



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

FY2021

Results Presentation



*Improve Quality and Efficiency
to Enhance Development*

Lean Operation Achieves Results

March 30, 2022



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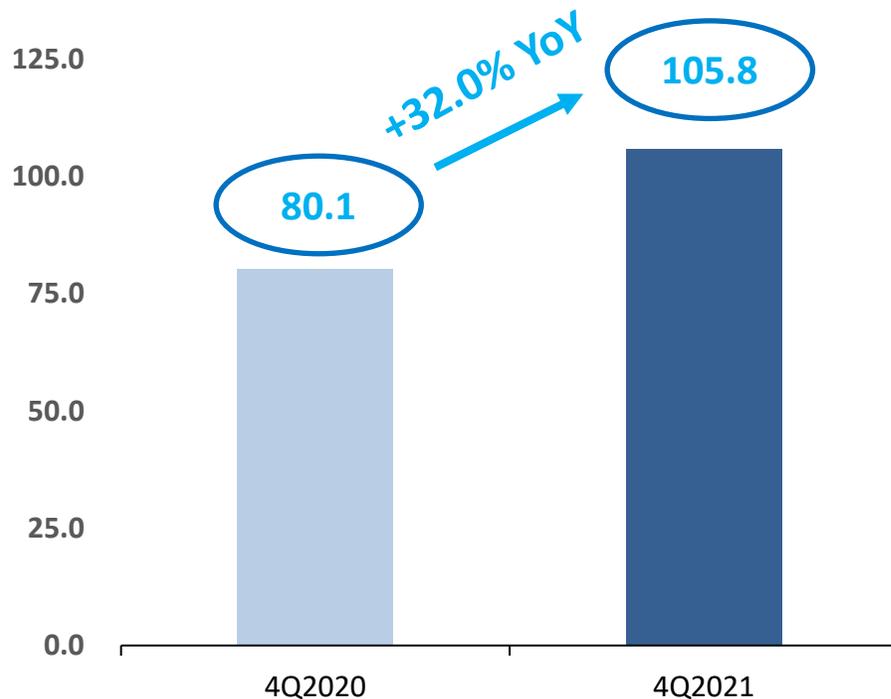
Appendix



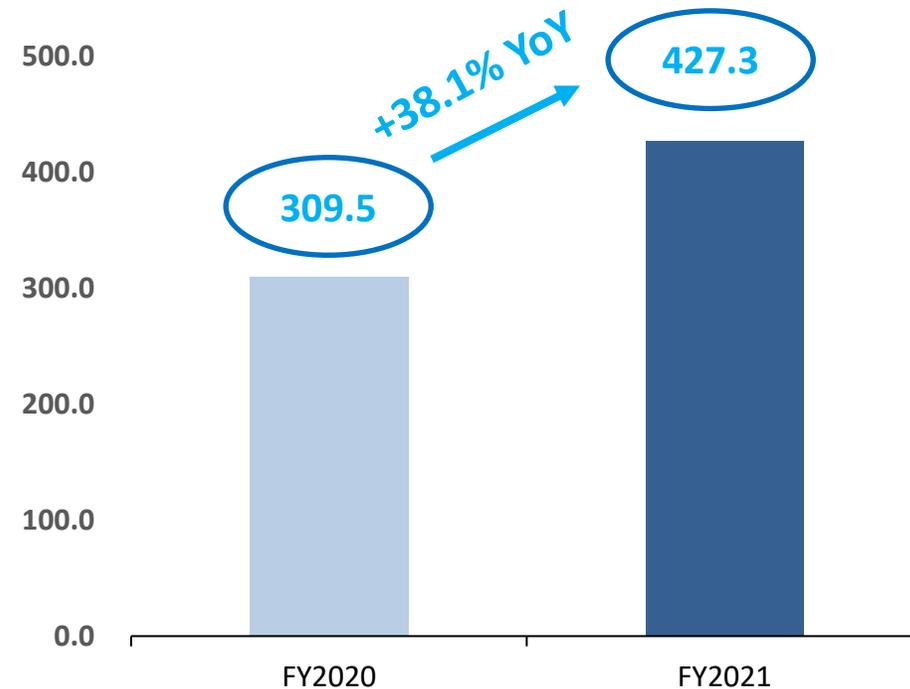
Strong 4Q & FY Terminal Profit Growth

- 4Q terminal profit increased by 32.0% YoY to USD 105.8M; FY21 terminal profit surged by 38.1% YoY to USD 427.3M
- The Company recorded strong 4Q and FY terminal profit growth on the back of our lean operations strategy as well as macro environment improvement

4Q2021 Terminal Profit (US\$ million)



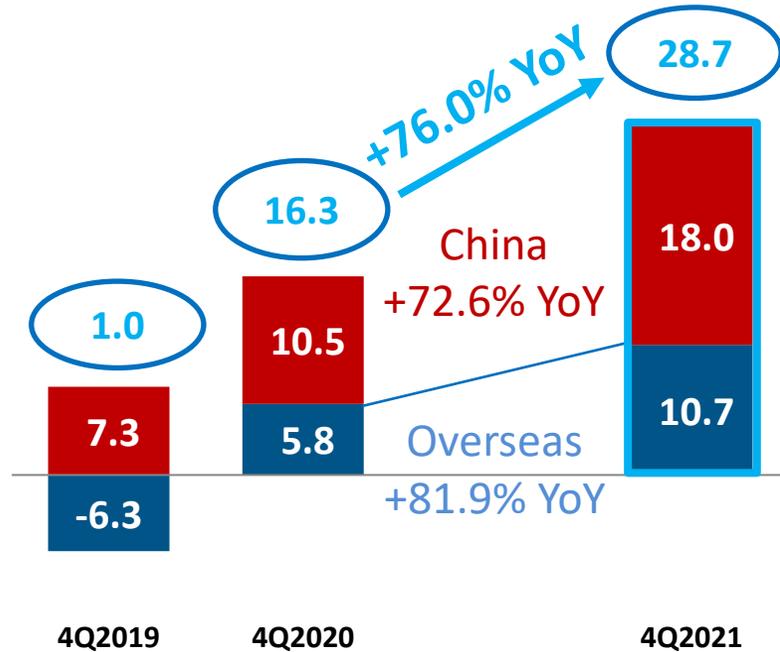
FY2021 Terminal Profit (US\$ million)



Strong Subsidiaries' Terminal Profit Growth

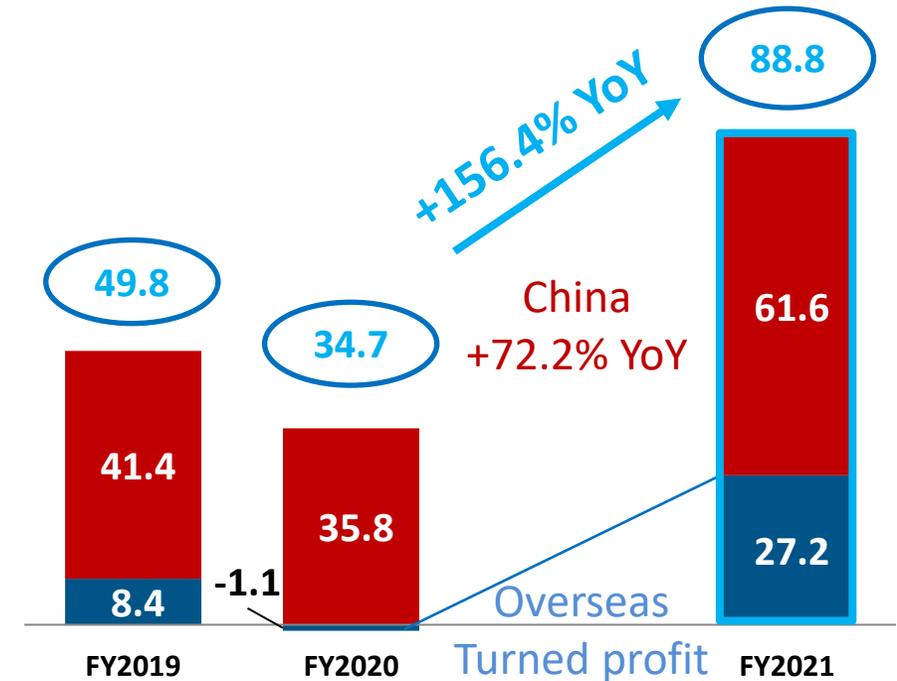
➤ Substantial enhancement for subsidiaries' terminal profit through effective "revenue boost" and "cost reduction" measures

4Q2021 Subsidiaries' Terminal Profit (US\$ million)



| US\$ million | 4Q19 | 4Q20 | 4Q21 |
|---|------|-------|-------|
| Subsidiaries' terminal profit | 1.0 | 16.3 | 28.7 |
| Total terminal profit | 59.3 | 80.1 | 105.8 |
| Subsidiaries' terminal profit as % of total | 1.7% | 20.3% | 27.1% |

FY2021 Subsidiaries' Terminal Profit (US\$ million)



| US\$ million | FY19 | FY20 | FY21 |
|---|-------|-------|-------|
| Subsidiaries' terminal profit | 49.8 | 34.7 | 88.8 |
| Total terminal profit | 344.6 | 309.5 | 427.3 |
| Subsidiaries' terminal profit as % of total | 14.5% | 11.2% | 20.8% |

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4Q & FY2021 Financial Highlights with Satisfactory Margin Expansion

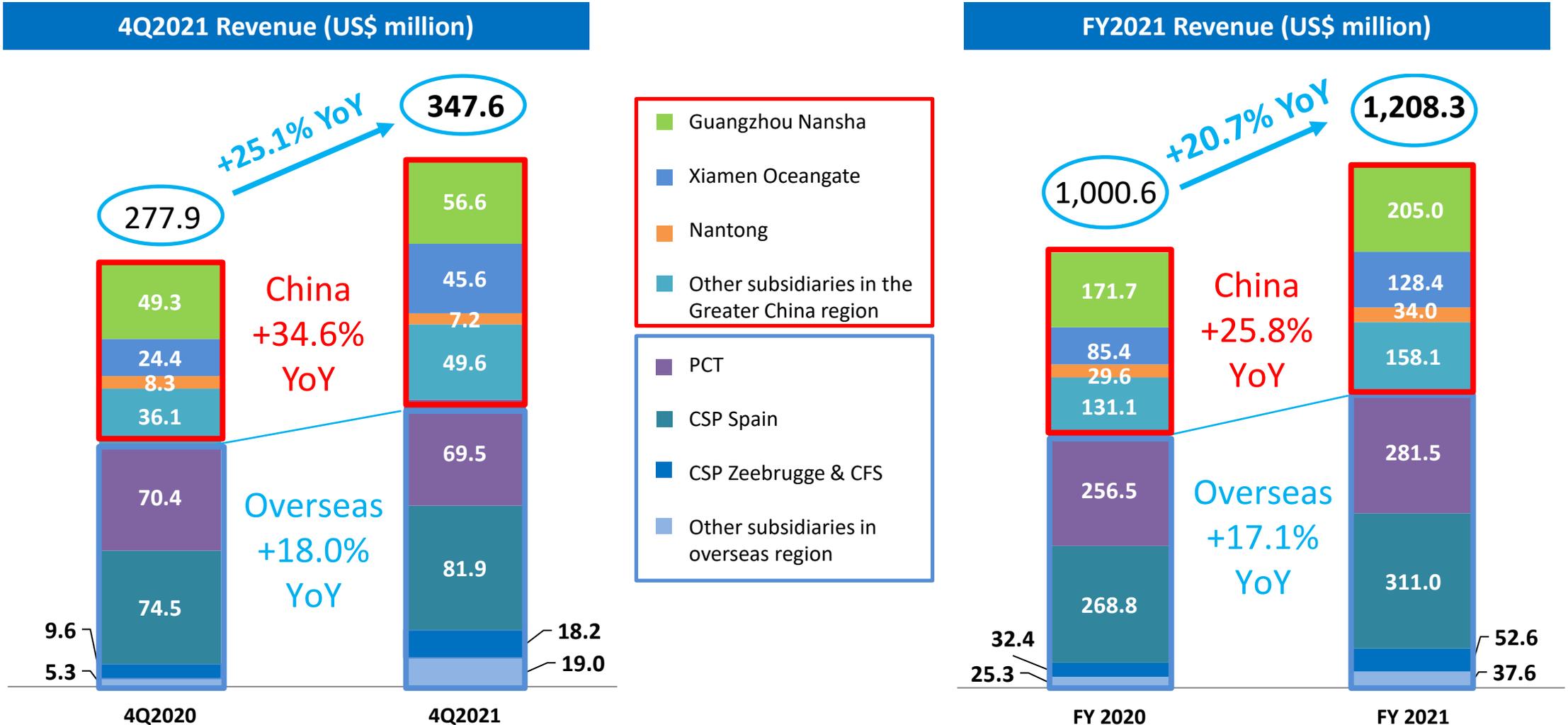
| (US\$ million, unless stated otherwise) | 4Q2020 | 4Q2021 | YoY (%) | FY2020 | FY2021 | YoY (%) |
|---|--------|--------------|----------|---------|----------------|----------|
| Consolidated throughput from Subsidiaries (in '000 TEU) | 5,858 | 6,093 | +4.0 | 22,329 | 23,375 | +4.7 |
| Revenue | 277.9 | 347.6 | +25.1 | 1,000.6 | 1,208.3 | +20.7 |
| Cost of sales | 214.9 | 248.3 | +15.5 | 768.0 | 883.1 | +15.0 |
| Gross profit | 63.0 | 99.4 | +57.7 | 232.6 | 325.2 | +39.8 |
| Gross profit margin | 22.7% | 28.6% | +5.9 pps | 23.2% | 26.9% | +3.7 pps |
| Share of profits from Joint Ventures & Associates | 64.0 | 69.6 | +8.8 | 272.7 | 329.4 | +20.8 |
| Profit before taxation | 98.7 | 156.0 | +58.0 | 408.6 | 500.5 | +22.5 |
| Net profit attributable to shareholders | 98.2 | 92.9 | -5.4 | 347.5 | 354.7 | +2.1 |
| EPS (US cents) | 2.99 | 2.80 | -6.4 | 10.81 | 10.70 | -1.0 |
| Dividend per share (US cents) | | | | 4.324 | 4.280 | -1.0 |
| payout ratio | | N/A | | 40% | 40% | N/A |
| Net profit attributable to shareholders (Excluding one-off items) ⁽¹⁾ | 88.3 | 70.8 | -19.8 | 269.0 | 332.5 | +23.6 |
| EPS (US cents) (Excluding one-off items) ⁽¹⁾ | 2.70 | 2.13 | -20.8 | 8.37 | 10.03 | +19.8 |

Notes:

(1) For 2020, excluding 1Q2020 after-tax gain of USD\$61.5M on disposal of interest in Yangzhou Terminal and Zhangjiagang Terminal; excluding 2Q2020 after-tax gain of USD\$7.1M on disposal of interest in Jiangsu Yangtze Petrochemical Terminal; excluding 4Q2020 after-tax gain of USD\$9.9M on disposal of interest in Qinzhou International Terminal. For 2021, excluding 4Q2021 after-tax gain of USD\$11.5M on disposal of interest in Tianjin Euroasia Terminal and after-tax gain of USD\$10.7M on re-measurement of the previously held 16.01% interest in Tianjin Container Terminal at fair value upon acquisition of additional equity interest in Tianjin Container Terminal to make it a subsidiary.

Solid 4Q & FY2021 Revenue Growth

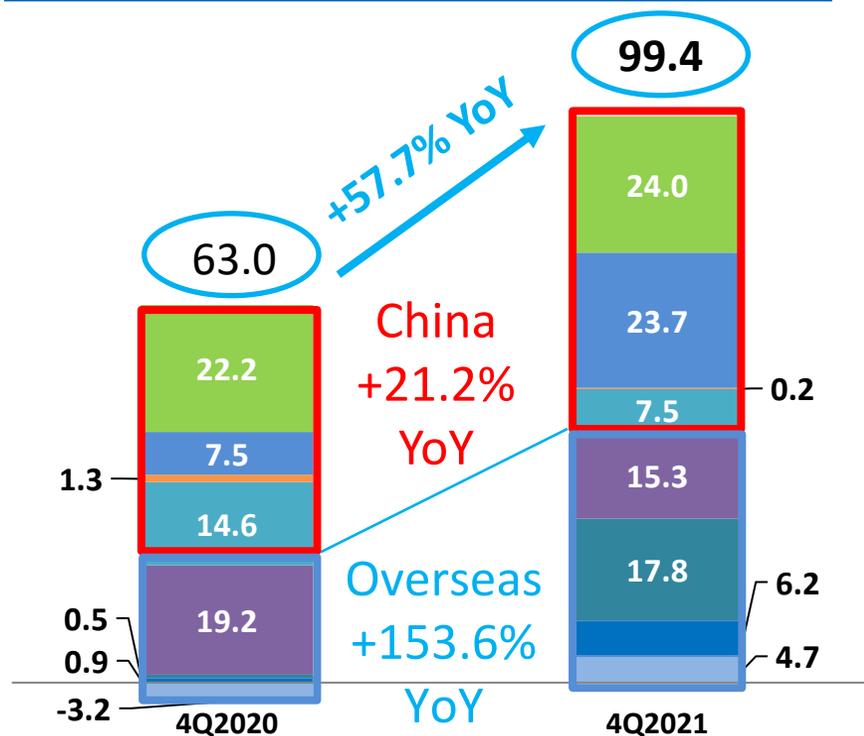
- Revenue growth accelerated in 4Q2021 driven by our effective sales and marketing strategy to raise ASP
- Optimistic outlook for further ASP growth in 2022 benefitting from tariff increase of major Chinese ports



Strong Gross Profit Growth with Further Margin Enhancement

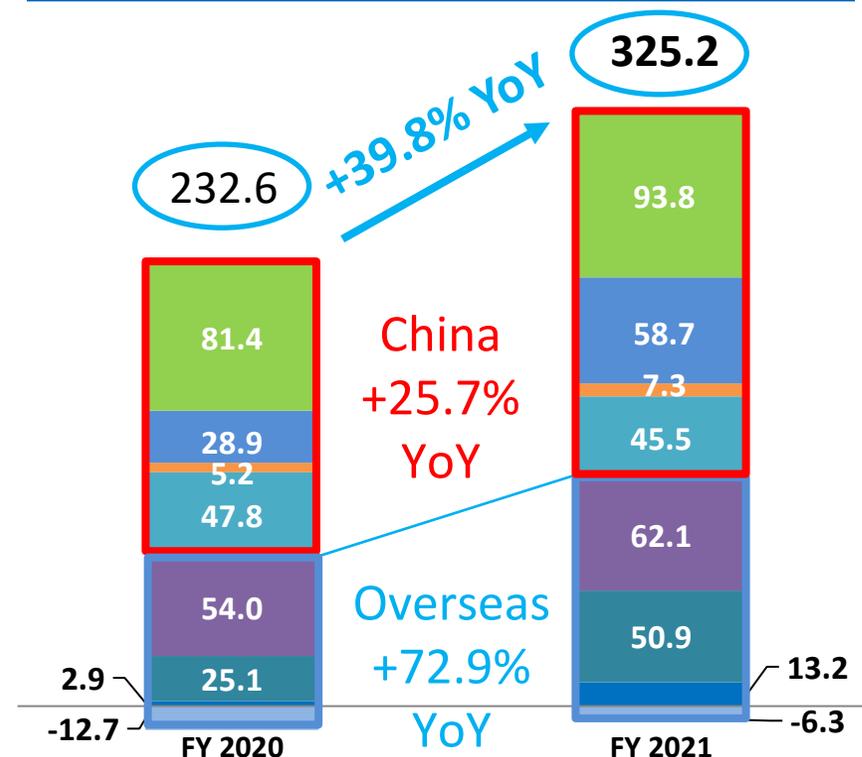
- Greater bargaining power to increase revenue and effective cost control measures, leading to higher profit and margin expansion, particularly terminals in overseas region

4Q2021 Gross Profit (US\$ million)



| Gross profit margin | 4Q2020 | 4Q2021 |
|----------------------|--------|--------|
| Greater China region | 38.6% | 34.8% |
| Overseas region | 10.9% | 23.3% |
| Total | 22.7% | 28.6% |

FY2021 Gross Profit (US\$ million)

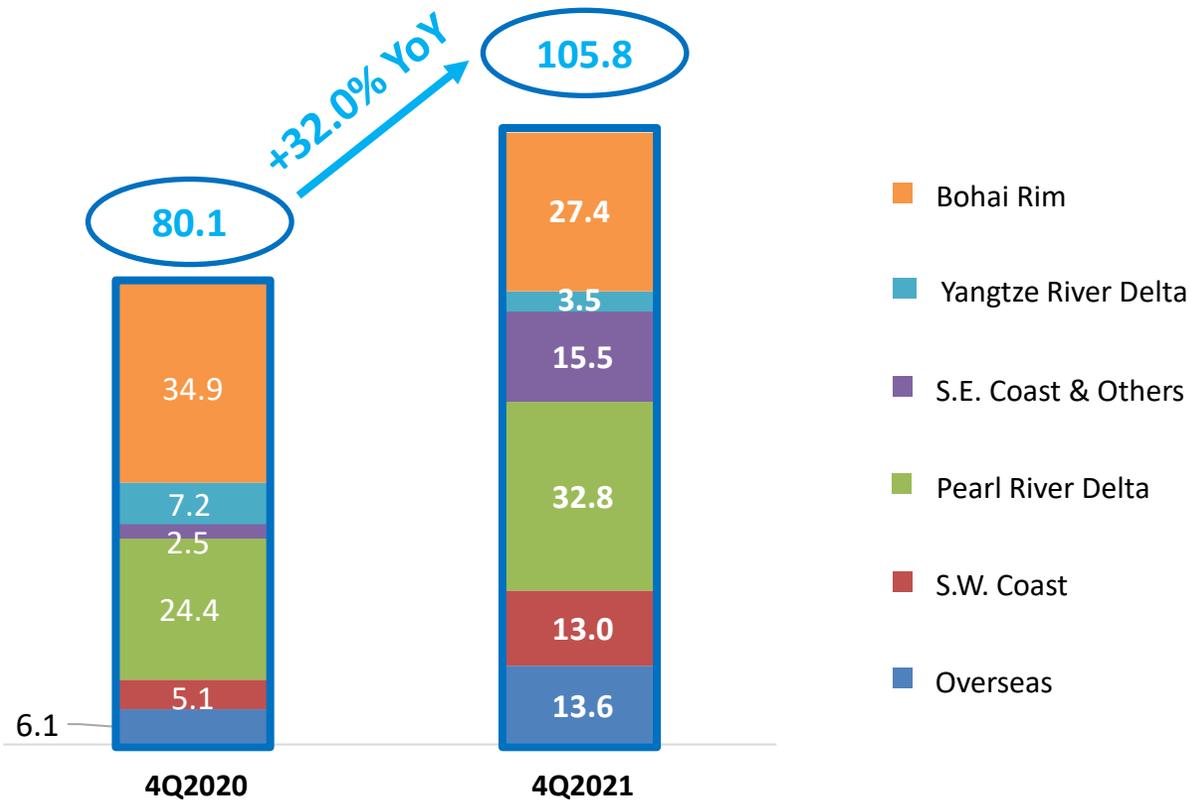


| Gross profit margin | FY2020 | FY2021 |
|----------------------|--------|--------|
| Greater China region | 39.1% | 39.1% |
| Overseas region | 11.9% | 17.6% |
| Total | 23.2% | 26.9% |

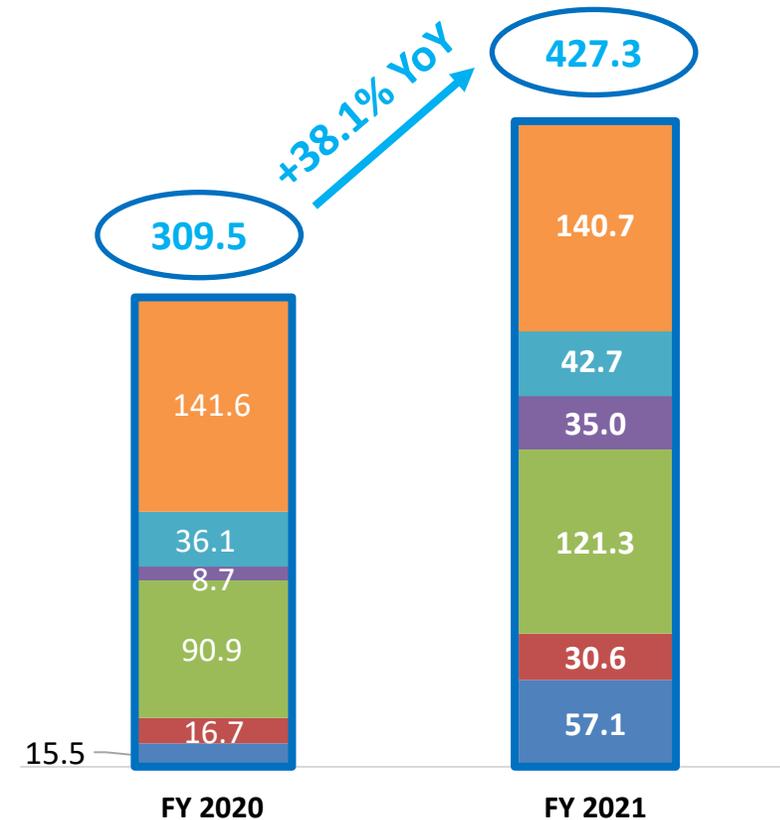
Continued Terminal Profitability Enhancement

- Benefiting from strong relationships with shipping companies to strengthen our sales and marketing strategy, meanwhile, cost reduction plan to enhance efficiency, terminal profit in 4Q21 and FY21 grew 32.0% and 38.1% YoY, respectively
- The portfolio has become more diversified and sustainable

4Q2021 Terminal Profit by Regions (US\$ million)



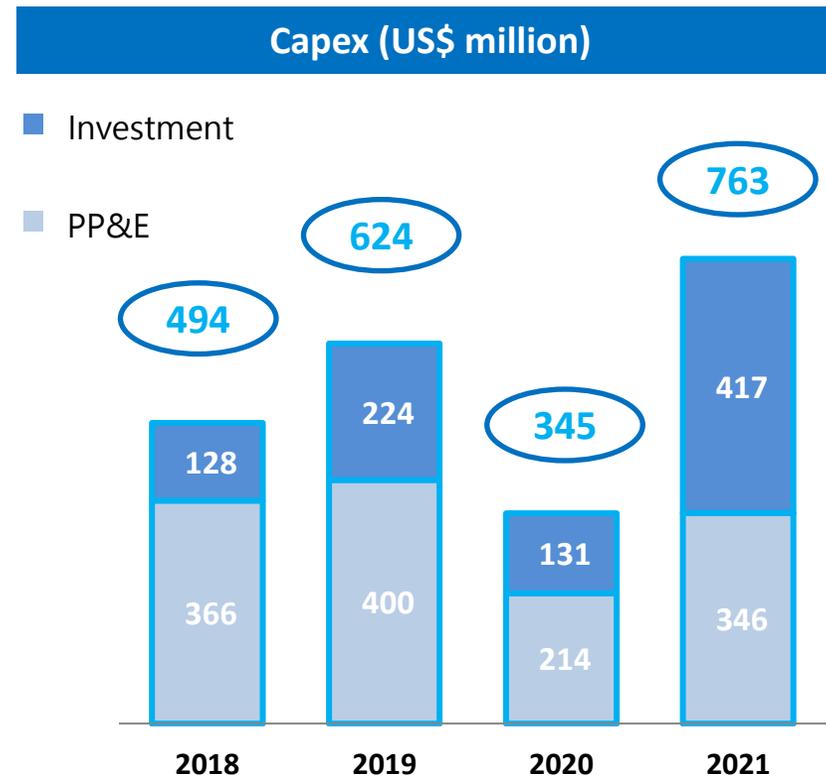
FY2021 Terminal Profit by Regions (US\$ million)



Solid Financial Position to Support Further M&A Projects

- As of 31 December 2021, our cash position maintained strong with cash and cash equivalents of USD 1.23 billion
- Net gearing ratio remained at a healthy level of 28.2% with average bank borrowing cost 2.92%
- Expected Capex in 2022 will be USD 1.23 billion, of which approximately 30% is investment and the remaining 70% is PP&E

| (US\$ million, unless stated otherwise) | As at 31 Dec 2020 | As at 31 Dec 2021 |
|---|-------------------|-------------------|
| Total assets | 11,224 | 12,033 |
| Total liabilities | 4,847 | 5,093 |
| Total equity | 6,377 | 6,941 |
| Total debt | 3,048 | 3,220 |
| Cash and cash equivalents | 1,310 | 1,227 |
| Net debt to equity | 26.8% | 28.2% |
| Average bank borrowing cost | 3.24% | 2.92% |



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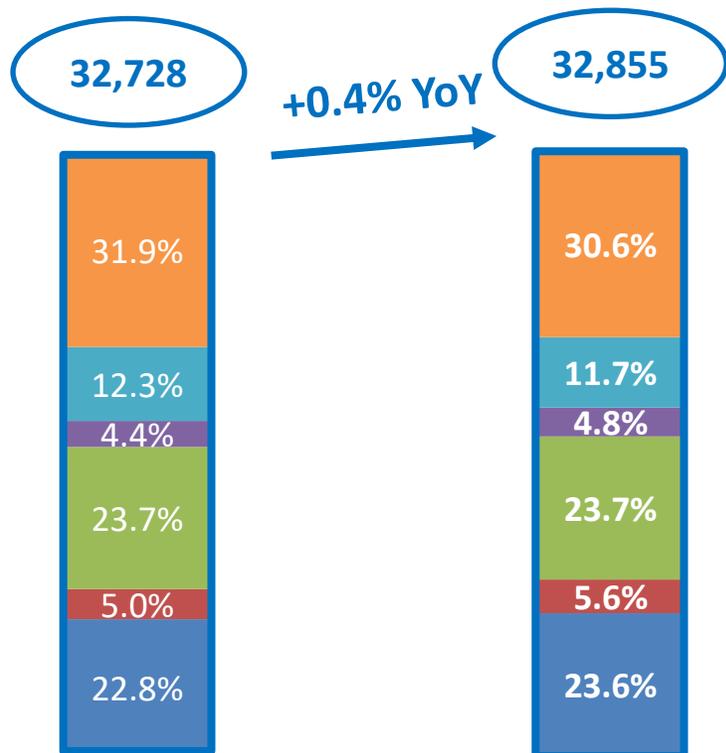
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Total Throughput Continued to Grow

4Q2021 Total Throughput ('000 TEU)

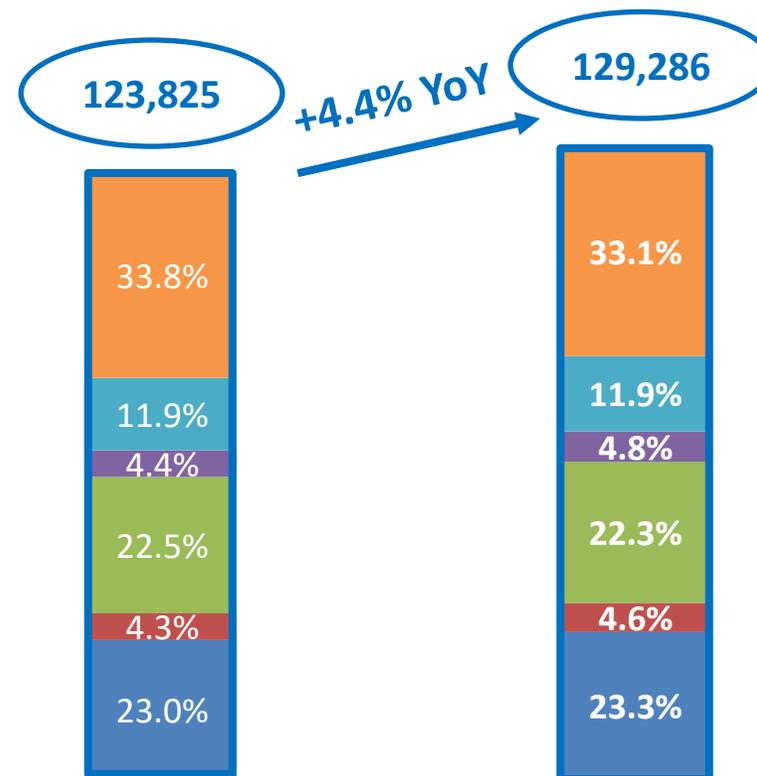


4Q 2020

4Q 2021

| Total Throughput ('000 TEU) | 4Q 2020 | 4Q 2021 | YoY Change |
|-----------------------------|---------------|---------------|--------------|
| - Subsidiaries | 5,858 | 6,093 | +4.0% |
| - Non-subsidiaries | 26,870 | 26,762 | -0.4% |
| Total throughput | 32,728 | 32,855 | +0.4% |

FY2021 Total Throughput ('000 TEU)



FY 2020

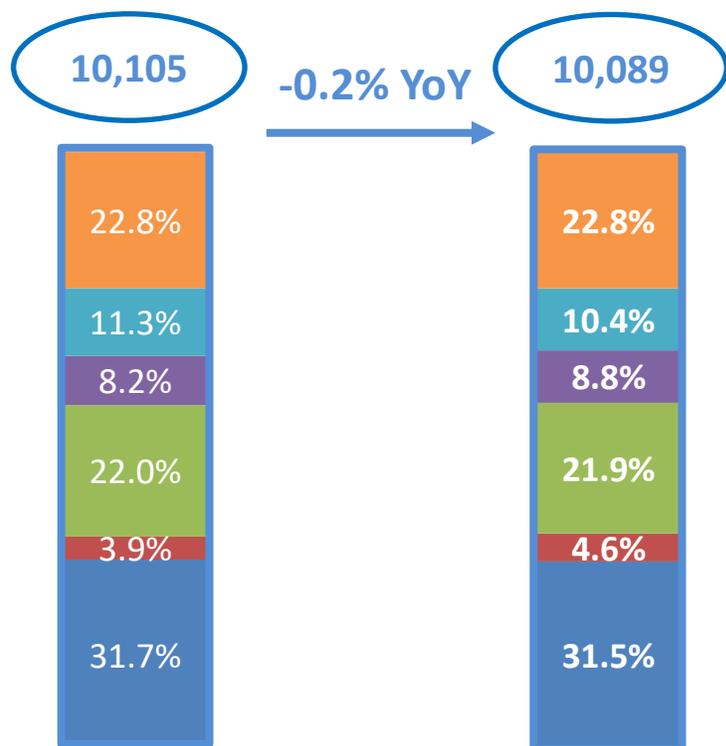
FY 2021

| Total Throughput ('000 TEU) | FY 2020 | FY 2021 | YoY Change |
|-----------------------------|----------------|----------------|--------------|
| - Subsidiaries | 22,329 | 23,375 | +4.7% |
| - Non-subsidiaries | 101,496 | 105,911 | +4.4% |
| Total throughput | 123,825 | 129,286 | +4.4% |

- Bohai Rim
- Yangtze River Delta
- S.E. Coast & Others
- Pearl River Delta
- S.W. Coast
- Overseas

Equity Throughput Grew 3.7% YoY in 2021

4Q2021 Equity Throughput ('000 TEU)

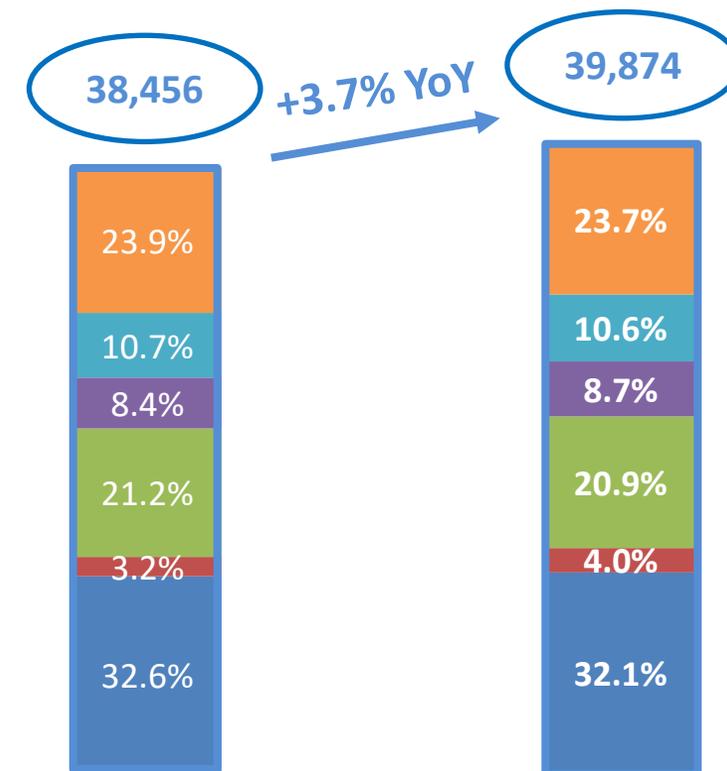


4Q 2020

4Q 2021

| Equity Throughput ('000 TEU) | 4Q 2020 | 4Q 2021 | YoY Change |
|------------------------------|---------------|---------------|------------|
| - Subsidiaries | 3,675 | 3,728 | +1.4% |
| - Non-subsidiaries | 6,430 | 6,361 | -1.1% |
| Equity throughput | 10,105 | 10,089 | -0.2% |

FY2021 Equity Throughput ('000 TEU)



FY 2020

FY 2021

| Equity Throughput ('000 TEU) | FY 2020 | FY 2021 | YoY Change |
|------------------------------|---------------|---------------|------------|
| - Subsidiaries | 14,261 | 14,687 | +3.0% |
| - Non-subsidiaries | 24,195 | 25,187 | +4.1% |
| Equity throughput | 38,456 | 39,874 | +3.7% |

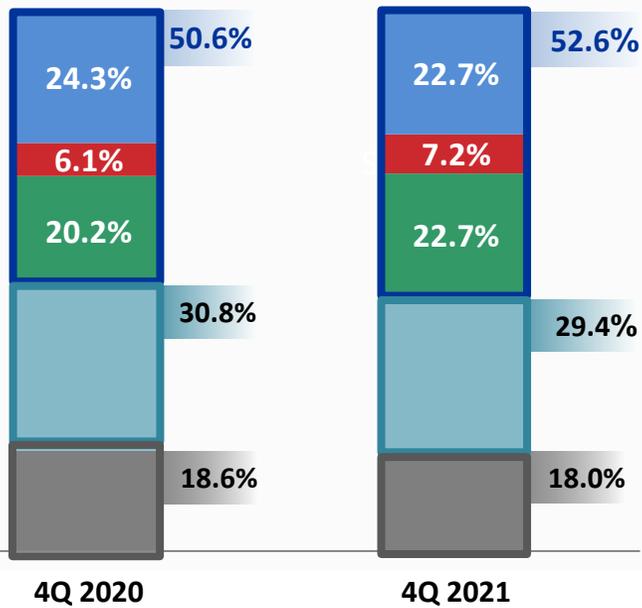
- Bohai Rim
- Yangtze River Delta
- S.E. Coast & Others
- Pearl River Delta
- S.W. Coast
- Overseas

Further Enhancing Synergy with Ocean Alliance

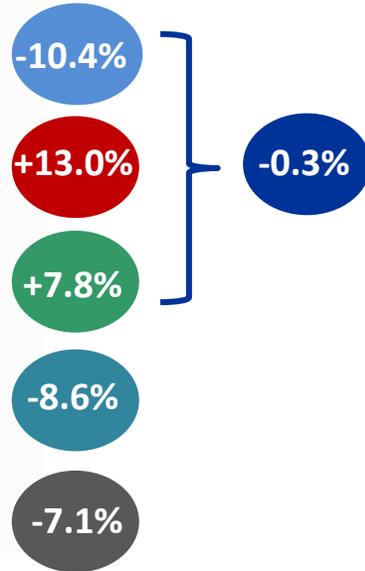
4Q2021 Customers as A Percentage of Total Throughput ⁽¹⁾



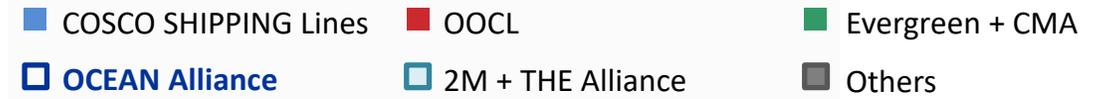
-4.1% YoY



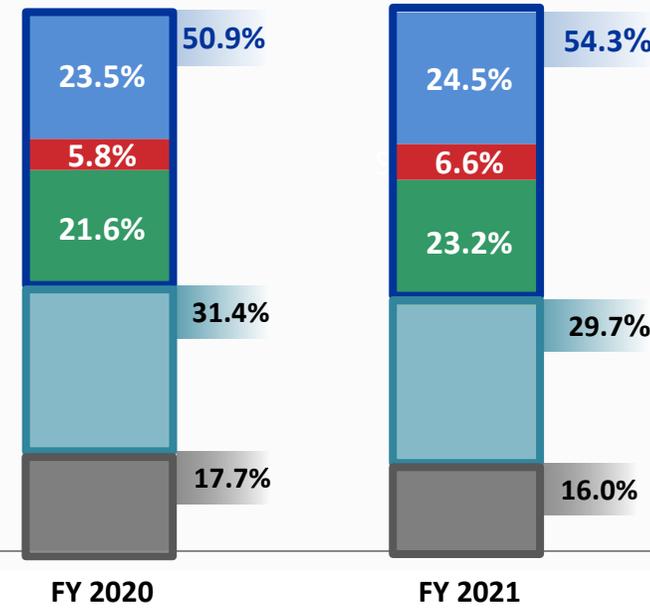
4Q YoY Change



FY2021 Customers as A Percentage of Total Throughput ⁽¹⁾



+3.4% YoY



FY YoY Change



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.

Optimizing Terminal Assets Portfolio

- 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*
- Strategically pursue investment opportunities to create value to our shareholders

Recent Acquisitions

- ***Tianjin Container Terminal (Completed in December 2021)***
 - ranks 1st in terms of volume in the Port of Tianjin, reached 8.64 million TEU in 2021, accounted for approximately 40% of the total throughput of the Port of Tianjin
 - became our first subsidiary terminal in the Chinese hub ports, further strengthen our industrial layout in the northern China, this project is of great strategic importance to CSPL
- ***RSGT (Completed in July 2021)***
 - has a wide coverage of container market in the Middle East and East Africa, bringing growth momentum
- ***Container Terminal Tollerort GmbH***
 - further optimizes our global ports portfolio and providing high-quality supply chain services to all shipping companies

Recent Disposals

- ***Yangzhou Yuanyang Terminal, Zhangjiagang Terminal and Jiangsu Petrochemical Terminal***
 - divestment of non-strategic assets in order to add value to the Company and improve portfolio quality
 - continue to strengthen our portfolio in the YRD region, including development of Nantong Tonghai Terminal and CSP Wuhan Terminal

Continuing to Strengthen CSP Zeebrugge Terminal as the Hub Port in Northwest Europe with Concession Extension to 2055



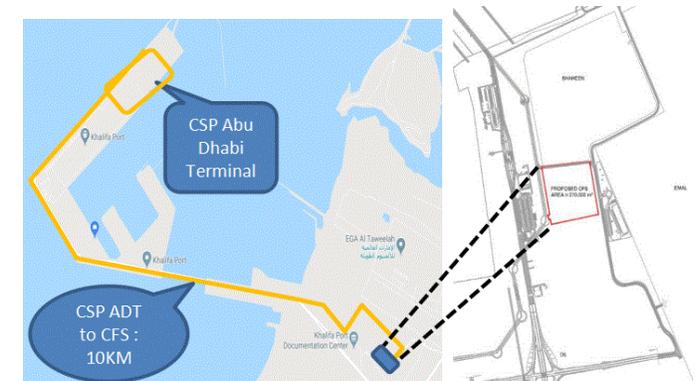
- CSPL holds 85.45% stake in the Terminal. With more than 1200-meter quay length and 17.5-meter depth alongside, It has 3 berths with 1.3 million TEU target designed annual handling capacity. **The Terminal has a very strong volume growth momentum, which its 3-year throughput grew from 484k TEU in 2019, 609k TEU in 2020 to 931k TEU in 2021. Its terminal profit turned positive in 2020 and its 3-year terminal profit increased from a loss of USD 9.54 million in 2019, a gain of USD 0.27 million in 2020, to a gain of USD 4.59 million in 2021, respectively.**
- On 26 January 2022, CSPL and Port of Zeebrugge agreed to extend the concession of CSP Zeebrugge Terminal (the “Terminal”) by 15 years to 2055.
- As a transportation hub leading to all directions, the Port of Zeebrugge has good road and rail network connecting various countries in Europe, as well as coastal ports in Northwest Europe, Central Europe, and Eastern Europe. The concession extension offers new opportunities for the Port of Zeebrugge. The goal of concession extension is to optimize the port infrastructure within the framework of our intended “clean port strategy” and continue to strengthen the Terminal as an international logistics hub.

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 | 64 USD | Now operating |
| CSP Zeebrugge CFS | 77,869 | 41,580 | 13 EUR | Now operating |
| Xiamen CFS | 23,800 | 20,000 | 135 RMB | 2023 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.

Technology Development to Facilitate Lean Operations



- 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

navis
N4

2022

Coming 3-4 years

Nantong Terminal and Wuhan Terminal implemented Navis N4 system during 2022

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

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Global Terminal Network and Lean Operations

*Capitalize on
global economic growth
optimize terminal portfolio*

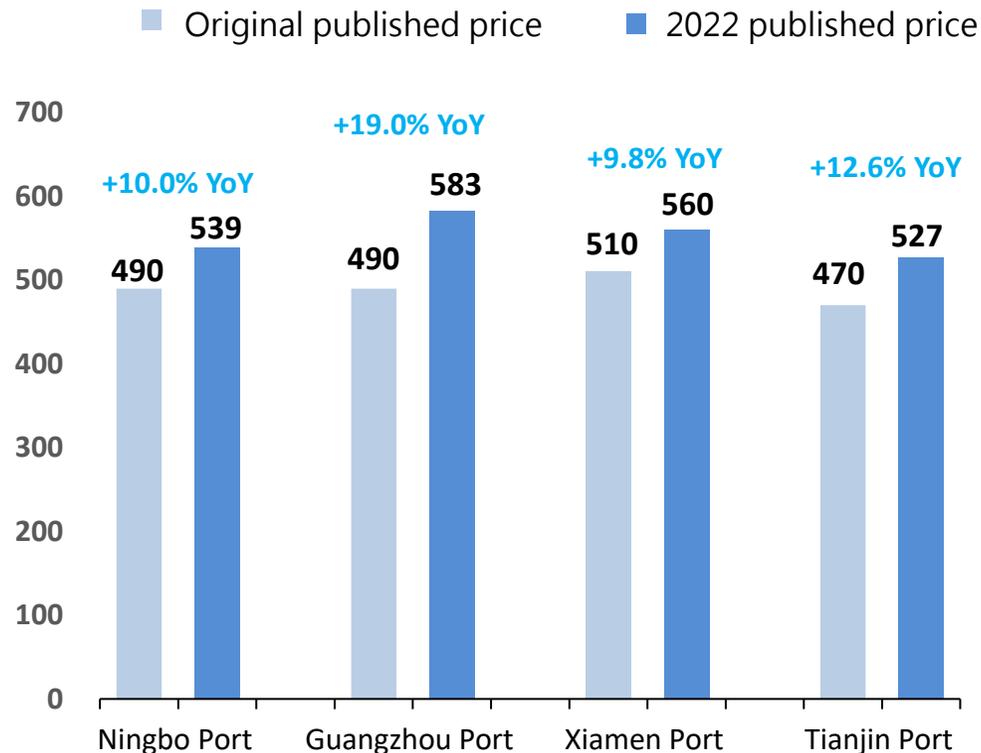
- Identifying potential projects and tapping into the markets such as Southeast Asia, the Middle East and Africa, particularly in strategic subsidiaries and highly-profitable non-subsidiaries amid global economic growth to enhance balanced global network
- Restructuring terminals through port resources 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

Published price change of TEU in Chinese port authorities ⁽¹⁾



Note:

(1) Regular 20-foot equivalent unit (TEU) laden container handling charges.

- Terminals maintain good relationships with shipping companies. Apart from maximizing synergy with parent company and OOCL, we also cooperate with different shipping companies to optimize our client portfolio. Our Subsidiaries have made positive progress of new shipping lines and introduced 27 new shipping services during 2021
- 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 2021 rose by 7.6% YoY. In particular, PCT's overall ASP increased by 14.4% YoY in 2021
- We will seize the opportunities of tariff hike in major Chinese ports and strengthen negotiation strategies to further increase contract price

Outlook

Challenges

- Global economic uncertainties due to continued COVID-19
- Rising inflation
- Increasing geopolitical conflict

Opportunities

- Long term opportunities for overseas terminals development as well as for domestic ports consolidation
- Good prospect on the back of our effective lean operations strategy
- RCEP opportunities

- 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
- Seize the opportunities of tariff increase in Chinese major ports, strong relationships with shipping companies, 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 equity throughput volume growth will be in line with the average of industry

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

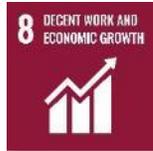
SDGs of our Major Concern

We align our major initiatives with the Sustainable Development Goals (SDGs) of the United Nations. By identifying five goals as the most important and most relevant to our operations, we have integrated them into five key areas of sustainable development.



SDG 4 Quality Education

We provide quality training and education to our staff to cultivate talents and ensure professionalism for our sustained growth.



SDG 8 Decent Work and Economic Growth

We encourage sustained and inclusive economic growth that can provide economic opportunities.



SDG 9 Industry, Innovation and Infrastructure

We facilitate 5G development to improve operational efficiency and offer quality services.



SDG 13 Climate Action

We invest in building “Green Ports” to combat climate change and its impacts.



SDG 17 Partnerships for the Goals

We commit to mutual development and strive to fulfil our social responsibilities as a responsible corporate citizen.

Our Sustainability Approaches



Approach 1: Caring for Our People

Providing a healthy, safe, inclusive and diverse work environment to attract and cultivate talents for our sustained growth

Approach 2: Customers First

Investing in building “green ports”, minimising the environmental impacts of our operations, and encouraging environmentally friendly behaviour among employees, suppliers and the public to promote green and low-carbon development

Approach 3: Green Development

Improving operational efficiency, offering high-quality customer services, and building our global terminal network and our brand to deliver the greatest value to our customers

Approach 4: Win-win Cooperation

Incorporating sustainability criteria into our supplier selection and management, and deepening our strategic partnership with suppliers to enable value chain enhancement

Approach 5: Investing in Communities

Applying ethics to our business practice, ensuring operational compliance, and promoting inclusive development

Sustaining High Standard of 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

ESG Committee in Place

- ✓ Led by an Independent Non-executive Director, and comprised the Chairman of the Company and another Independent Non-executive Director
- ✓ Further enhance the Board's leading role in ESG aspects and issues
- ✓ Monitor emerging ESG trends, review the Company's ESG strategies and performance and provide recommendations to the Board

The Company aims to ensure that the highest standards of corporate conduct are in place and attaches great importance to ESG issues, in order to drive corporate sustainability and better protect stakeholders' interests.



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COSCO SHIPPING Ports Limited

Q & A Session
Thank you!



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Terminal Profit Breakdown

| US\$' 000 | 2020 | % of total | 2021 | % of total | YoY |
|--|----------------|--------------|----------------|--------------|---------------|
| Bohai Rim | 141,634 | 45.8% | 141,011 | 33.0% | -0.4% |
| Qingdao Qianwan Terminal | 52 | 0.0% | 0 | 0.0% | N/A |
| QPI | 105,749 | 34.2% | 120,505 | 28.2% | 14.0% |
| Dalian Container Terminal | 7,633 | 2.5% | 5,694 | 1.3% | -25.4% |
| Dalian Dagang Terminal | 123 | 0.0% | 61 | 0.0% | -50.4% |
| Tianjin Port Euroasia Terminal | 3,069 | 1.0% | 866 | 0.2% | -71.8% |
| *Tianjin Container Terminal (Subsidiary in Dec 2021) | 0 | 0.0% | (295) | -0.1% | N/A |
| Tianjin Container Terminal (Associate for 2020 and from Jan to Nov 2021) | 6,990 | 2.3% | 1,471 | 0.3% | -79.0% |
| Yingkou Terminal | 5,926 | 1.9% | 5,121 | 1.2% | -13.6% |
| Yingkou New Century Terminal | 4,697 | 1.5% | 4,096 | 1.0% | -12.8% |
| *Jinzhou New Age Terminal | 5,942 | 1.9% | 4,818 | 1.1% | -18.9% |
| Qinhuangdao Terminal | 114 | 0.0% | 72 | 0.0% | -36.8% |
| Dalian Automobile Terminal | 1,685 | 0.5% | 1,605 | 0.4% | -4.7% |
| Dongjiakou Ore Terminal | (906) | -0.3% | (3,441) | -0.8% | N/A |
| Qinhuangdao Port | 560 | 0.2% | 438 | 0.1% | -21.8% |
| Yangtze River Delta | 35,892 | 11.6% | 42,355 | 9.9% | 18.0% |
| Shanghai Pudong Terminal | 16,521 | 5.3% | 17,516 | 4.1% | 6.0% |
| Shanghai Mingdong Terminal | 8,584 | 2.8% | 10,410 | 2.4% | 21.3% |
| Ningbo Yuan Dong Terminal | 5,907 | 1.9% | 8,736 | 2.0% | 47.9% |
| Ningbo Meishan Terminal | 401 | 0.1% | 402 | 0.1% | 0.2% |
| *Lianyungang Terminal | 7,032 | 2.3% | 5,806 | 1.4% | -17.4% |
| Taicang Terminal | 1,070 | 0.3% | 1,217 | 0.3% | 13.7% |
| Shanghai Terminal | 1,266 | 0.4% | 795 | 0.2% | -37.2% |
| Jiangsu Yangtze Terminal | 44 | 0.0% | 0 | 0.0% | N/A |
| *Nantong Terminal | (2,394) | -0.8% | 395 | 0.1% | N/A |
| *Wuhan Terminal | (2,539) | -0.8% | (2,922) | -0.7% | N/A |
| Southeast Coast and others | 8,596 | 2.8% | 34,900 | 8.2% | 306.0% |
| *Xiamen Ocean Gate Terminal | 8,470 | 2.7% | 27,947 | 6.5% | 229.9% |
| *Quanzhou Pacific Terminal | 2,846 | 0.9% | 3,147 | 0.7% | 10.6% |
| *Jinjiang Pacific Terminal | (2,642) | -0.9% | 14 | 0.0% | N/A |
| Kao Ming Container Terminal | (78) | 0.0% | 3,792 | 0.9% | N/A |

Terminal Profit Breakdown (Cont'd)

| | | | | | |
|--|----------------|---------------|----------------|---------------|---------------|
| Pearl River Delta | 90,877 | 29.4% | 121,630 | 28.5% | 33.8% |
| Yantian International Terminal | 48,070 | 15.5% | 69,372 | 16.2% | 44.3% |
| Nansha Stevedoring Terminal | 5,966 | 1.9% | 6,652 | 1.6% | 11.5% |
| *Guangzhou Oceangate Terminal | 19,065 | 6.2% | 22,706 | 5.3% | 19.1% |
| COSCO-HIT Terminal | 10,055 | 3.2% | 12,701 | 3.0% | 26.3% |
| ACT Terminal | 6,220 | 2.0% | 8,556 | 2.0% | 37.6% |
| Guangzhou Port | 1,501 | 0.5% | 1,643 | 0.4% | 9.5% |
| Southwest Coast | 16,711 | 5.4% | 30,760 | 7.2% | 84.1% |
| Qinzhou International Terminal | 1,776 | 0.6% | 0 | 0.0% | N/A |
| Beibu Gulf Terminal | 401 | 0.1% | 7,469 | 1.7% | 1762.6% |
| Beibu Gulf Port | 14,534 | 4.7% | 23,291 | 5.5% | 60.3% |
| Overseas | 15,175 | 4.9% | 56,757 | 13.3% | 274.0% |
| *PCT | 19,454 | 6.3% | 31,762 | 7.4% | 63.3% |
| Suez Canal Terminal | 1,387 | 0.4% | 2,469 | 0.6% | 78.0% |
| Euromax Terminal | (3,089) | -1.0% | 6,988 | 1.6% | N/A |
| Kumport Terminal | 8,763 | 2.8% | 12,068 | 2.8% | 37.7% |
| Antwerp Terminal | 1,275 | 0.4% | 2,731 | 0.6% | 114.2% |
| *CSP Zeebrugge Terminal (including CFS) | (32) | 0.0% | 4,324 | 1.0% | N/A |
| COSCO-PSA Terminal | 9,640 | 3.1% | 9,870 | 2.3% | 2.4% |
| RSGT | 0 | 0.0% | (98) | 0.0% | N/A |
| *Guinea | 0 | 0.0% | (1,097) | -0.3% | N/A |
| Vado Terminal | (1,673) | -0.5% | (4,490) | -1.1% | N/A |
| *Chancay Terminal | (669) | -0.2% | (3,300) | -0.8% | N/A |
| *CSP Abu Dhabi Terminal (including CFS) | (18,497) | -6.0% | (12,093) | -2.8% | N/A |
| *CSP Spain Group (excluding related business Conte Rail) | (1,384) | -0.4% | 7,623 | 1.8% | N/A |
| Greater China | 293,710 | 94.9% | 370,655 | 86.7% | 26.2% |
| Greater China and overseas terminals | 308,885 | 99.8% | 427,413 | 100.0% | 38.4% |
| Related business | 608 | 0.2% | (78) | 0.0% | -112.8% |
| Terminals & related business | 309,493 | 100.0% | 427,335 | 100.0% | 38.1% |
| - subsidiaries* | 34,652 | 11.2% | 88,835 | 20.8% | 156.4% |
| - non-subsidiaries | 274,841 | 88.8% | 338,500 | 79.2% | 23.2% |

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 |

Note:
 (1) Overseas subsidiaries

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

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.*

Key and Ongoing Initiatives under our Sustainability Approaches

| Approach 1 Caring for Our People | Approach 2 Customers First | Approach 3 Green Development | Approach 4 Win-win Cooperation | Approach 5 Investing in Communities |
|--|---|---|---|---|
| 1. Elevating diversity and inclusion at workplace | 1. Building 5G smart ports to deliver more reliable and efficient services; and transitioning towards green ports by facilitating crane electrification, shore power and LED lighting installation to reduce emissions and save energy with an aim to deepening partnerships along the industry chain | | | 1. Helping local communities fight against COVID-19 |
| 2. Building resilience amid the COVID-19 pandemic by strengthening occupational health and safety for our staff, terminal workers and customers. | | 2. Gearing up for climate change by developing resilience and identifying risks | 2. Adopting a fair and stringent procurement and tendering mechanism | 2. Alleviating poverty by making donations and sponsoring charitable events |
| 3. Adhering to principles of fair recruitment and career development and trainings, and strictly prohibiting any kind of discrimination | 3. Improving operating systems, for example, applying the Navis N4 system | 3. Planting trees to offset carbon emission | 3. Conducting regular assessment of suppliers to ensure cost competitiveness, business innovation and quality control | 3. Promoting literacy by sharing knowledge and experience in the industry |
| 4. Encouraging internal communications and putting in place whistle-blowing policy | 4. Organising customer events to promote the synergies of global terminal network | 4. Raising environmental awareness of staff and terminal workers | 4. Inviting and evaluating tenders online to prevent the pandemic from affecting project execution | 4. Encouraging volunteer activities in local societies |

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Thank you!

