



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

1H2022

Results Presentation



*Accelerating Development by
Improving Quality*



*Achieving Results by
Increasing Efficiency*

August 30, 2022



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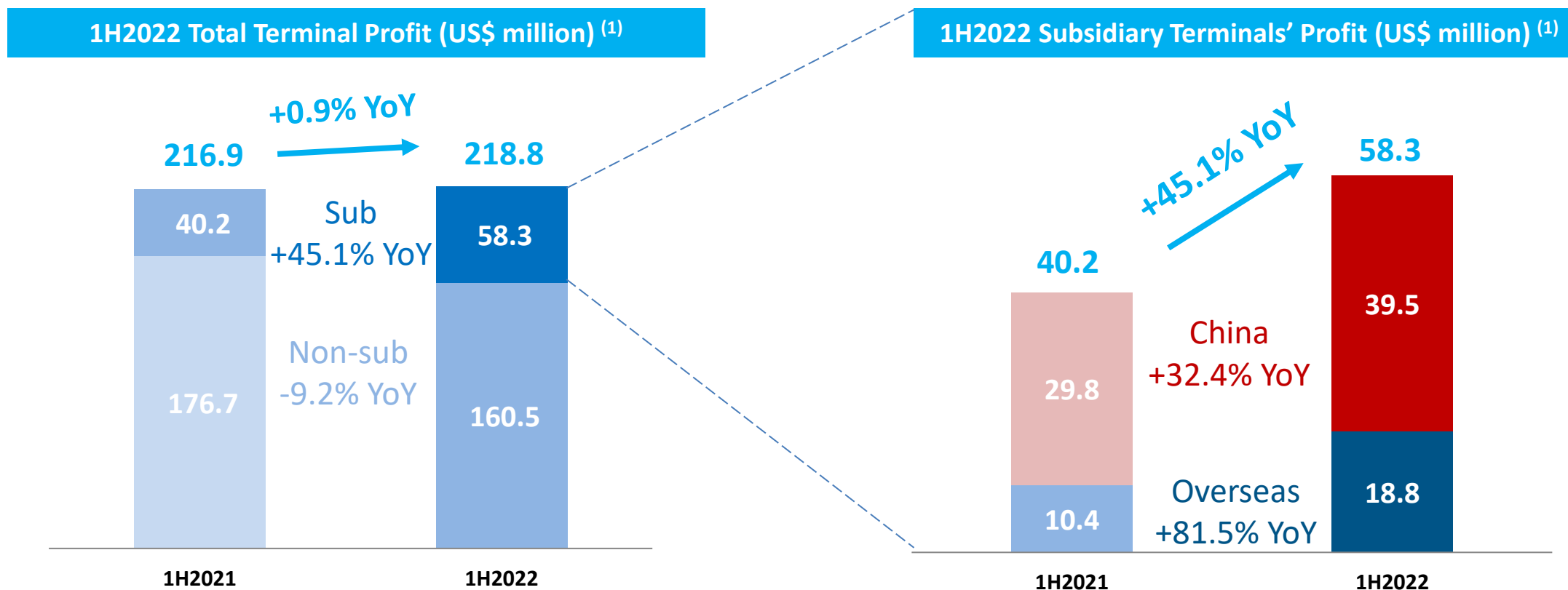
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Q&A



Strong Subsidiary Terminals' Profit Growth Momentum in 1H2022

- Total terminal profit in 1H2022 increased by 0.9% YoY. Subsidiary terminals' profit rose 45.1% YoY, mainly driven by successful lean operations management to boost revenue and reduce costs and contribution of TCT ⁽¹⁾.
- Amid global economic uncertainty and resurgence of COVID-19, terminal profit for non-sub subsidiary terminals dropped 9.2% YoY, mainly due to the decline in the Yangtze River Delta region.
- We increased our stake in TCT from 16.01% to 51% in Dec 2021. Terminal profit contribution from TCT during 1H2022 was USD 7.49 M, stripping out contribution from TCT, subsidiary terminals' profit rose 26.4% YoY to USD 50.8 M.

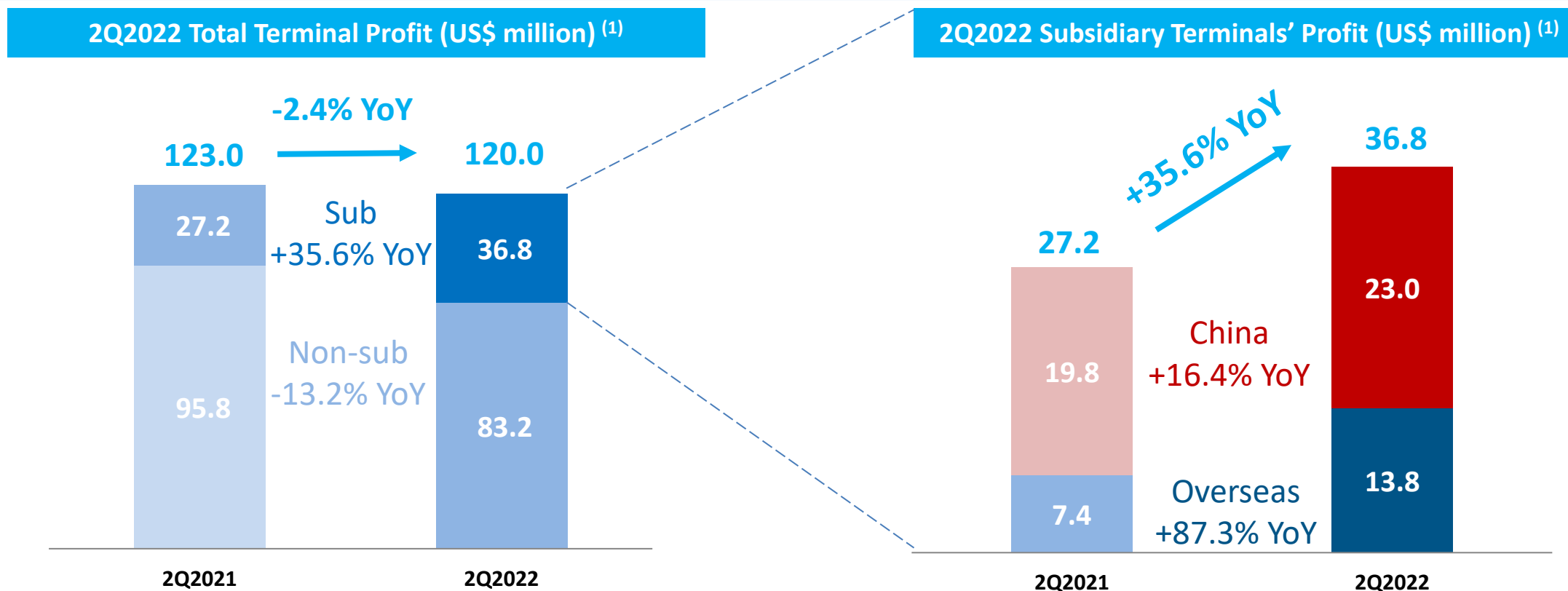


Note:

(1) Tianjin Container Terminal (TCT) was a non-sub subsidiary (16.01% stake) from January to November 2021 and became our subsidiary (added 34.99% stake to 51% stake) starting from December 2021. TCT's terminal profit contribution during 1H2021 was USD 2.91 million and TCT's terminal profit contribution during 1H2022 was USD 7.49 million.

Subsidiary Terminals' Profit Growth Momentum Remains Strong in 2Q2022

- 2Q2022 total terminal profit decreased by 2.4% YoY. Subsidiary terminals' profit in 2Q2022 rose 35.6% YoY (equity throughput grew 28.5% YoY), mainly driven by a strong growth at our overseas subsidiary terminals, successful lean operations management to boost revenue and reduce costs, and contribution from TCT ⁽¹⁾.
- Non-subsidiary terminals recorded a decrease of 13.2% YoY (equity throughput fell by 9.7% YoY) mainly due to a temporary effect caused by COVID-19 in the Yangtze River Delta region.
- Terminal profit contribution from TCT during 2Q2022 was USD 4.62 M, excluding TCT, subsidiary terminals' profit rose 18.6% YoY to USD 32.2 M.



Note:

(1) Tianjin Container Terminal (TCT) was a non-subsidiary (16.01% stake) from January to November 2021 and became our subsidiary (added 34.99% stake to 51% stake) starting from December 2021. TCT's terminal profit contribution during 2Q2021 was USD 1.94 million and TCT's terminal profit contribution during 2Q2022 was USD 4.62 million.

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1H2022 Financial Highlights — Continuing ASP Expansion with 8.3% YoY Increase ⁽¹⁾

(US\$ million, unless stated otherwise)	Reported			On a comparable basis, excluding contribution from TCT which was not our subsidiary terminal during 1H2021		
	1H2021	1H2022	YoY Change	1H2021	1H2022	YoY Change
Consolidated throughput from Subsidiaries (in '000 TEU)	11,362.8	15,679.5	+38.0%	11,362.8	11,360.6	+0.0%
Revenue	564.9	704.6	+24.7%	564.9	611.5	+8.3%
Cost of sales	416.6	506.9	+21.7%	416.6	446.1	+7.1%
Gross profit	148.3	197.7	+33.3%	148.3	165.4	+11.5%
Gross profit margin (%)	26.3	28.1	+1.8pp	26.3	27.0	+0.7pp
Share of profits from Joint Ventures & Associates	175.2	160.2	-8.5%	172.3	160.2	-7.0%
Net profit attributable to shareholders	175.6	177.0	+0.8%			
EPS (US cents)	5.30	5.32	+0.4%			
Interim dividend per share (US cents)	2.120	2.128	+0.4%			
Payout ratio	40%	40%	-			

Note:

(1) ASP in USD terms for all subsidiary terminals in operation including Jinzhou, Lianyungang, Nantong, Xiamen, Quanzhou, Jinjiang, Guangzhou Nansha, PCT, Zeebrugge, Abu Dhabi and CSP Spain terminals on a comparable basis, excluding newly acquired projects of Tianjin Container Terminal, Wuhan, Guinea and Peru Chancay terminals.

2Q2022 Financial Highlights — ASP Further Hiked by 13.0% YoY ⁽¹⁾

(US\$ million, unless stated otherwise)	Reported			On a comparable basis, excluding contribution from TCT which was not our subsidiary terminal during 2Q2021		
	2Q2021	2Q2022	YoY Change	2Q2021	2Q2022	YoY Change
Consolidated throughput from Subsidiaries (in '000 TEU)	5,997.3	8,192.1	+36.6%	5,997.3	5,808.8	-3.1%
Revenue	299.5	374.9	+25.2%	299.5	326.4	+9.0%
Cost of sales	213.2	258.1	+21.1%	213.2	228.0	+7.0%
Gross profit	86.3	116.8	+35.3%	86.3	98.4	+14.0%
Gross profit margin (%)	28.8	31.2	+2.3pp	28.8	30.2	+1.4pp
Share of profits from Joint Ventures & Associates	94.2	77.7	-17.5%	92.3	77.7	-15.8%
Net profit attributable to shareholders	102.6	102.0	-0.5%			
EPS (US cents)	3.09	3.07	-0.9%			

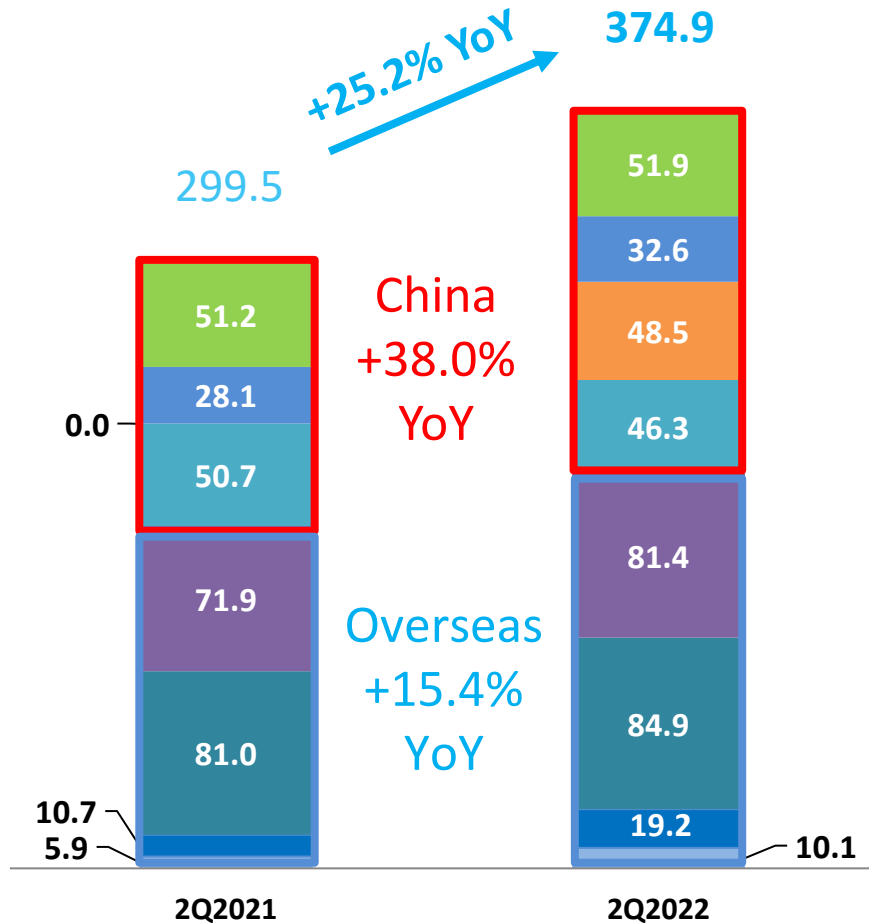
Note:

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Revenue and Gross Profit Growth Accelerated during 2Q2022

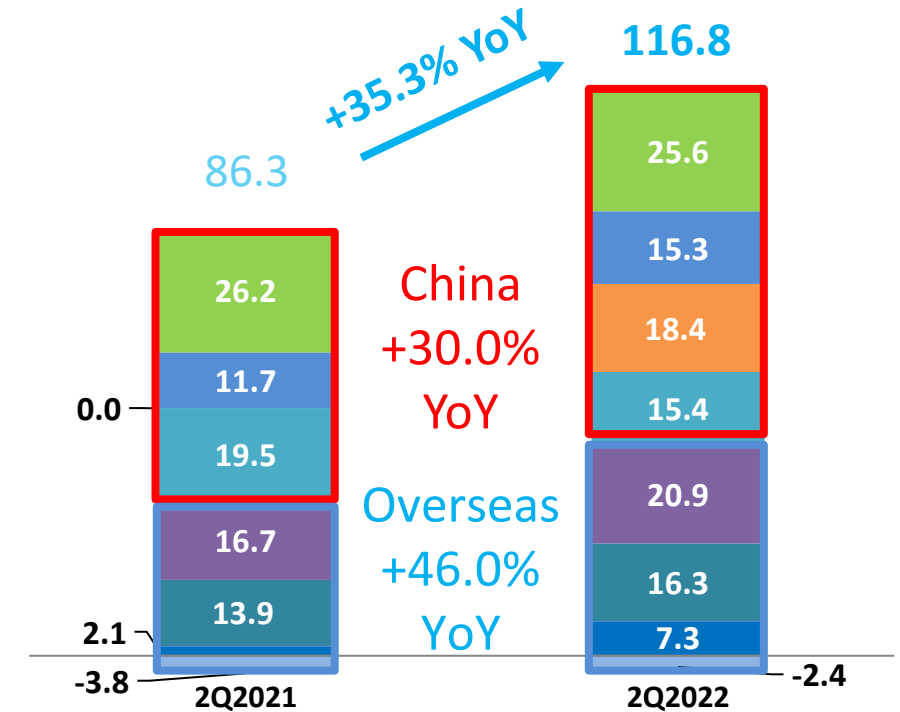
➤ Revenue and gross profit growth accelerated in 2Q2022 mainly driven by overseas operations with strong margin improvement

2Q2022 Revenue (US\$ million)



- Guangzhou Nansha
- Xiamen Oceangate
- Tianjin Container Terminal
- Other subsidiaries in the Greater China region
- PCT
- CSP Spain
- CSP Zeebrugge & CFS
- Other subsidiaries in overseas region

2Q2022 Gross Profit (US\$ million)

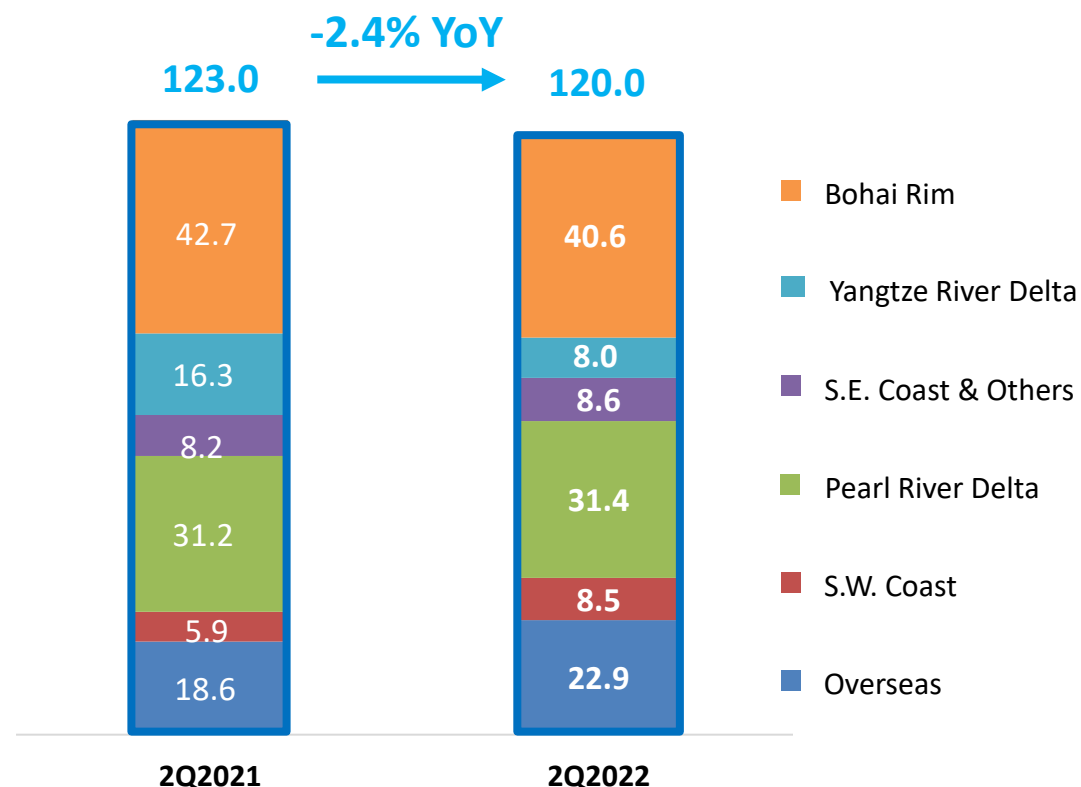


Gross profit margin	2Q2021	2Q2022	+/-
Greater China region	44.2%	41.6%	-2.6pp
Overseas region	17.1%	21.6%	+4.5pp
Total	28.8%	31.2%	+2.4pp

Strong Growth Momentum of Overseas and Subsidiary Terminals in 2Q2022

- Terminal profit from overseas operations increased 22.6% YoY to USD 22.9 M, contributing 19.1% of total in 2Q2022, compared to 15.1% in 2Q2021
- Terminal profit from subsidiaries rose 35.6% YoY to USD 36.8 M, contributing 30.7% of total in 2Q2022, compared to 22.1% in 2Q2021

2Q2022 Terminal Profit by Regions (US\$ million) ⁽¹⁾



Top 10 Terminal Contributors

	2Q2021	2Q2022
QPI	28.1%	27.5%
Yantian	13.2%	13.5%
PCT	7.1%	9.8%
Guangzhou Nansha	5.3%	Xiamen Ocean gate 6.2%
Xiamen Ocean gate	4.2%	Beibu Gulf Port 5.6%
Shanghai Pudong	4.0%	Guangzhou Nansha 5.3%
Beibu Gulf Port	3.1%	Kumport 4.1%
COSCO-PSA	2.9%	Tianjin Container Terminal 3.9%
Shanghai Mingdong	2.7%	CSP Zeebrugge 3.1%
Kumport	2.6%	CSP Spain 3.0%
Total	73.2%	82.0%

Subsidiary/non-subsidiary terminal profit	2Q2021	2Q2022
Subsidiary terminal profit (as % of total)	USD 27.2M (22.1%)	USD 36.8M (30.7%)
Non-subsidiary terminal profit (as % of total)	USD 95.8M (77.9%)	USD 83.2M (69.3%)
Total terminal profit (as % of total)	USD 123.0M (100.0%)	USD 120.0M (100.0%)

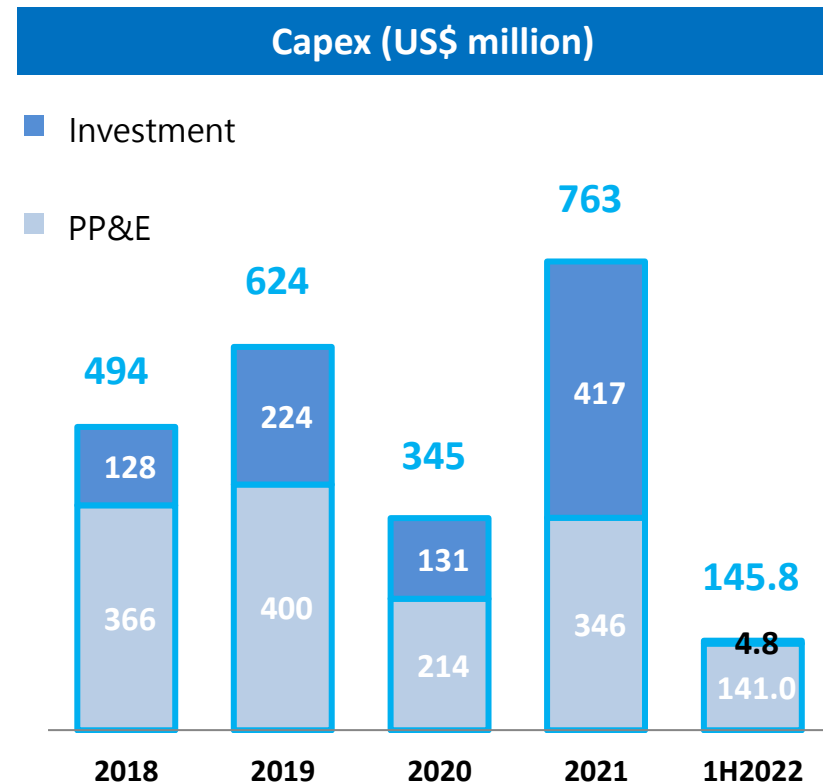
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Solid Financial Position to Support Further M&A Projects

- As of 30 June 2022, our cash and bank balance maintained strong at USD 1.14 billion
- Net gearing ratio remained at a healthy level of 28.0%
- According to our latest Capex plan, adjusted expected Capex in 2022 will be USD 924 million, of which approximately 30% is investment and the remaining 70% is PP&E; actual Capex during 1H2022 was USD 145.8 million

(US\$ million, unless stated otherwise)	As at 31 Dec 2021	As at 30 Jun 2022
Total assets	12,033	11,616
Total liabilities	5,093	4,871
Total equity	6,941	6,745
Total debt	3,220	3,034
Cash and bank balance	1,260	1,143
Net debt to equity	28.2%	28.0%



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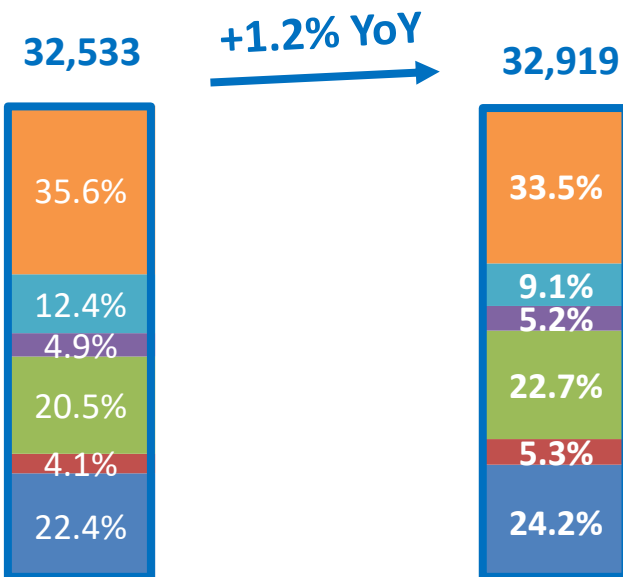
Q&A



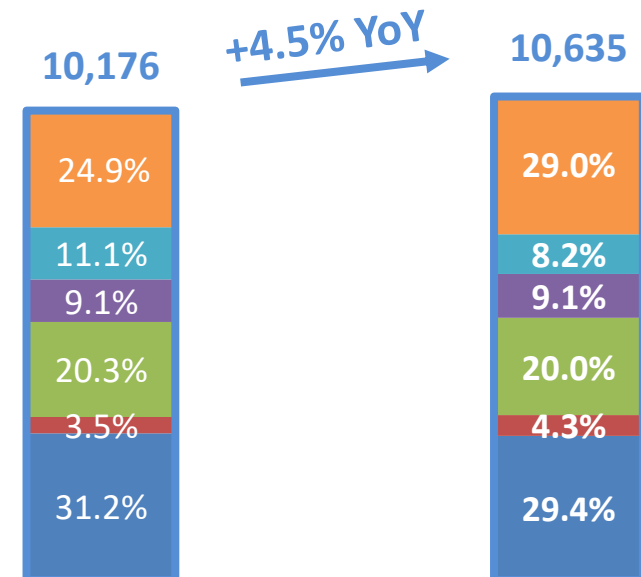
Throughput Contribution from Subsidiary Terminals Continued to Rise during 2Q2022

- Proportion of equity throughput from subsidiary terminals increased from 37.2% to 45.7% in 2Q22 after TCT acquisition.

2Q2022 Total Throughput ('000 TEU)



2Q2022 Equity Throughput ('000 TEU)



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

	2Q2021	2Q2022	YoY Change
Total Throughput ('000 TEU)	32,533	32,919	+1.2%
- Subsidiaries	5,997	8,192	+36.6%
- Subsidiaries as % of total	18.4%	24.9%	+6.5pps
- Non-subsidiaries	26,536	24,727	-6.8%
Total throughput	32,533	32,919	+1.2%

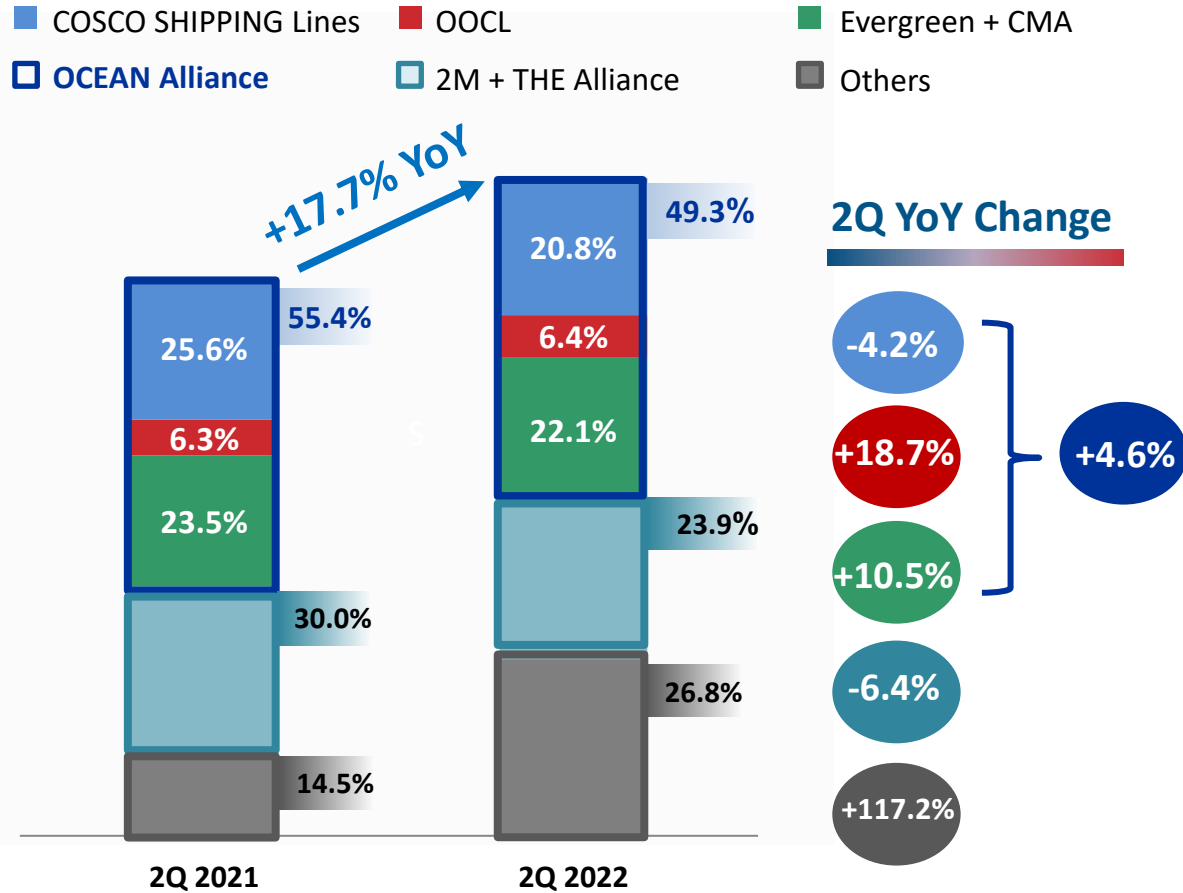
	2Q2021	2Q2022	YoY Change
Equity Throughput ('000 TEU)	10,176	10,635	+4.5%
- Subsidiaries	3,784	4,861	+28.5%
- Subsidiaries as % of total	37.2%	45.7%	+8.5pps
- Non-subsidiaries	6,392	5,774	-9.7%
Equity throughput	10,176	10,635	+4.5%

Note

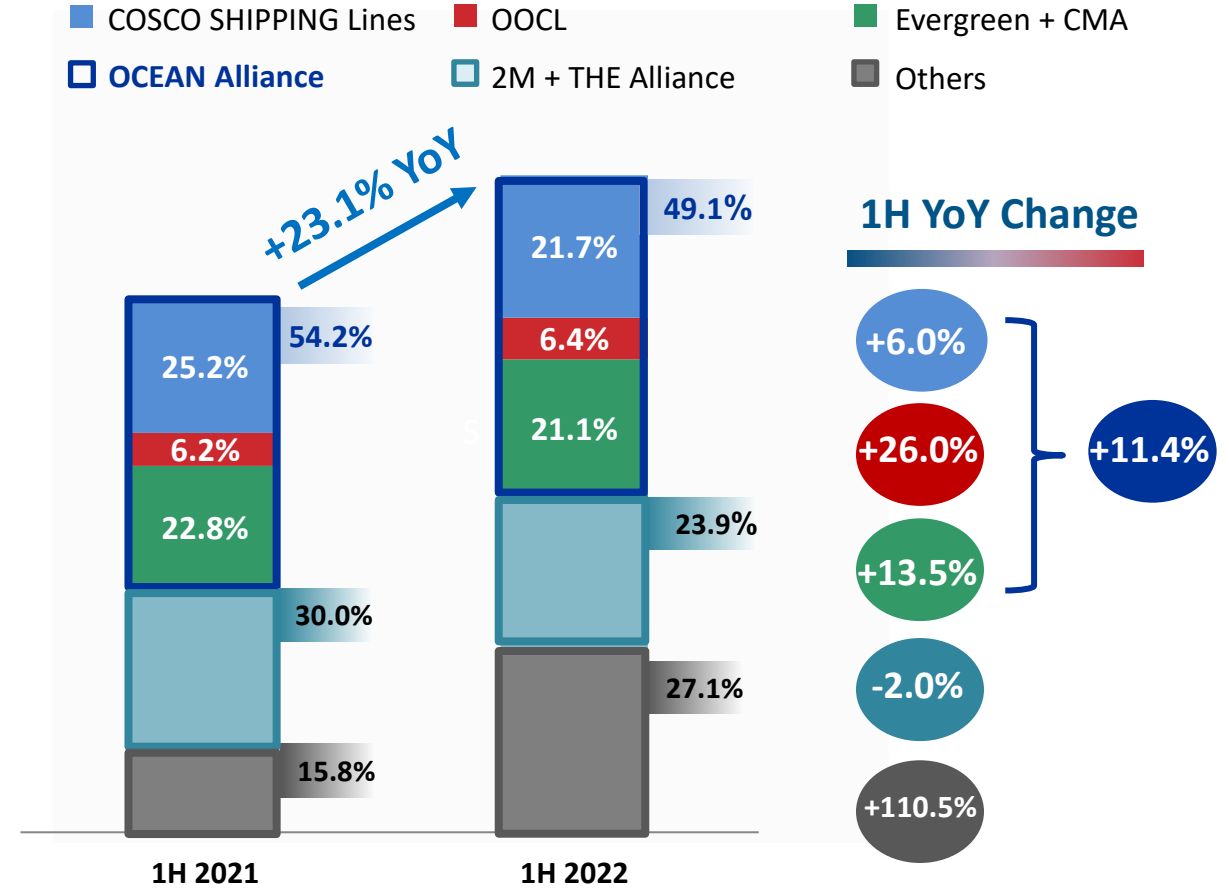
(1) Tianjin Container Terminal (TCT) was a non-subsidiary from January to November 2021 and became a subsidiary starting from December 2021. Therefore, total throughput for 2,538K TEU of TCT during 2Q2021 was included in non-subsidiary terminal and that for 2,383K TEU was included as a subsidiary terminal during 2Q2022, and equity throughput for 406.4K TEU of TCT during 2Q2021 was included in non-subsidiary terminal and that for 1,215.5K TEU was included as a subsidiary terminal during 2Q2022.

Further Enhancing Synergy with Shipping Companies

2Q2022 Customers as A Percentage of Total Throughput ⁽¹⁾



1H2022 Customers as A Percentage of Total Throughput ⁽¹⁾



Note:

(1) Total throughput from 8 major subsidiary terminals at which all shipping companies call, including terminals at TCT, Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi.

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

Accelerate the development of 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 networks with supply chain platforms as a link, expanding service categories to 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.

A Big Push for Technological Innovation at Subsidiary Terminals to Facilitate Lean Operations



- Promote and implement the experience of 5G smart port construction at Wuhan Terminal. Expanding the 5G smart port demonstration area, deploying autonomous container truck system at Xiamen Terminal, extending from single-way to multi-way loading and unloading operations in an unenclosed area
- Rapidly enhance the construction of EAM system, in order to effectively manage equipment procurement and maintenance cost. Nantong, Lianyungang and TCT terminals implemented EAM system during 1H2022, and Guangzhou Nansha and Abu Dhabi terminals are currently in progress
- Develop MIS system, provide auxiliary decision-making for the transparency of production and operation management through unified data standards and process. Lianyungang Terminal implemented MIS system and interconnected with the TOS system



Nantong Terminal implemented Navis N4 system during 1H2022

Ongoing follow-up assessment and terminals which have suitable conditions will implement Navis N4 system



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

- During 1H, Quanzhou, Jinjiang, Lianyungang and PCT terminals began testing to synchronize the status of containers onto the blockchain

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Global Terminal Network and Lean Operations

*Capitalize on
global economic growth
optimize terminal portfolio*

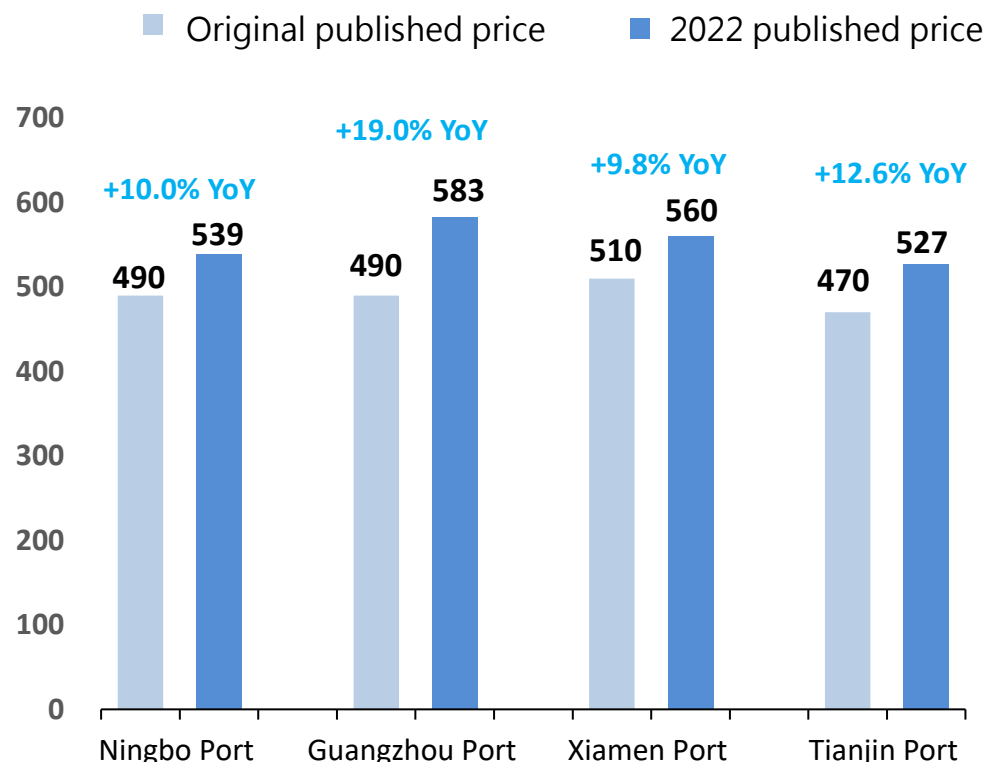
- Identifying potential projects and tapping into the markets such as Southeast Asia, the Middle East and Africa, particularly in strategic subsidiaries and highly-profitable non-subsidiaries amid global economic growth to enhance balanced global network
- Restructuring terminals through port resources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

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



Note:

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

(2) ASP in USD terms for all subsidiary terminals in operation including Jinzhou, Lianyungang, Nantong, Xiamen, Quanzhou Jinjiang, Guangzhou Nansha, PCT, Zeebrugge, Abu Dhabi and CSP Spain terminals on a comparable basis, excluding newly acquired projects of Tianjin Container Terminal, Wuhan, Guinea and Peru Chancay terminals.

- 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 6 new shipping services in 2Q2022 and 11 new shipping services during 1H2022
- Given our successful sales and marketing strategy, we have stronger bargaining power to increase ASP; average ASP from our subsidiaries in 2Q2022 and 1H2022 rose by 13.0% YoY and 8.3% YoY, respectively ⁽²⁾
- We will seize the opportunities of tariff hike in major Chinese ports and strengthen negotiation strategies to further increase contract price

Pledge to Reach Carbon Neutrality at Subsidiary Level

Enhancing Energy Use Efficiency to Reduce Emissions and Combat Climate Change



GHG Emissions

Long-term Commitment:

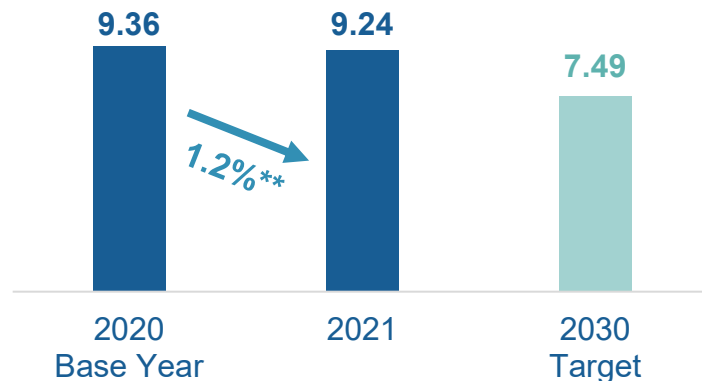
- To achieve carbon neutrality no later than 2060

Short-term Target:

- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of our Subsidiaries by 20% in 2030, as compared with 2020

Subsidiaries' GHG Emission Intensity in 2021*:

(kg of CO₂e per TEU)



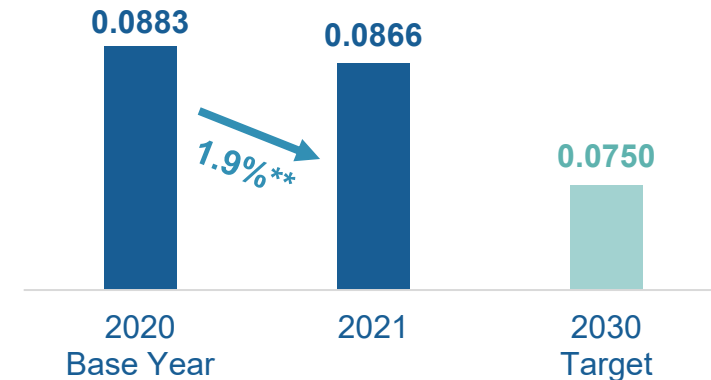
Energy Consumption

Short-term Target:

- To reduce energy consumption intensity of our Subsidiaries by 15% in 2030, as compared with 2020

Subsidiaries' Energy Consumption Intensity in 2021*:

(GJ per TEU)



* Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is still under construction and the acquisition of Tianjin Container Terminal was completed in December 2021. Their environmental performance was not included in the Subsidiaries' Performance for 2020 and 2021.

** The environmental performance data shown in the graph are rounded off, while the corresponding percentage changes are derived from unrounded figures.

Enhancing Water and Waste Management at Subsidiary Level

Contributing to Ecological and Environmental Protection

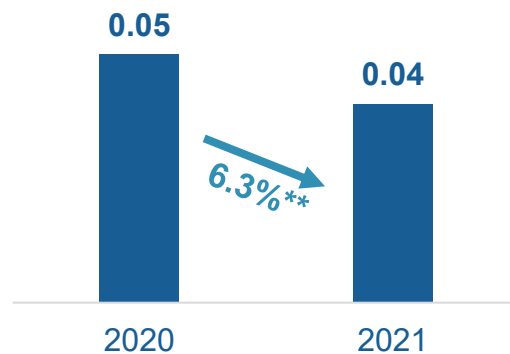


Water Consumption

Target:

- To enhance the management of water resources and improve water use efficiency

Subsidiaries' Water Consumption Intensity in 2021*: (m³ per TEU)



Waste

Target for Hazardous Waste:

- To maintain 100% hazard-free disposal of waste

Target for Non-hazardous Waste:

- To reduce domestic waste by terminals and, in the long term, achieve the goal of zero waste sent to the landfill

Subsidiaries' Hazardous Waste Treatment in 2021*:

- 100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications

* Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is still under construction and the acquisition of Tianjin Container Terminal was completed in December 2021. Their environmental performance was not included in the Subsidiaries' Performance for 2020 and 2021.

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Outlook

Challenges

- Resurgence of COVID-19
- Surging Inflation and interest rate hike
- Increasing risks of 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 and potential ASP hike
- RCEP opportunities

- We will actively enhance the gateway ports network and further strengthen the supply chain to improve our terminal network
- 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 our successful sales and marketing management
- Interest rate hike would dampen demand, while we believe that potential ASP hike could more than offset macro-environment uncertainties
- Treasury management to earn more interest income and reduce interest cost

Expect our equity throughput volume growth will be in line with the industry average

Committed to achieving the strategic goal of “Becoming a Leading World-class Comprehensive Ports Operator”



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

Q & A Session

Thank you!



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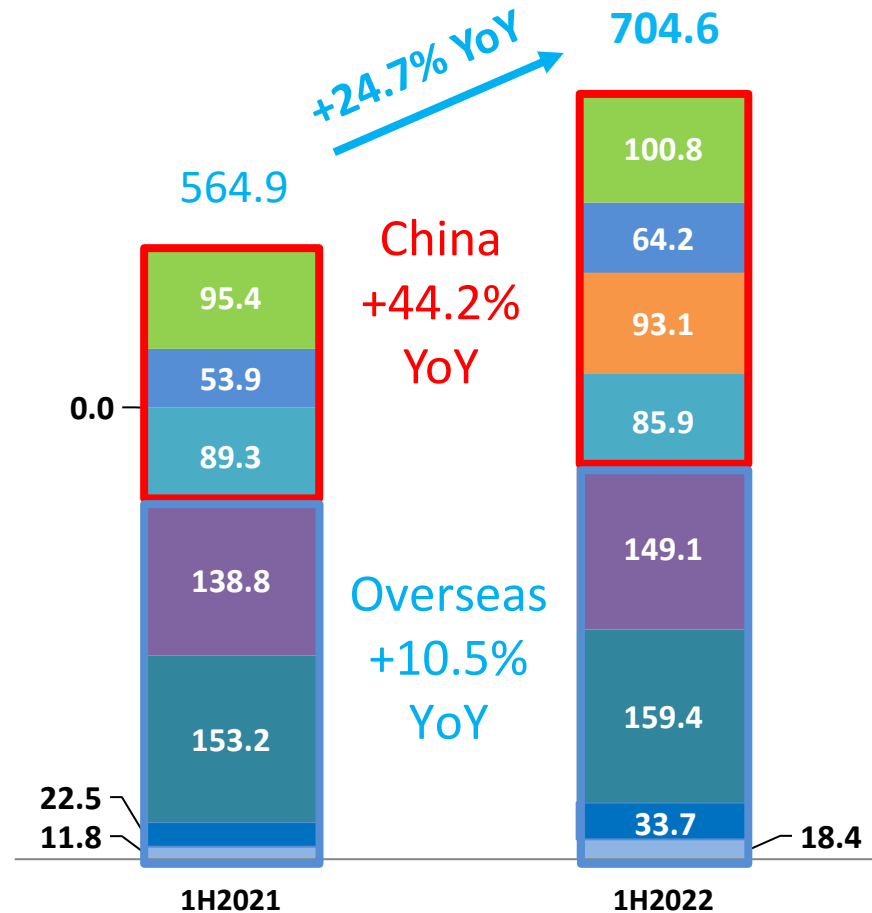
Appendix



Solid Revenue and Gross Profit Growth for 1H2022

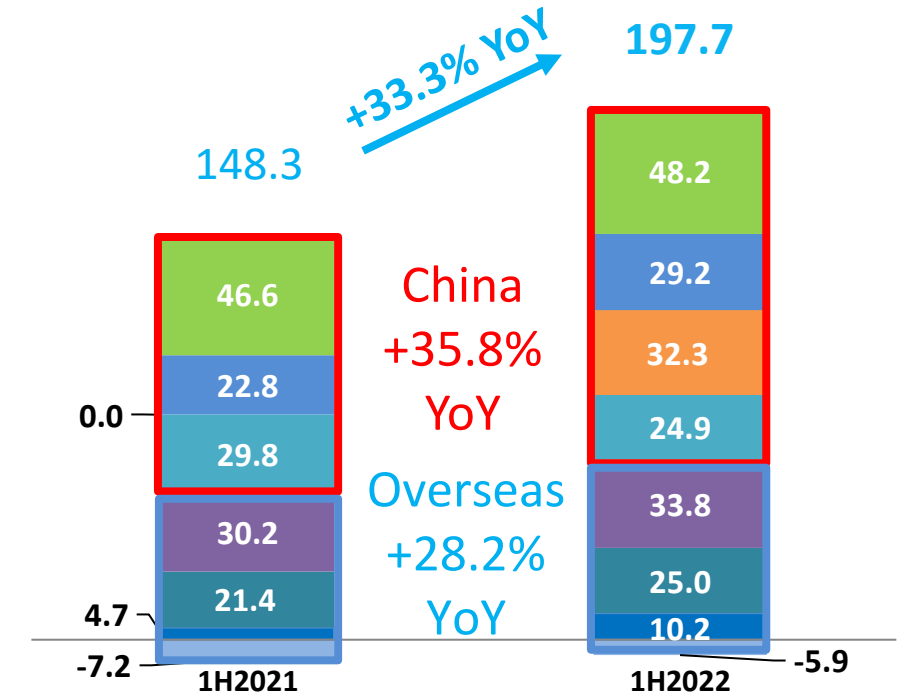
➤ Solid revenue and gross profit growth during 1H2022 was mainly driven by our successful sales and marketing strategy to raise ASP in our global subsidiary terminals, as well as the acquisition of TCT

1H2022 Revenue (US\$ million)



- Guangzhou Nansha
 - Xiamen Oceangate
 - Tianjin Container Terminal
 - Other subsidiaries in the Greater China region
-
- PCT
 - CSP Spain
 - CSP Zeebrugge & CFS
 - Other subsidiaries in overseas region

1H2022 Gross Profit (US\$ million)

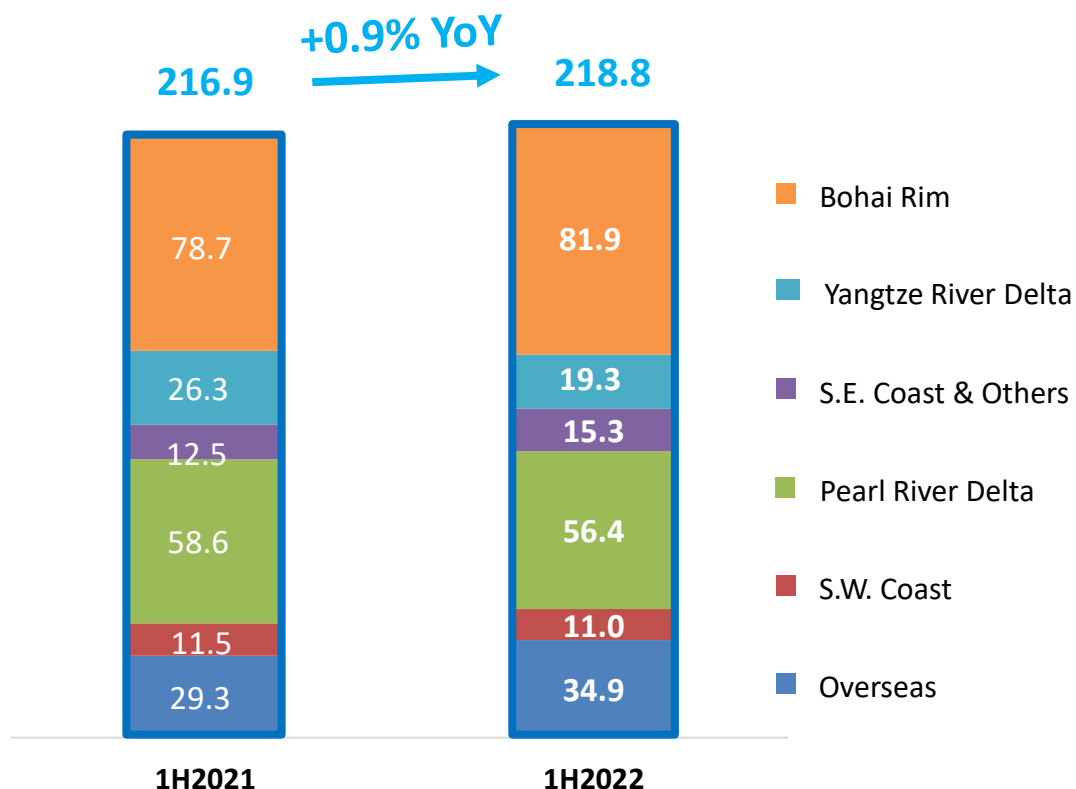


Gross profit margin	1H2021	1H2022	+/-
Greater China region	41.6%	39.2%	-2.4pp
Overseas region	15.1%	17.5%	+2.4pp
Total	26.3%	28.1%	+1.8pp

Continuous Profitability Enhancement for Subsidiary Terminals during 1H2022

- Strong performance at subsidiary terminals offset the fair results of JV & Associates, leading to a 0.9% YoY increase in total terminal profit during 1H2022

1H2022 Terminal Profit by Regions (US\$ million) ⁽¹⁾



Note:

(1) Tianjin Container Terminal (TCT) was a non-subsidiary (16.01% stake) from January to November 2021 and became our subsidiary (added 34.99% stake to 51% stake) starting from December 2021. TCT's terminal profit contribution during 1H2021 was USD 2.91 million and TCT's terminal profit contribution during 1H2022 was USD 7.49 million.

Top 10 Terminal Contributors

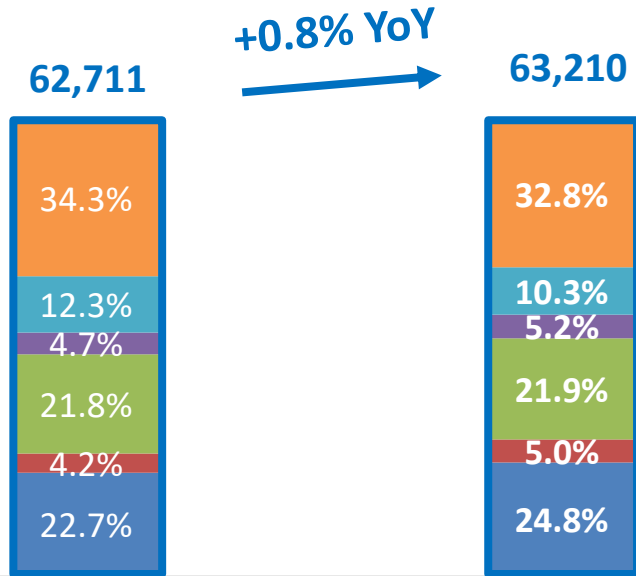
	1H2021	1H2022
QPI	30.2%	30.8%
Yantian	15.6%	14.3%
PCT	7.0%	8.2%
Guangzhou Nansha	5.2%	Xiamen Ocean gate 6.2%
Xiamen Ocean gate	4.4%	Guangzhou Nansha 5.4%
Shanghai Pudong	4.2%	Kumport 4.2%
Beibu Gulf Port	3.5%	Shanghai Pudong 3.7%
Kumport	3.2%	Tianjin Container Terminal 3.4%
COSCO-PSA	3.0%	Beibu Gulf Port 3.4%
Shanghai Mingdong	2.7%	COSCO-HIT 2.5%
Total:	79.1%	76.0%

Subsidiary/non-subsidiary terminal profit	1H2021	1H2022
Subsidiary terminal profit (as % of total)	USD 40.2M (18.5%)	USD 58.3M (26.7%)
Non-subsidiary terminal profit (as % of total)	USD 176.7M (81.5%)	USD 160.5M (73.3%)
Total terminal profit (as % of total)	USD 216.9M (100.0%)	USD 218.8M (100.0%)

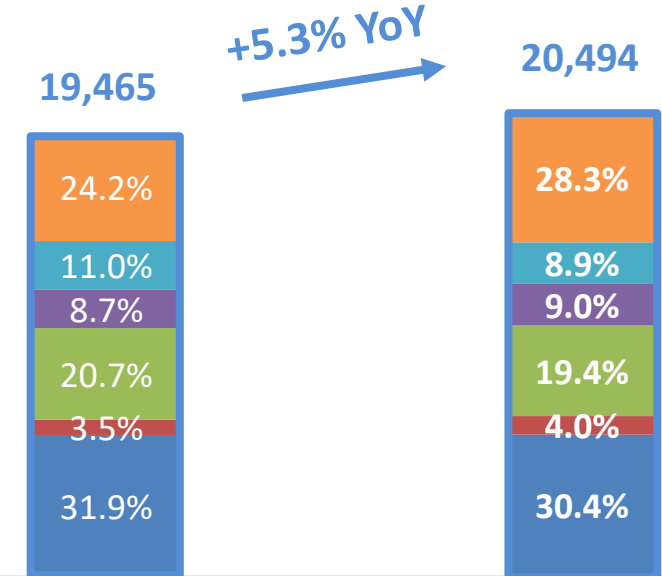
Equity Throughput from Subsidiary Terminals Continued to Grow during 1H2022

➤ 1H2022 equity throughput increased 5.3% YoY. The main contributors were Overseas region and Bohai Rim region

1H2022 Total Throughput ('000 TEU)



1H2022 Equity Throughput ('000 TEU)



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

	1H2021	1H2022	YoY Change
Total Throughput ('000 TEU)	62,711	63,210	+0.8%
- Subsidiaries	11,363	15,680	+38.0%
- Subsidiaries as % of total	18.1%	24.8%	+6.7pps
- Non-subsidiaries	51,348	47,531	-7.4%

	1H2021	1H2022	YoY Change
Equity Throughput ('000 TEU)	19,465	20,494	+5.3%
- Subsidiaries	7,185	9,357	+30.2%
- Subsidiaries as % of total	36.9%	45.7%	+8.8pps
- Non-subsidiaries	12,280	11,137	-9.3%

Note: Total throughput

(1) Tianjin Container Terminal (TCT) was a non-subsidiary from January to November 2021 and became a subsidiary starting from December 2021. Therefore, total throughput for 4,466K TEU of TCT during 1H2021 was included in non-subsidiary terminal and that for 4,319K TEU was included as a subsidiary terminal during 1H2022, and equity throughput for 715.0K TEU of TCT during 1H2021 was included in non-subsidiary terminal and that for 2,202.6K TEU was included as a subsidiary terminal during 1H2022.

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.*

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.

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
<ol style="list-style-type: none"> 1. Elevating diversity and inclusion at workplace 	<ol style="list-style-type: none"> 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 			<ol style="list-style-type: none"> 1. Helping local communities fight against COVID-19
<ol style="list-style-type: none"> 2. Building resilience amid the COVID-19 pandemic by strengthening occupational health and safety for our staff, terminal workers and customers. 		<ol style="list-style-type: none"> 2. Gearing up for climate change by developing resilience and identifying risks 	<ol style="list-style-type: none"> 2. Adopting a fair and stringent procurement and tendering mechanism 	<ol style="list-style-type: none"> 2. Alleviating poverty by making donations and sponsoring charitable events
<ol style="list-style-type: none"> 3. Adhering to principles of fair recruitment and career development and trainings, and strictly prohibiting any kind of discrimination 	<ol style="list-style-type: none"> 3. Improving operating systems, for example, applying the Navis N4 system 	<ol style="list-style-type: none"> 3. Planting trees to offset carbon emission 	<ol style="list-style-type: none"> 3. Conducting regular assessment of suppliers to ensure cost competitiveness, business innovation and quality control 	<ol style="list-style-type: none"> 3. Promoting literacy by sharing knowledge and experience in the industry
<ol style="list-style-type: none"> 4. Encouraging internal communications and putting in place whistle-blowing policy 	<ol style="list-style-type: none"> 4. Organising customer events to promote the synergies of global terminal network 	<ol style="list-style-type: none"> 4. Raising environmental awareness of staff and terminal workers 	<ol style="list-style-type: none"> 4. Inviting and evaluating tenders online to prevent the pandemic from affecting project execution 	<ol style="list-style-type: none"> 4. Encouraging volunteer activities in local societies

Disclaimer

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

Thank you!

