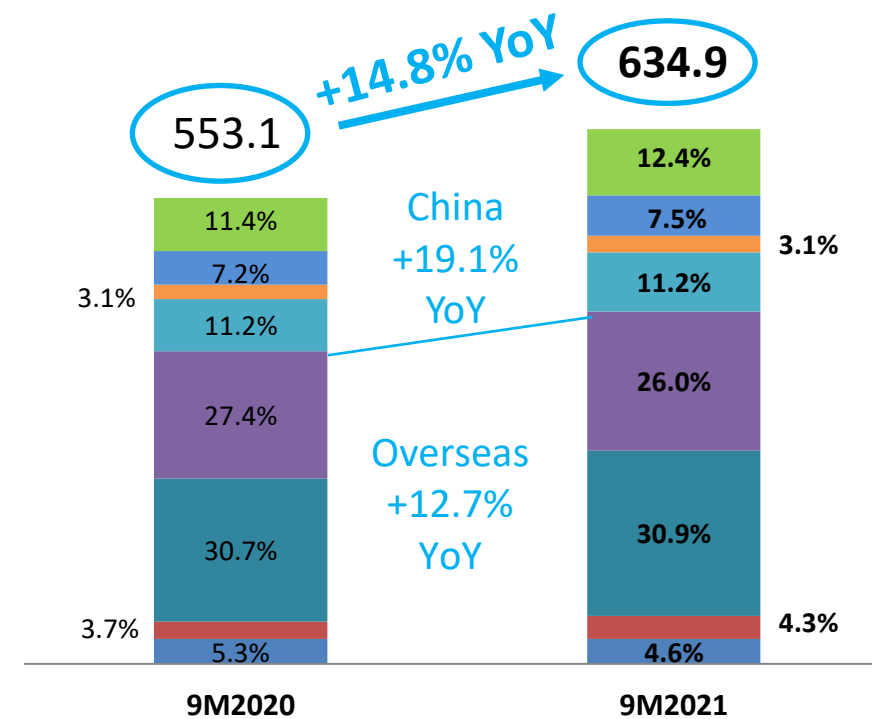


Solid Revenue Growth & Effective Cost Control in 9M2021

Revenue (US\$ million)



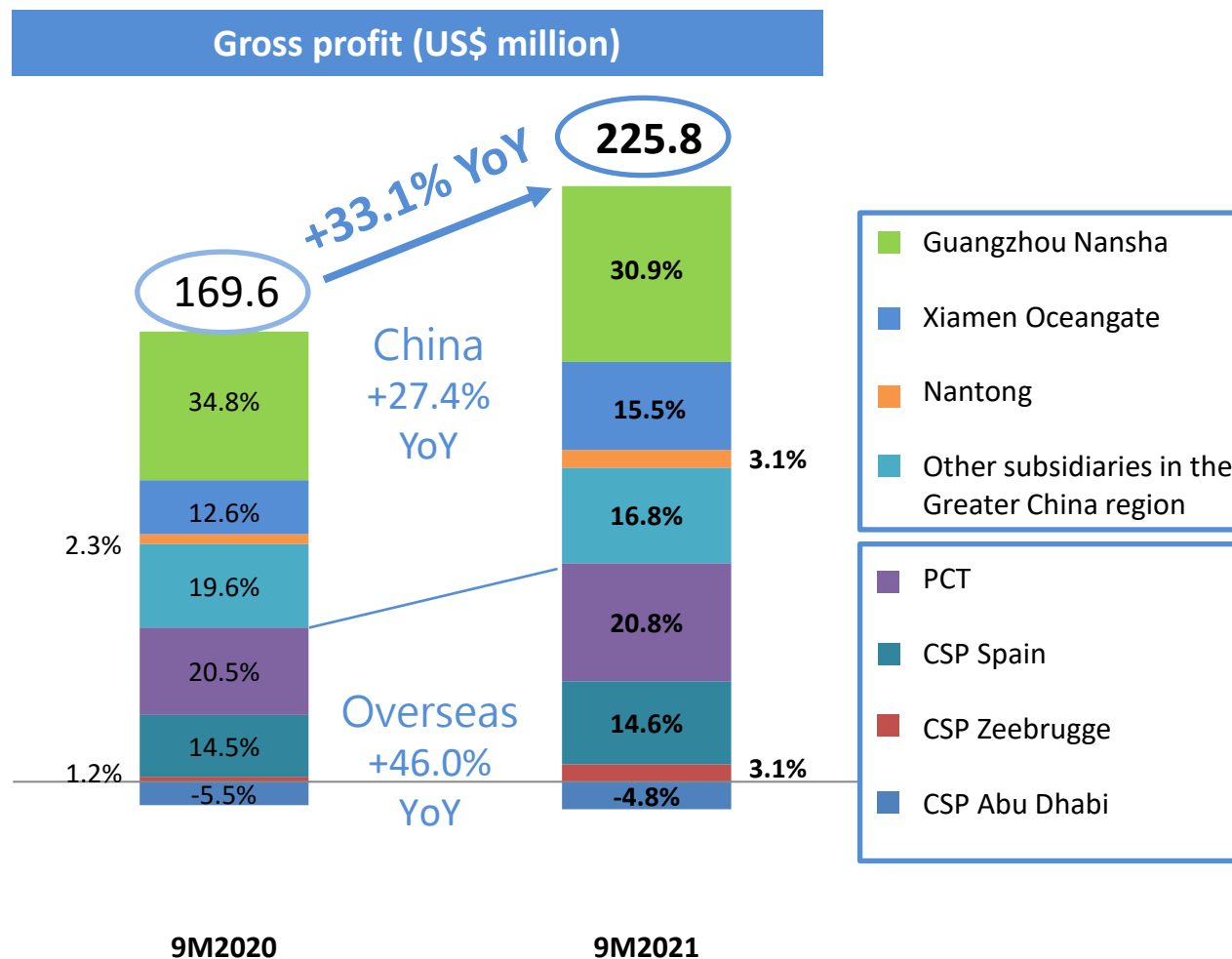
Cost of sales (US\$ million)



Revenue (US\$ million)	9M20	%	9M21	%	YoY
Greater China	299.6	41	366.5	43	+22.3%
Overseas	423.1	59	494.1	57	+16.8%
Total	722.7	100	860.6	100	+19.1%

Cost of sales (US\$ million)	9M20	%	9M21	%	YoY
Greater China	182.0	33	216.6	34	+19.1%
Overseas	371.1	67	418.3	66	+12.7%
Total	553.1	100	634.9	100	+14.8%

Remarkable GP Enhancement During 9M2021



Greater China	9M20	%	9M21	%	YoY
Gross profit (US\$ million)	117.7	69	149.9	66	+27.4%
Gross profit margin	39.3%		40.9%		+1.6 pps

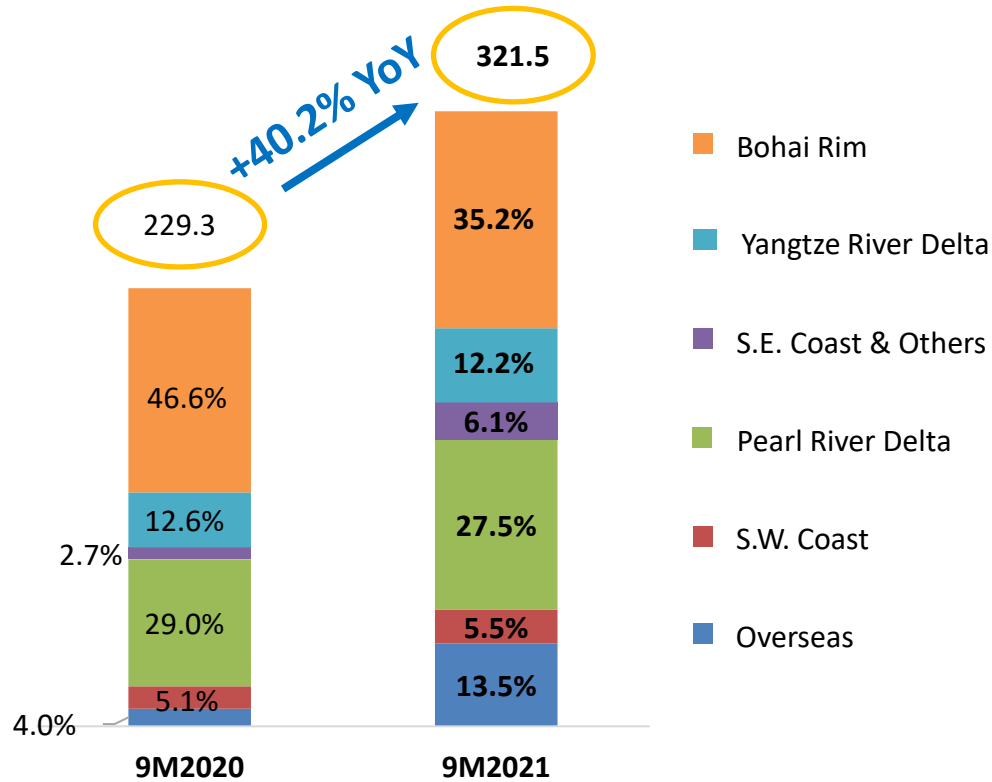
Overseas region	9M20	%	9M21	%	YoY
Gross profit (US\$ million)	51.9	31	75.9	34	+46.0%
Gross profit margin	12.3%		15.4%		+3.1 pps



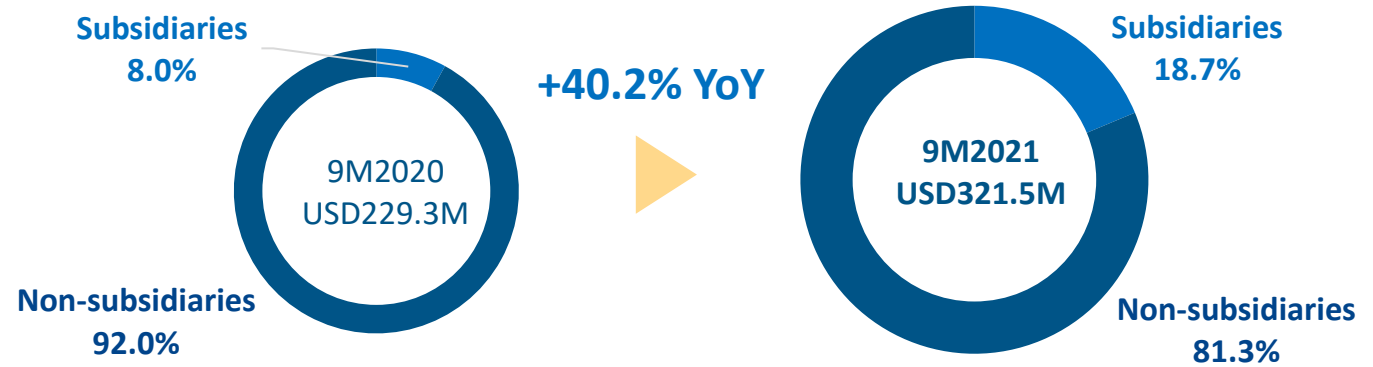
Total	9M20	%	9M21	%	YoY
Gross profit (US\$ million)	169.6	100	225.8	100	+33.1%
Gross profit margin	23.5%		26.2%		+2.7 pps

Strong Terminal Profit with an increase of 40.2% YoY in 9M2021

Terminals Profit by Regions (US\$ million)



Terminals Profit from Subsidiaries & Non-subsidiaries



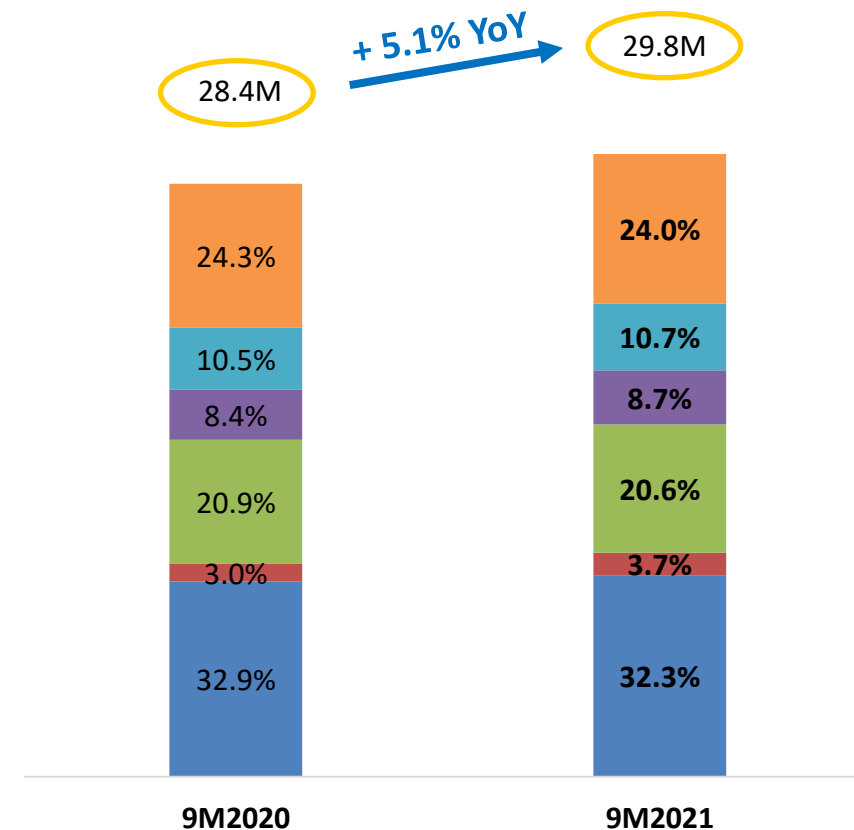
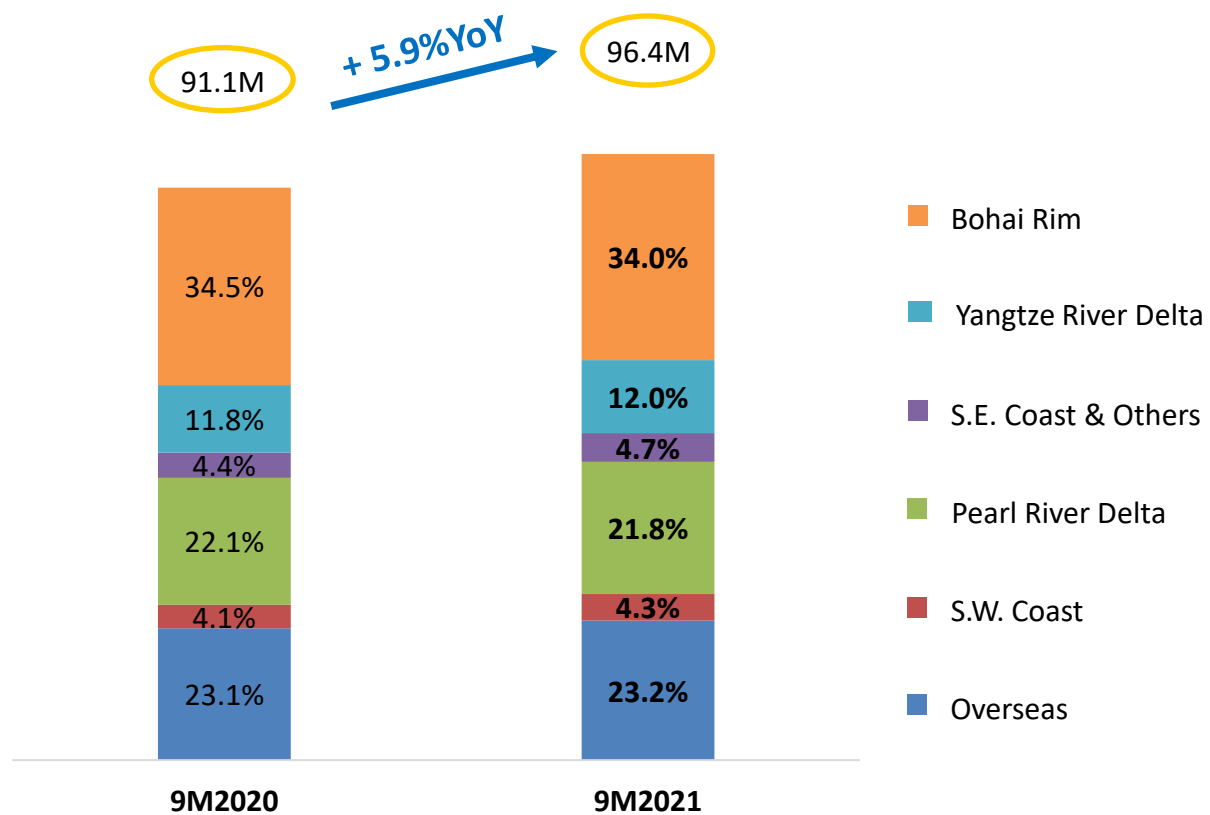
Top 10 Terminal Contributors

	9M2020	9M2021
QPI	35.0%	29.3%
Yantian	15.6%	16.0%
Guangzhou Nansha	5.9%	PCT 7.4%
Shanghai Pudong	5.7%	Guangzhou Nansha 5.2%
PCT	4.9%	Xiamen Ocean gate 4.6%
Beibu Gulf Port	4.4%	Shanghai Pudong 4.6%
Kumport	4.0%	Beibu Gulf Port 3.7%
COSCO-PSA	4.0%	Kumport 3.3%
Shanghai Mingdong	3.4%	Shanghai Mingdong 2.9%
COSCO-HIT	3.0%	COSCO-PSA 2.8%
Total:	86.0%	72.0%

Operational Results – Continued Stable Throughput Growth in 9M2021

Total Throughput ('000 TEU)	9M20	9M21	YoY
- Subsidiaries	16,470	17,282	+4.9%
- Non-subsidiaries	74,626	79,149	+6.1%
Total throughput	91,096	96,431	+5.9%

Equity Throughput ('000 TEU)	9M20	9M21	YoY
- Subsidiaries	10,586	10,959	+3.5%
- Non-subsidiaries	17,765	18,826	+6.0%
Total throughput	28,351	29,785	+5.1%

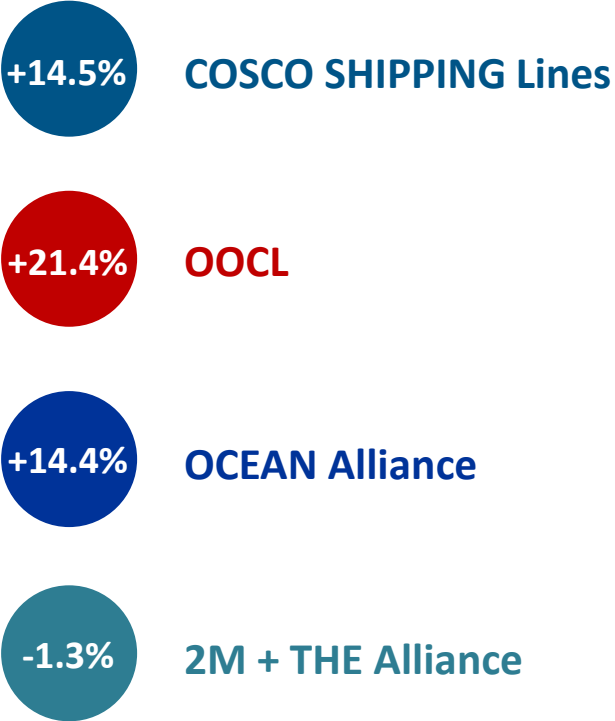
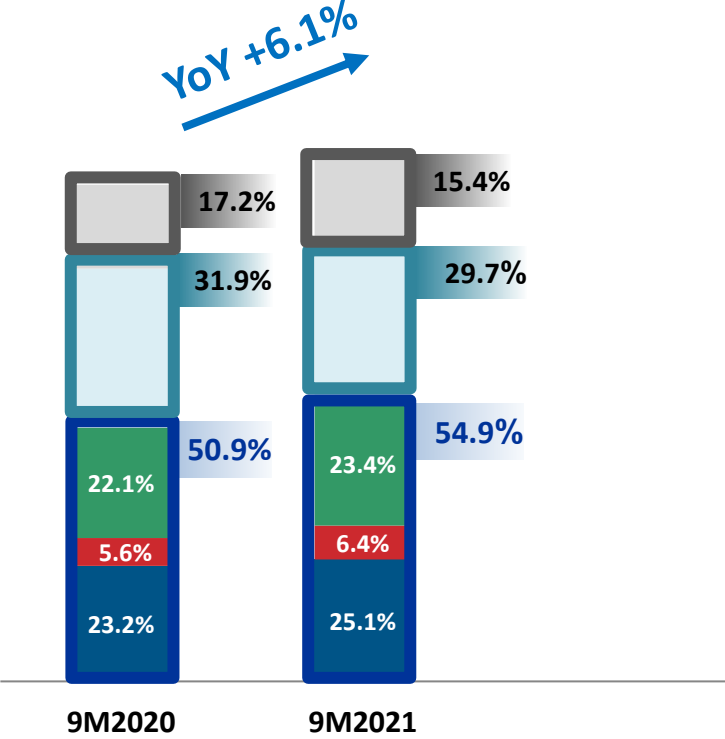


Further Maximizing Synergy with SHIPPING Alliances

Customers percentage of total throughput in 9M2021 ⁽¹⁾

9M2021 YoY growth in total throughput ⁽¹⁾

- COSCO SHIPPING Lines
- OOCL
- Evergreen + CMA
- OCEAN Alliance
- 2M + THE Alliance
- Others



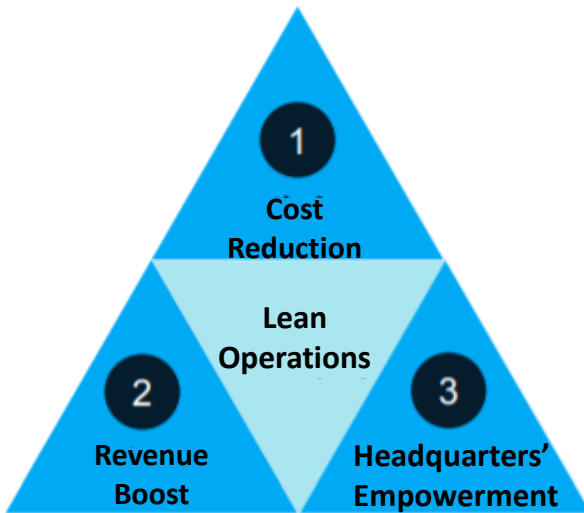
- Throughput growth of CSP Zeebrugge and CSP Abu Dhabi Terminals increased by 56.5% and 34.9% respectively, driving the total throughput volume from COSCO SHIPPING Lines increased by 14.5% YoY during the first nine months of 2021
- Throughput contribution from OOCL increased by 21.4% YoY, mainly driven by growth at CSP Zeebrugge and PCT, an increased by 35.0% and 28.0% YoY respectively

Note:

(1) Total throughput from 7 major subsidiary terminals at which all shipping companies call, including terminals at Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi.

Lean Operations – Cost Control

Cost Reduction



- **Develop cost management system focusing on financial control and featuring “cost per TEU”** to enhance terminal operations and management; **incorporate “cost per TEU”** in KPI to set operating cost control targets for subsidiaries
- **Facilitate informatization and digitalization, relatively unify operating system and continue to adopt Navis N4 in subsidiaries;** develop MIS system, enhance the construction of EAM system, unify key operational and business indicators, and drive terminal automation
- **Enhance cost breakdown analysis, set targets and formulate cost control plan;** develop a cost-oriented marketing and operating mindset; introduce practical, clear and effective measures; enhance cost optimization and stay cost competitive

Lean Operations – Revenue Growth and Headquarters’ Empowerment

Revenue Boost

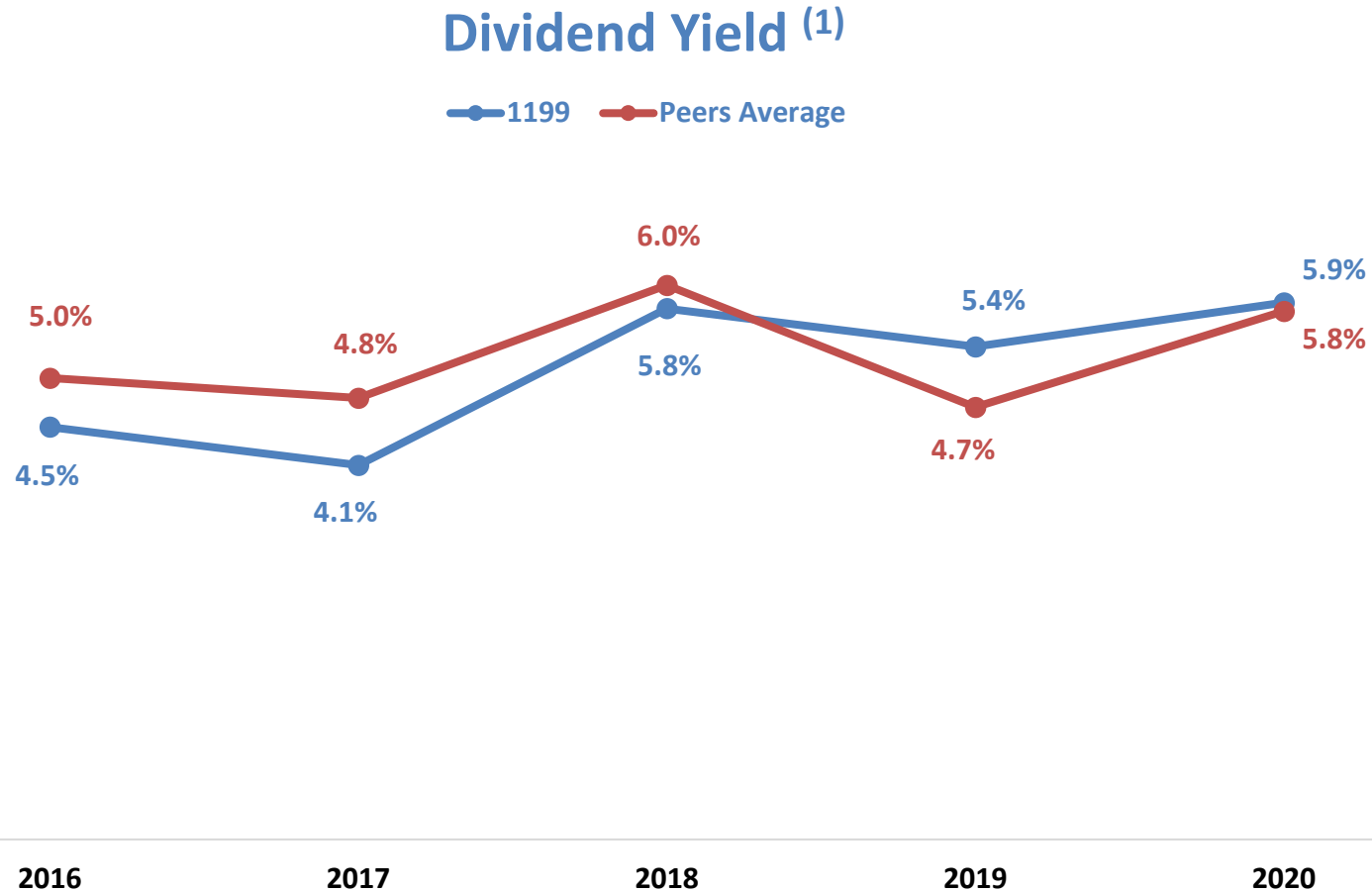
- **Develop customer analysis model** to identify profit contribution from shipping companies and container types, allowing headquarters and terminals to engage customers and leverage on their competitive edges to **enhance effective marketing and negotiation to tap customer value and increase throughput and revenue**
- **Enhance organizational structure to increase marketing efforts and synergy**; continue to optimize and enhance operations with sharper market insights and customer analysis by marketing team, and support terminals to maintain relationships with shipping liners in a systematic manner
- **Develop supply chain business by innovative marketing**; build terminal extended supply chain platform to develop terminal-oriented supply chain warehousing service and establish logistics network leveraging on supply chain platform. CFS business brings in shipping services, which in turn boost demand for CFS and supply chain extended services

Headquarters’ Empowerment

- **Headquarters is empowered to solve problems impeding cost-cut and make business decisions with terminals**, transforming from being a “passive auditor” to “business partner” through measures such as visualization of information and COE, with an aim to reducing cost and increasing terminal revenue
- **Execute action plan proactively and strengthen terminal operations and management**

Sustainable High Dividend Yield and Long-term Investment Value

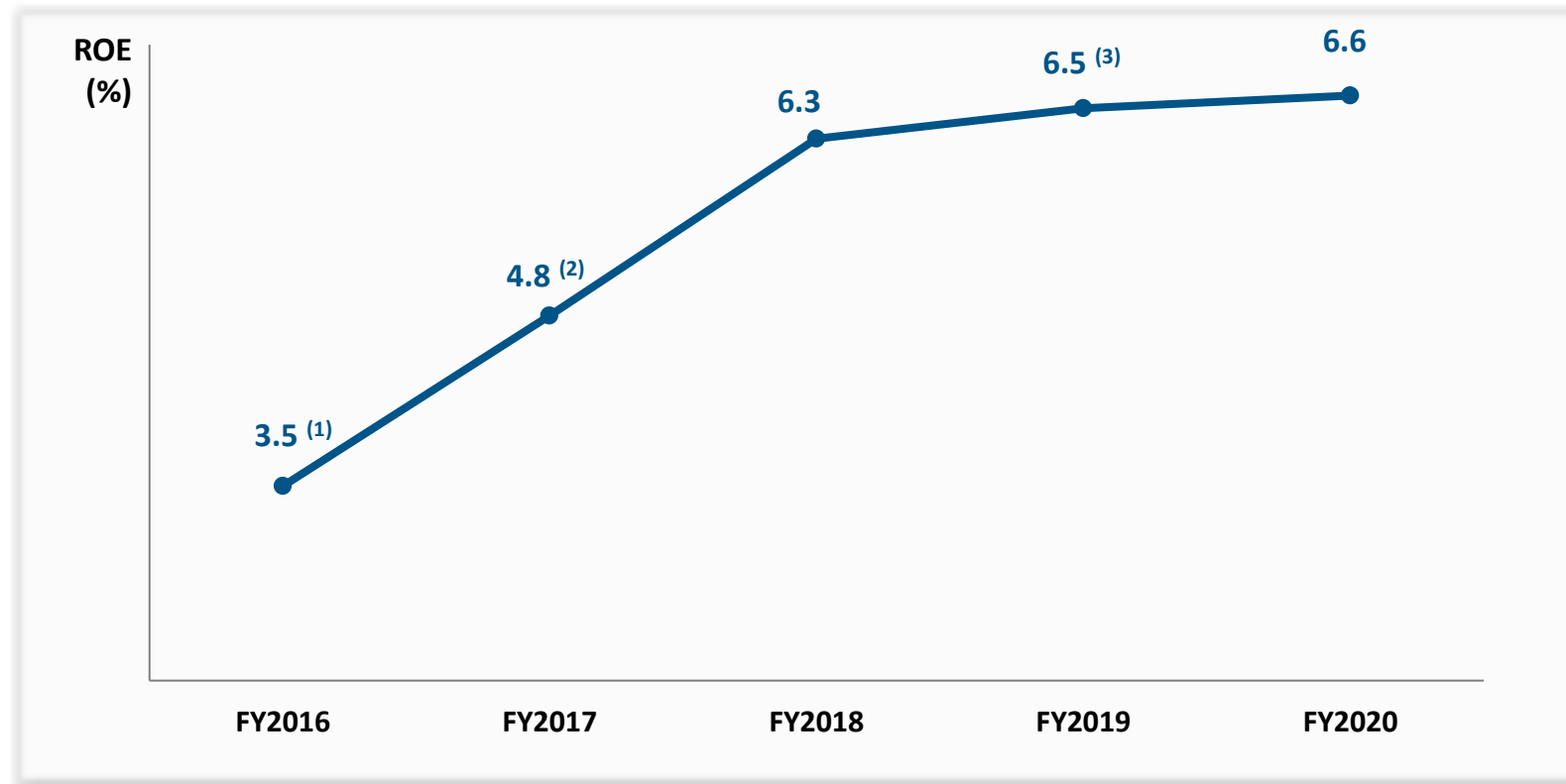
➤ We have confidence in being the best yield play within this industry



Notes:

(1) COSCO SHIPPING Ports' dividend yield is calculated by its dividend divided by its closing price as at 2/8/2021. And peers (China Merchants Ports, Qingdao Port, Tianjin Port, Xiamen Port and Dalian Port) average is calculated by their dividend of each company divided by their closing price as at 2/8/2021 and then taken by the average of 5 companies.

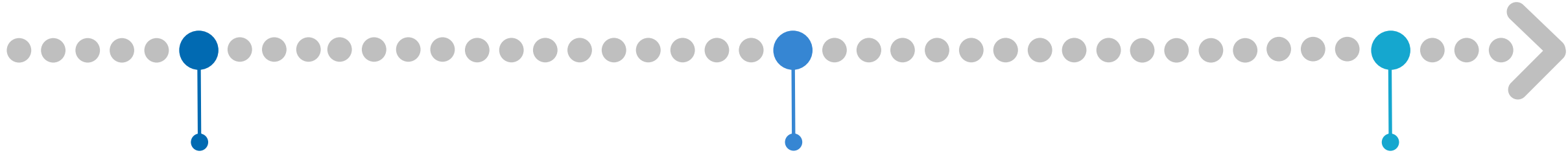
Continued Return On Equity (ROE) Improvement



Note:

- (1) Excluding one-off gain of FCHL transaction of US\$59.0 m and three months of share profits of FCHL of US\$7.1 m.
- (2) Excluding one-off gain of QPI transaction of US\$285.4 m.
- (3) Excluding one-off loss of QPI dilution effect of US\$22.6 m.

On Track to Achieve Our Previous 5-Year Target



2016

Restructuring

- ◆ As a pure port operator
- ◆ 3 core strategies

2020

Where we were

- ◆ No. of subsidiaries increased to 14 (FY2016: 10)
- ◆ Industry leader in terms of total container throughput

2021

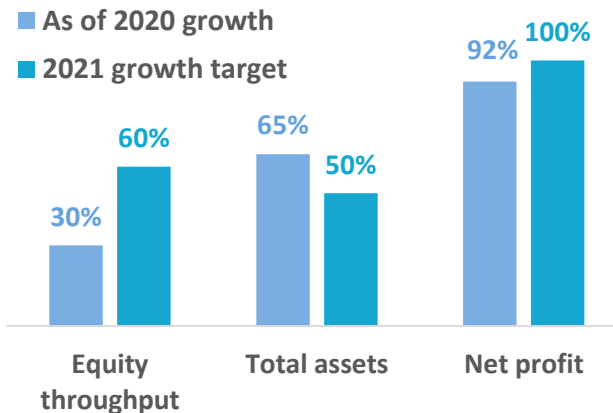
Vision

Operations:

- ◆ Global terminal network
- ◆ Linkage effects in costs, services and synergies
- ◆ Increasing subsidiaries

Financials:

- ◆ Higher return from existing portfolio
- ◆ Further improved asset quality after M&A and divestment
- ◆ Strong free cash flow and healthy balance sheet



	2016 Base Year	Change	2021 Target
Equity throughput	29.5 mn TEU	+60%	47.2 mn TEU
Total assets	US\$6,786.5 mn	+50%	US\$10,179.8 mn
Net profit	US\$180.9 mn ⁽¹⁾	+100%	US\$361.8 mn

Notes:

(1) Excluding one-off gain from disposal of Florens.

Incentive Scheme – Aligning Shareholders’ Interests

- A total of about 53 million share options were granted to around 238 eligible employees under the share option scheme on 19 June 2018
- Exercising criteria are in line with shareholders’ interests

Batch No. of Share Options Vested	Percentage of Options Vested	Exercise Period	Return on Net Assets ³	Growth Rate of Revenue ³	EVA Indicator
1 st batch	33.3%	Commencing on the first trading day after the expiration of the Restriction Period ¹ and ending on the last trading day of 60 months from the Grant Date ²	≥ 6.0% ⁴	≥ 15.0% ⁵	Must reach assessment target ⁶
2 nd batch	33.3%	Commencing on the first trading day after the expiration of the 36 months from the Grant Date and ending on the last trading day of 60 months from the Grant Date ²	≥ 6.5% ⁴	≥ 25.0% ⁵	Must reach assessment target ⁶ and EVA > 0
3 rd batch	33.4%	Commencing on the first trading day after the expiration of the 48 months from the Grant Date and ending on the last trading day of 60 months from the Grant Date ²	≥ 7.0% ⁴	≥ 40.0% ⁵	Must reach assessment target ⁶ and EVA > 0

Notes:

1. Restriction Period refers to Share Options cannot be exercised during the two-year period commencing from the Grant Date.
2. Grant Date is 19 June 2018.
3. The figure shall not be lower than the average of the selected peer benchmark enterprises.
4. Return on net assets (after extraordinary gains and losses) in the financial year immediately preceding the vesting of the Share Options.
5. Growth rate of revenue in the financial year immediately preceding the vesting of the Share Options as compared to that in the financial year immediately preceding the Grant Date.
6. The EVA indicator accomplished for the financial year immediately preceding the vesting of the Share Options.

Sustainability Framework

- ◆ Providing a healthy and safe working environment
- ◆ Building an inclusive, diversified and sustainable workforce



- ◆ Ensuring operational compliance
- ◆ Promoting inclusive development

- ◆ Transitioning to “Green Ports”
- ◆ Managing energy consumptions and emission to respond to climate change

- ◆ Enhancing supply chain management
- ◆ Fostering fair operating practices

- ◆ Harnessing the power of technology
- ◆ Strengthening our global terminal network

Sustaining High Standard of Corporate Governance

Balanced and Diverse Board Composition

- ✓ High level of independent representation on the Board
- ✓ Diversified skills, expertise and professional experience
- ✓ Gender diversity in the Boardroom
- ✓ Sufficient time commitment

Fully Compliant with Applicable Regulations

- ✓ Early adoption of applicable Code Provisions and Recommended Best Practices of the Corporate Governance Code
- ✓ Continue to work on improving and fine-tuning our policies to make sure that they remain updated and relevant to our Company
- ✓ Make reference to the OECD principles regarding ethical standards and include them in our corporate governance guidelines

Structure of ESG Committee



Established an ESG Committee

- ✓ The Board decided to expand the terms of reference of the Corporate Governance Committee in March 2021 by incorporating environmental, social and corporate sustainability issues
- ✓ Further enhances the Board's participation in ESG issues and emphasizes the leading in ESG aspects
- ✓ The ESG Committee is responsible to overseeing and making recommendation to the Board on the development and implementation of corporate social responsibility and sustainable development measures by the Company

Aligning Global Principles

We support the Sustainable Development Goals (SDGs) of the United Nations and identify how these global sustainability challenges relate to our business and integrate them into our daily operations:



Global Recognition and Advocacy:



Disclaimer

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COSCO SHIPPING Ports Limited

Thank you!

