



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

3Q 2022

Results Presentation



*Accelerating Development by
Improving Quality*



*Achieving Results by
Increasing Efficiency*

October 27, 2022



Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

5

Q&A



Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

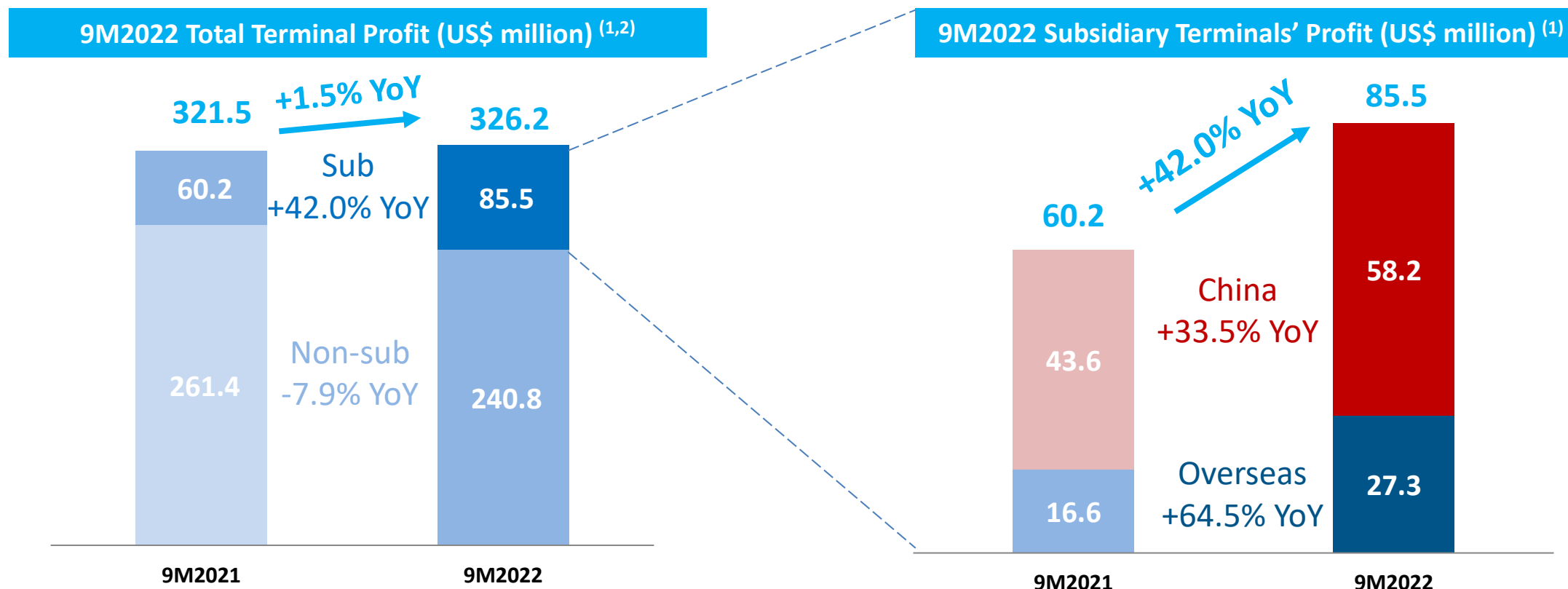
5

Q&A



Strong Subsidiary Terminals' Profit Growth Momentum in 9M2022

- **Subsidiary terminals' profit surged 42.0% YoY**, mainly driven by successful lean operations management to boost revenue and reduce costs and contribution of TCT ⁽¹⁾.
- We increased our stake in TCT from 16.01% to 51% in Dec 2021. Terminal profit contribution from TCT during 9M2022 was USD 9.11 M, stripping out contribution from TCT, subsidiary terminals' profit rose 26.9% YoY to USD 76.4 M.



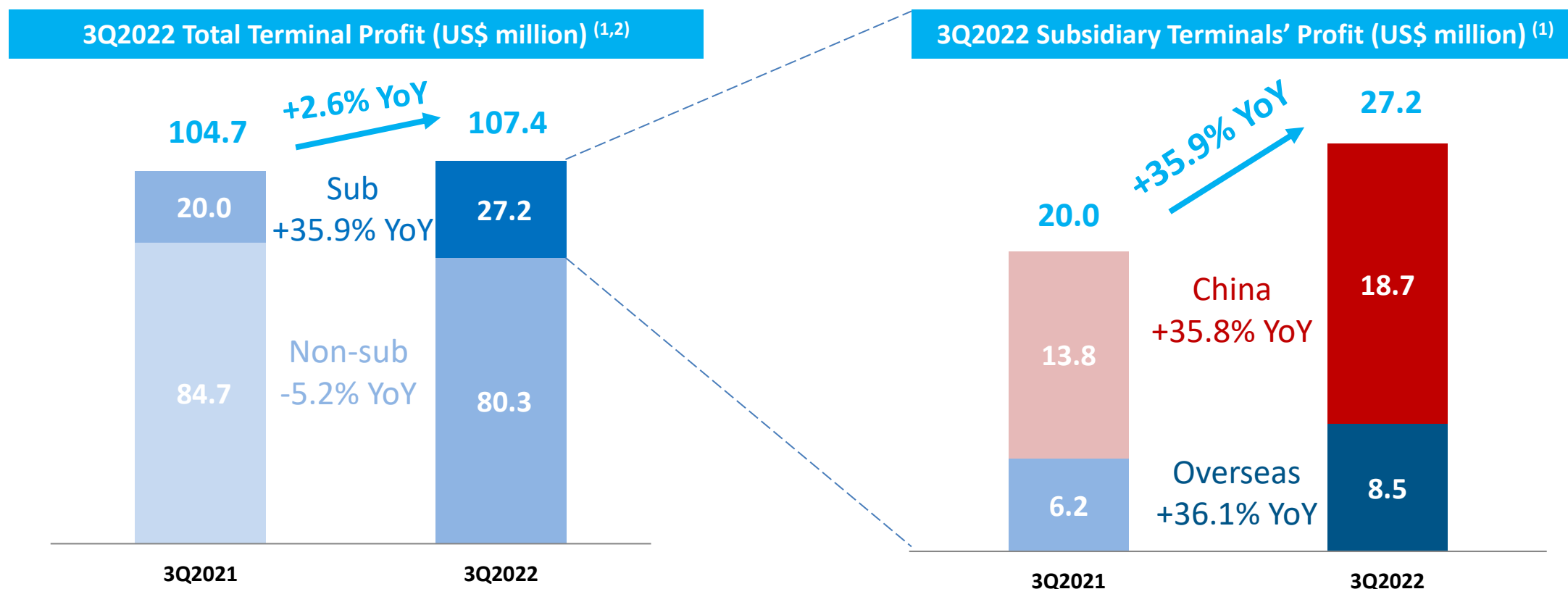
Note:

(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 9M2021 was USD 3.62 million and TCT's terminal profit contribution during 9M2022 was USD 9.11 million.

(2) Stripping out CB fair value gain of USD 7.06M in 9M2021 and CB fair value loss of USD 2.66M in 9M2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded.

Subsidiary Terminals' Profit Growth Momentum Remains Strong in 3Q2022

- **Subsidiary terminals' profit in 3Q2022 rose 35.9% YoY**, mainly driven by successful lean operations management to boost revenue and reduce costs, and contribution from TCT ⁽¹⁾.
- Terminal profit contribution from TCT during 3Q2022 was USD 1.62 M, excluding TCT, subsidiary terminals' profit rose 27.8% YoY to USD 25.5 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 3Q2021 was USD 0.71 million and TCT's terminal profit contribution during 3Q2022 was USD 1.62 million.

(2) Stripping out CB fair value gain of USD 7.06M in 3Q2021 and CB fair value loss of USD 2.66M in 3Q2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded.

Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

5

Q&A



9M2022 Financial Highlights

(US\$ million, unless stated otherwise)	Reported			On a comparable basis, excluding contribution from TCT which was not our subsidiary terminal during 9M2021		
	9M2021	9M2022	YoY Change	9M2021	9M2022	YoY Change
Consolidated throughput from Subsidiaries (in '000 TEU)	17,282.2	24,215.5	+40.1%	17,282.2	17,473.3	+1.1%
Revenue	860.6	1,054.0	+22.5%	860.6	918.0	+6.7%
Cost of sales	634.9	754.0	+18.8%	634.9	666.1	+4.9%
Gross profit	225.8	300.0	+32.9%	225.8	252.0	+11.6%
Gross profit margin (%)	26.2	28.5	+2.3pp	26.2	27.4	+1.2pp
Share of profits from Joint Ventures & Associates	259.8	241.5	-7.0%	256.2	241.5	-5.7%
Net profit attributable to shareholders	261.8	262.6	+0.3%			
Adjusted net profit attributable to shareholders ⁽¹⁾	254.7	265.3	+4.2%			
EPS (US cents)	7.90	7.85	-0.6%			

(1) Stripping out CB fair value gain of USD 7.06M in 9M2021 and CB fair value loss of USD 2.66M in 9M2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded.

3Q2022 Financial Highlights – Margin Continued to Expand

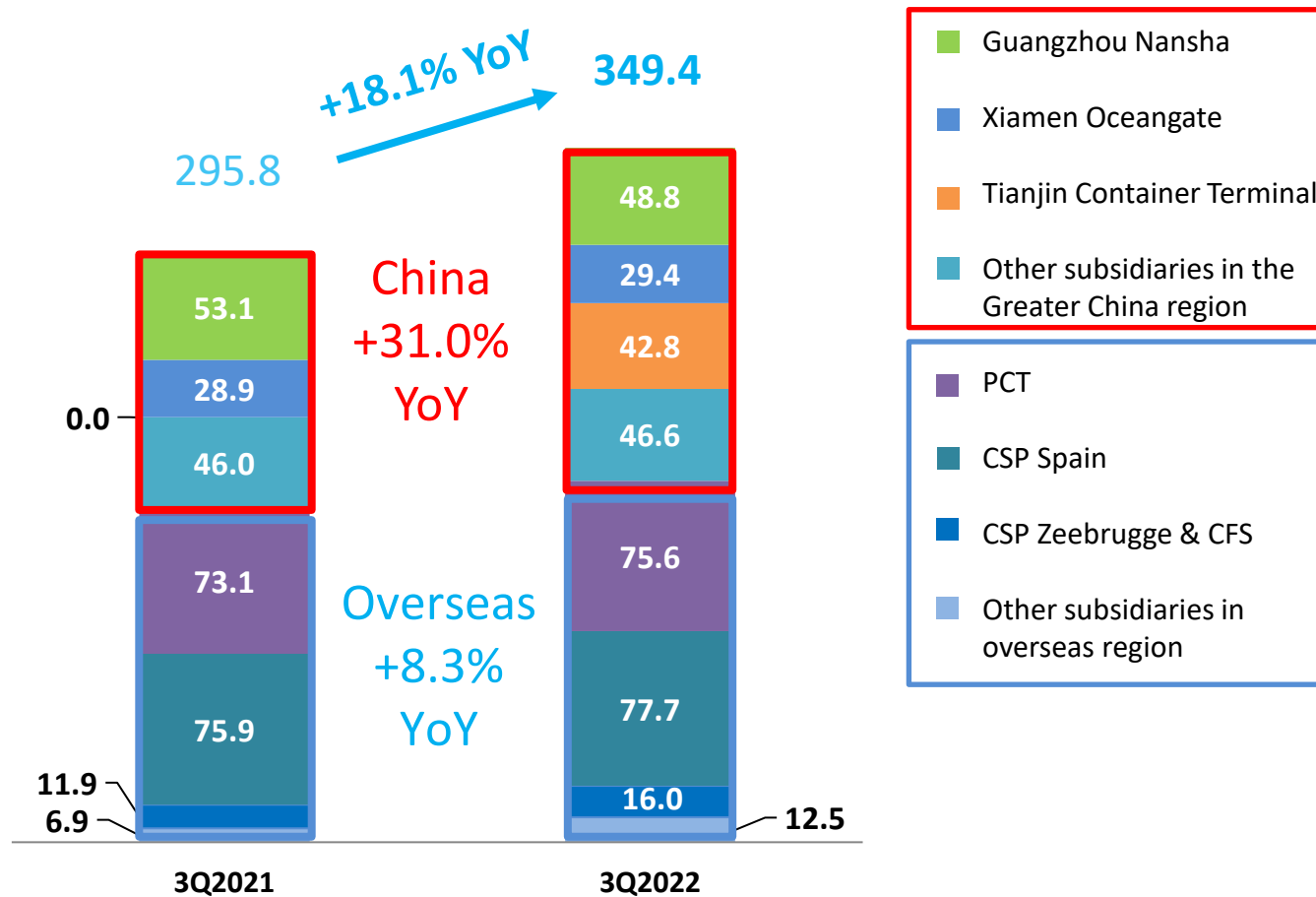
(US\$ million, unless stated otherwise)	Reported			On a comparable basis, excluding contribution from TCT which was not our subsidiary terminal during 3Q2021		
	3Q2021	3Q2022	YoY Change	3Q2021	3Q2022	YoY Change
Consolidated throughput from Subsidiaries (in '000 TEU)	5,919.3	8,535.9	+44.2%	5,919.3	6,112.6	+3.3%
Revenue	295.8	349.4	+18.1%	295.8	306.5	+3.6%
Cost of sales	218.3	247.1	+13.2%	218.3	219.9	+0.7%
Gross profit	77.5	102.3	+32.0%	77.5	86.6	+11.8%
Gross profit margin (%)	26.2	29.3	+3.1pp	26.2	28.3	+2.1pp
Share of profits from Joint Ventures & Associates	84.6	81.3	-3.9%	83.9	81.3	-3.1%
Net profit attributable to shareholders	86.1	85.7	-0.6%			
Adjusted net profit attributable to shareholders ⁽¹⁾	79.1	88.3	+11.7%			
EPS (US cents)	2.60	2.53	-2.7%			

(1) Stripping out CB fair value gain of USD 7.06M in 3Q2021 and CB fair value loss of USD 2.66M in 3Q2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded.

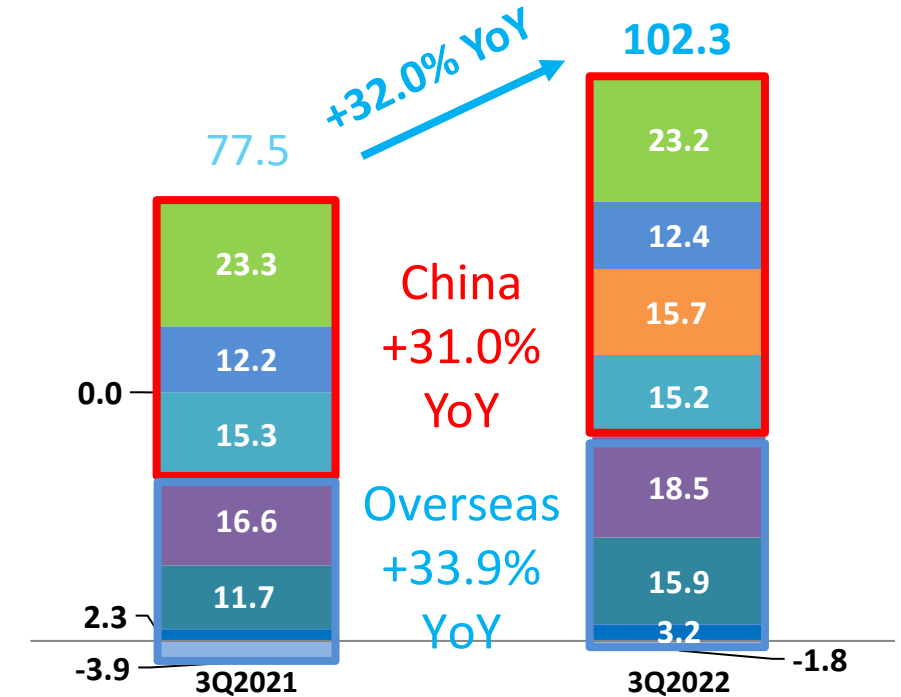
Gross Profit Grew by 32.0% YoY during 3Q2022

➤ GPM in China region stayed at a relatively high level at 39.7%; GPM in overseas region increased 3.8 pps to 19.7% in 3Q2022.

3Q2022 Revenue (US\$ million)



3Q2022 Gross Profit (US\$ million)

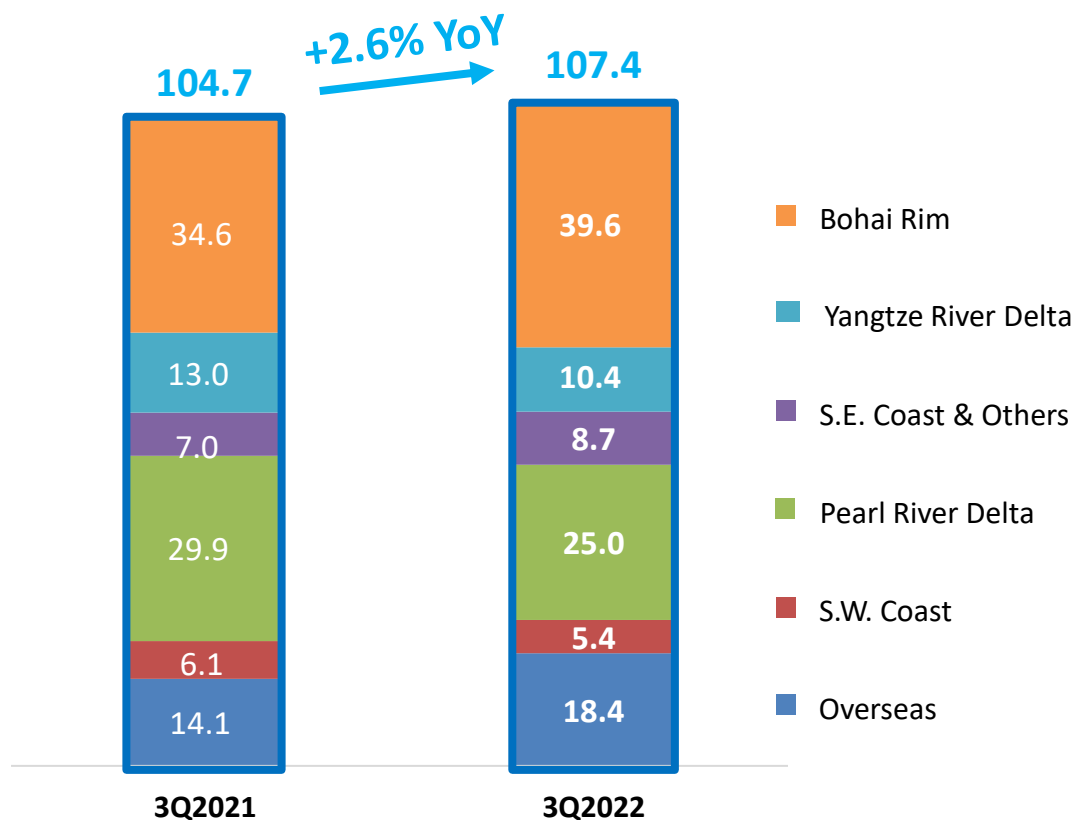


Gross profit margin	3Q2021	3Q2022	+/-
China region	39.7%	39.7%	+0.0pp
Overseas region	15.9%	19.7%	+3.8pp
Total	26.2%	29.3%	+3.1pp

Continuous Enhancement of Subsidiary Terminals Contribution in 3Q2022

➤ Terminal profit from subsidiaries rose 35.9% YoY to USD 27.2 M, contributing 25.3% of total in 3Q2022, compared to 17.9% in 3Q2021

3Q2022 Terminal Profit by Regions (US\$ million) ^(1,2)



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 3Q2021 was USD 0.71 million and TCT's terminal profit contribution during 3Q2022 was USD 1.62 million.

(2) Stripping out CB fair value gain of USD 7.06M in 3Q2021 and CB fair value loss of USD 2.66M in 3Q2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded.

Top 10 Terminal Contributors

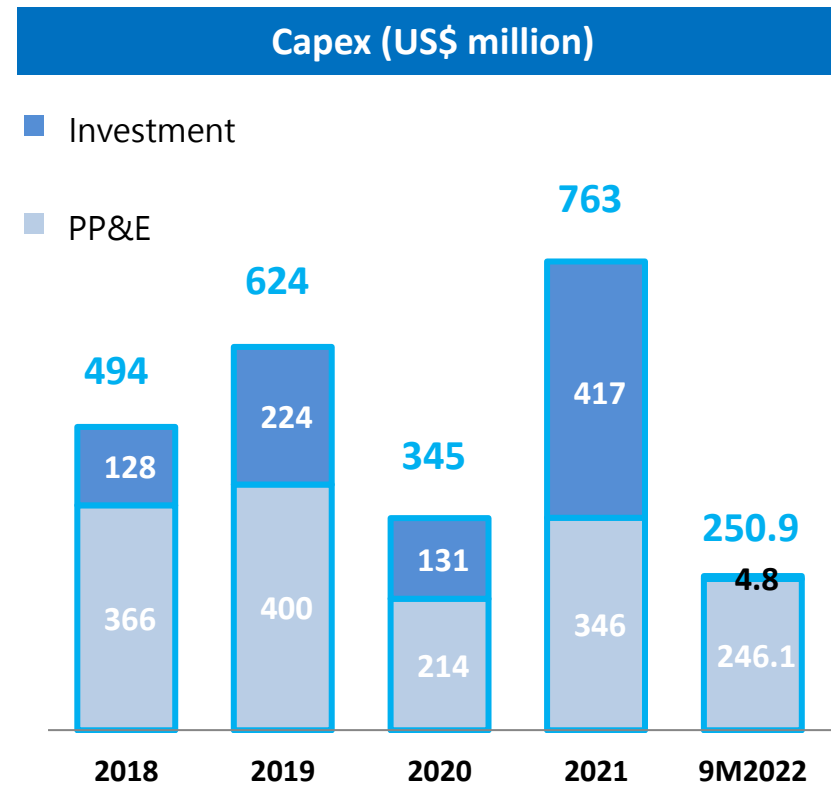
	3Q2021	3Q2022
QPI	27.6%	31.4%
Yantian	16.8%	14.1%
PCT	8.2%	9.6%
Guangzhou Nansha	5.3%	6.7%
Shanghai Pudong	5.2%	5.6%
Xiamen Ocean Gate Terminal	5.0%	5.5%
Beibu Gulf Port	4.0%	4.5%
Kumport	3.7%	3.5%
COSCO-HIT	3.4%	2.3%
Shanghai Mingdong	3.3%	2.0%
Total	82.5%	85.1%

Subsidiary/non-subsidiary terminal profit	3Q2021	3Q2022
Subsidiary terminal profit (as % of total)	USD 20.0M (19.1%)	USD 27.2M (25.3%)
Non-subsidiary terminal profit (as % of total)	USD 84.7M (80.9%)	USD 80.2M (74.7%)
Total terminal profit (as % of total)	USD 104.7M (100.0%)	USD 107.4M (100.0%)

Solid Financial Position to Support M&A and Dividend Payout

- As of 30 September 2022, our cash and bank balance maintained strong at USD 1.25 billion
- Net gearing ratio remained at a healthy level of 26.9%
- Actual Capex in 3Q2022 was USD 105.2 million and in 9M2022 was USD 250.9 million

(US\$ million, unless stated otherwise)	As at 31 Dec 2021	As at 30 Sep 2022
Total assets	12,033	11,233
Total liabilities	5,093	4,826
Total equity	6,941	6,407
Total debt	3,220	2,978
Cash and bank balance	1,260	1,253
Net debt to equity	28.2%	26.9%



Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

5

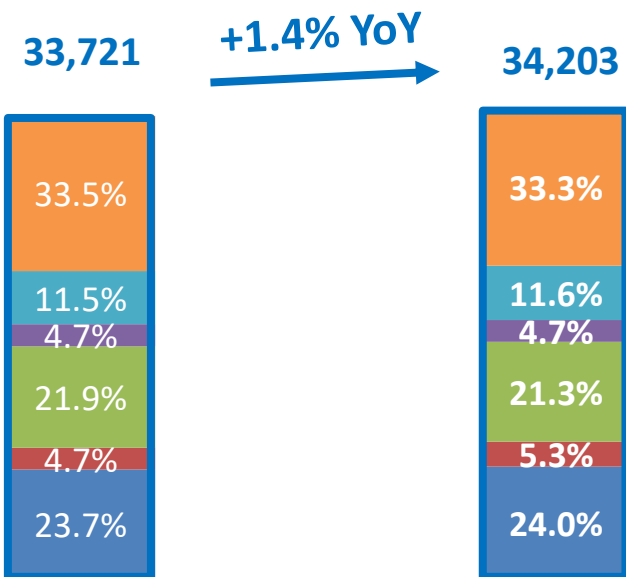
Q&A



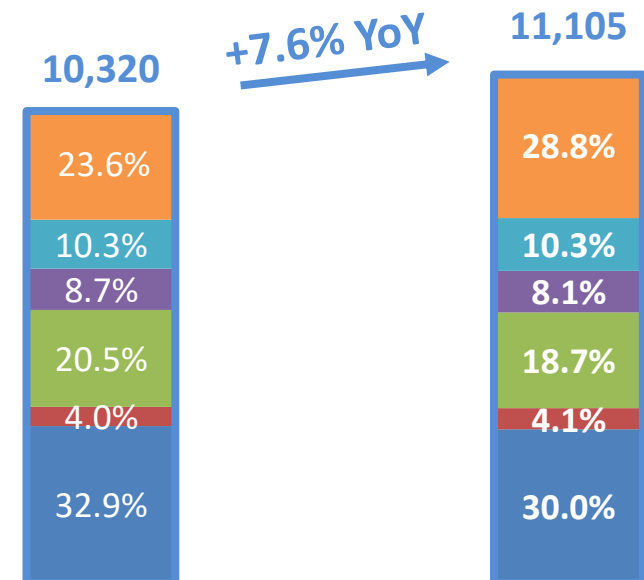
Throughput Contribution from Subsidiary Terminals Continued to Rise during 3Q2022

- Proportion of equity throughput from subsidiary terminals increased from 36.6% to 45.7% in 3Q22 after TCT acquisition.

3Q2022 Total Throughput ('000 TEU)



3Q2022 Equity Throughput ('000 TEU)



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

	3Q2021	3Q2022	YoY Change
Total Throughput ('000 TEU)	33,721	34,203	+1.4%
- Subsidiaries	5,919	8,536	+44.2%
- Subsidiaries as % of total	17.6%	25.0%	+7.4pps
- Non-subsidiaries	27,801	25,668	-7.7%
Total throughput	33,721	34,203	+1.4%

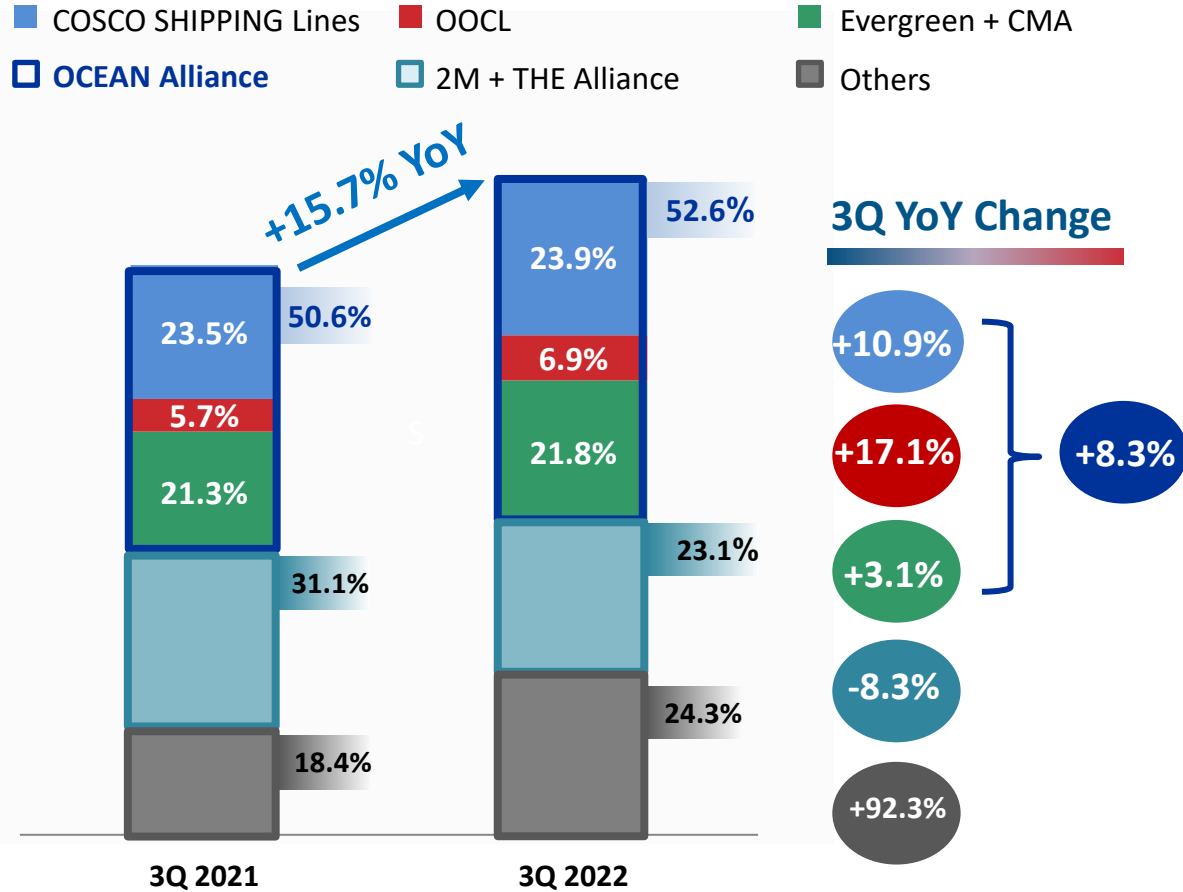
	3Q2021	3Q2022	YoY Change
Equity Throughput ('000 TEU)	10,320	11,105	+7.6%
- Subsidiaries	3,774	5,071	+34.4%
- Subsidiaries as % of total	36.6%	45.7%	+9.1pps
- Non-subsidiaries	6,546	6,034	-7.8%
Equity throughput	10,320	11,105	+7.6%

Note

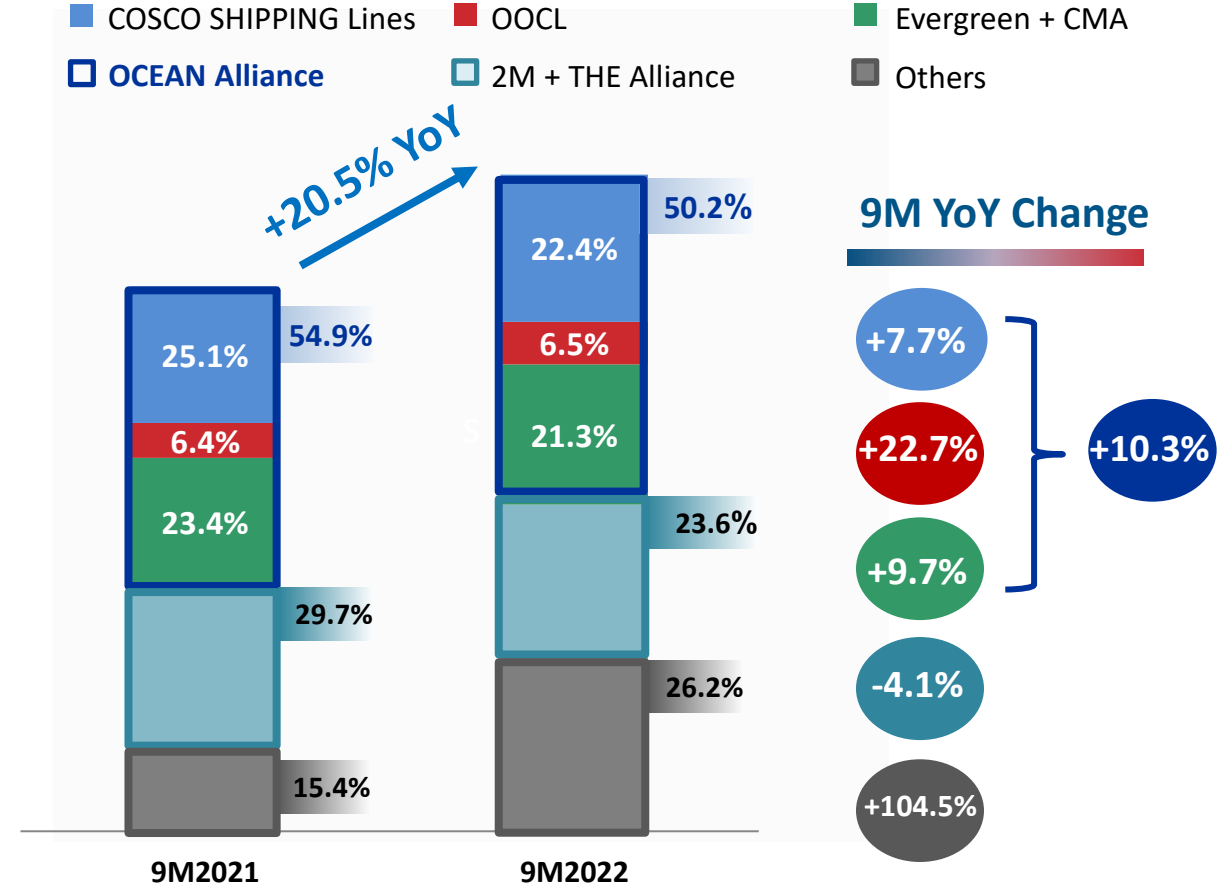
(1) Tianjin Container Terminal (TCT) was a non-subsidiary from January to November 2021 and became a subsidiary starting from December 2021. Therefore, total throughput for 2,394K TEU of TCT during 3Q2021 was included in non-subsidiary terminal and that for 2,423K TEU was included as a subsidiary terminal during 3Q2022, and equity throughput for 383.3K TEU of TCT during 3Q2021 was included in non-subsidiary terminal and that for 1,235.9K TEU was included as a subsidiary terminal during 3Q2022.

Throughput Growth Supported by Ocean Alliance

3Q2022 Customers as A Percentage of Total Throughput ⁽¹⁾



9M2022 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 9M2022, 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 9M2022

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

Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

5

Q&A



Global Terminal Network and Lean Operations

*Capitalize on
global economic growth
optimize terminal portfolio*

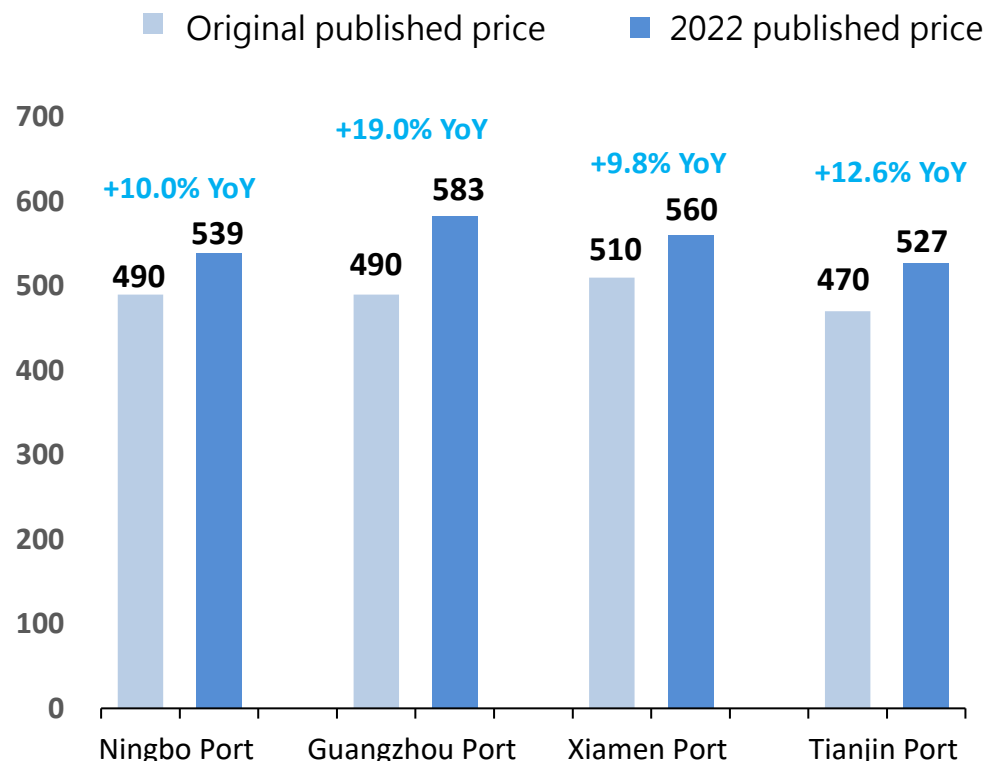
- Identifying potential projects and tapping into the markets such as Southeast Asia, the Middle East and Africa, particularly in strategic subsidiaries and highly-profitable non-subsidiaries amid global economic growth to enhance balanced global network
- Restructuring terminals through port resources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



- 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 3Q2022 and 17 new shipping services during 9M2022
- In local currency terms, ASP of Chinese subsidiary terminals grew by 4%-5% YoY; ASP of European subsidiary terminals increased about 29.2% YoY during 3Q2022 ⁽²⁾
- During 9M2022, our company's main subsidiary terminals have already experienced a significant rise in ASP. We will continue to maintain high awareness of changes in the market and take advantage of opportunities to increase rates. We will strive to improve efficiency and to increase ASP and marginal benefit

Note:

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

(2) Subsidiary terminals in operation including Jinzhou, Lianyungang, Nantong, Xiamen, Quanzhou, Jinjiang, Guangzhou Nansha, PCT, Zeebrugge and CSP Spain terminals on a comparable basis, excluding newly acquired projects of Tianjin Container Terminal, Abu Dhabi, Wuhan, Guinea and Peru Chancay terminals. Besides, ASP of Chinese subsidiary terminals excluded the data of Nantong Tonghai Terminal in 3Q mainly due to the temporary factor of change of product mix (higher proportion of empty boxes) at this terminal in 3Q.

Pledge to Reach Carbon Neutrality at Subsidiary Level

Enhancing Energy Use Efficiency to Reduce Emissions and Combat Climate Change



GHG Emissions

Long-term Commitment:

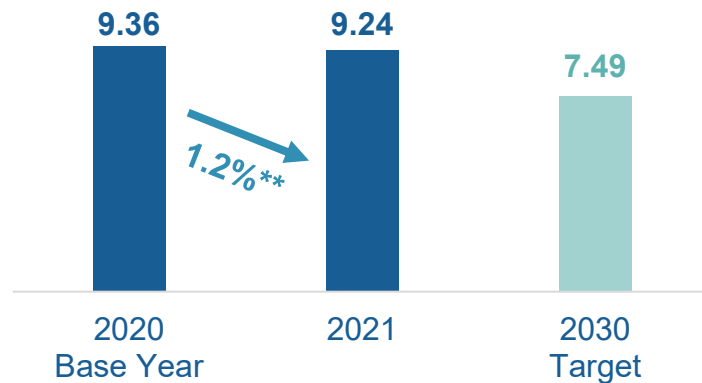
- To achieve carbon neutrality no later than 2060

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)



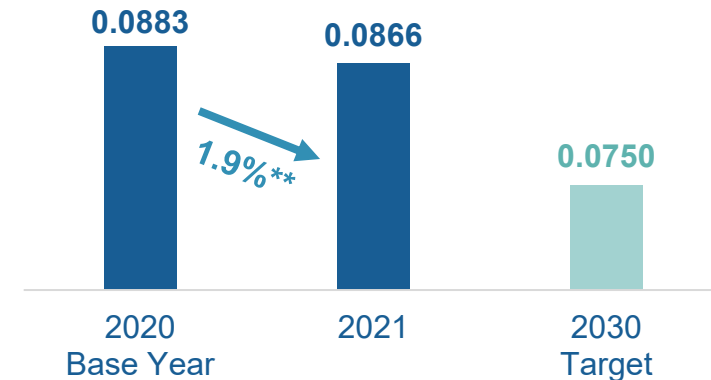
Energy Consumption

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

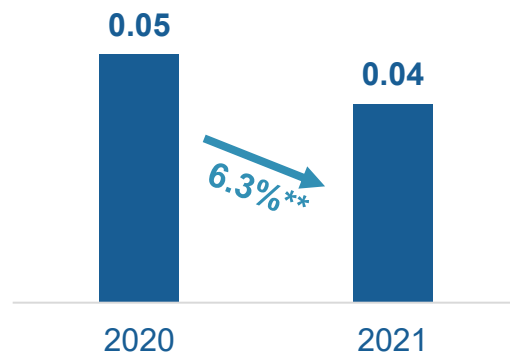


Water Consumption

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.

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

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!



Agenda

1

Key Highlights

2

Financial Performance

3

Operational Review

4

Strategy & Outlook

5

Q&A

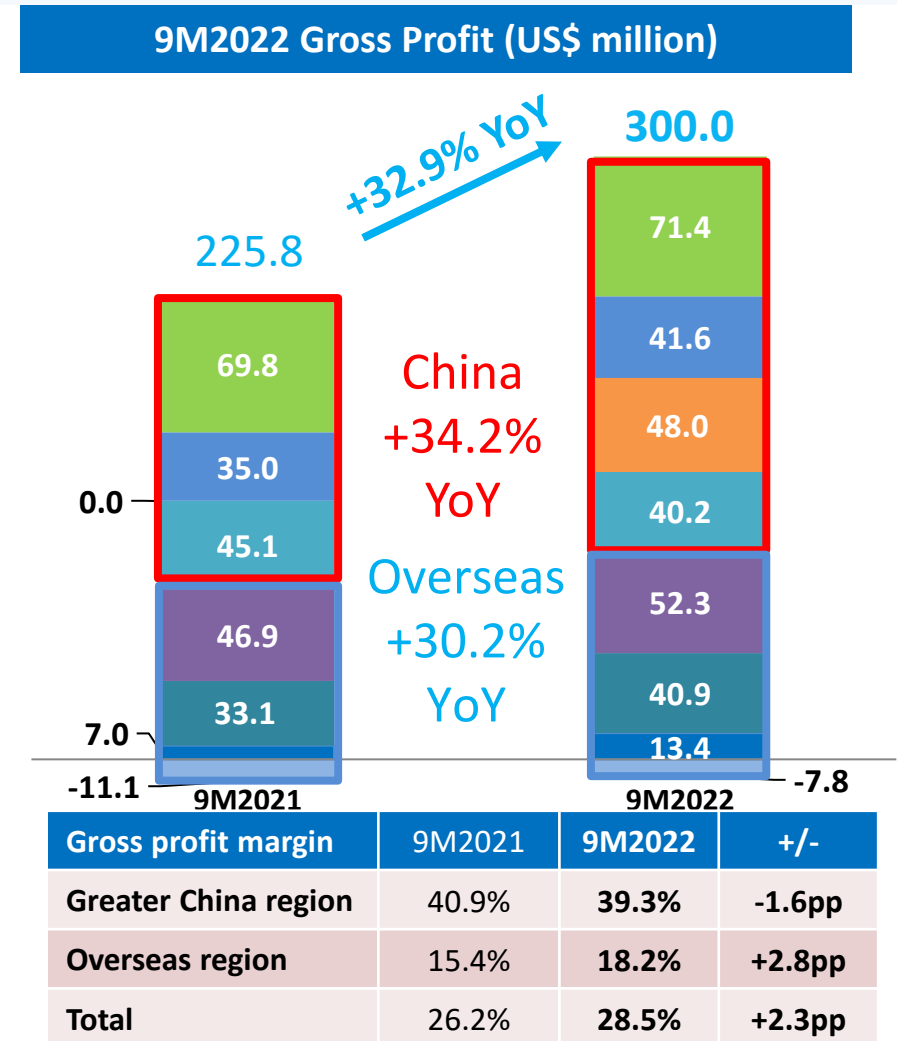
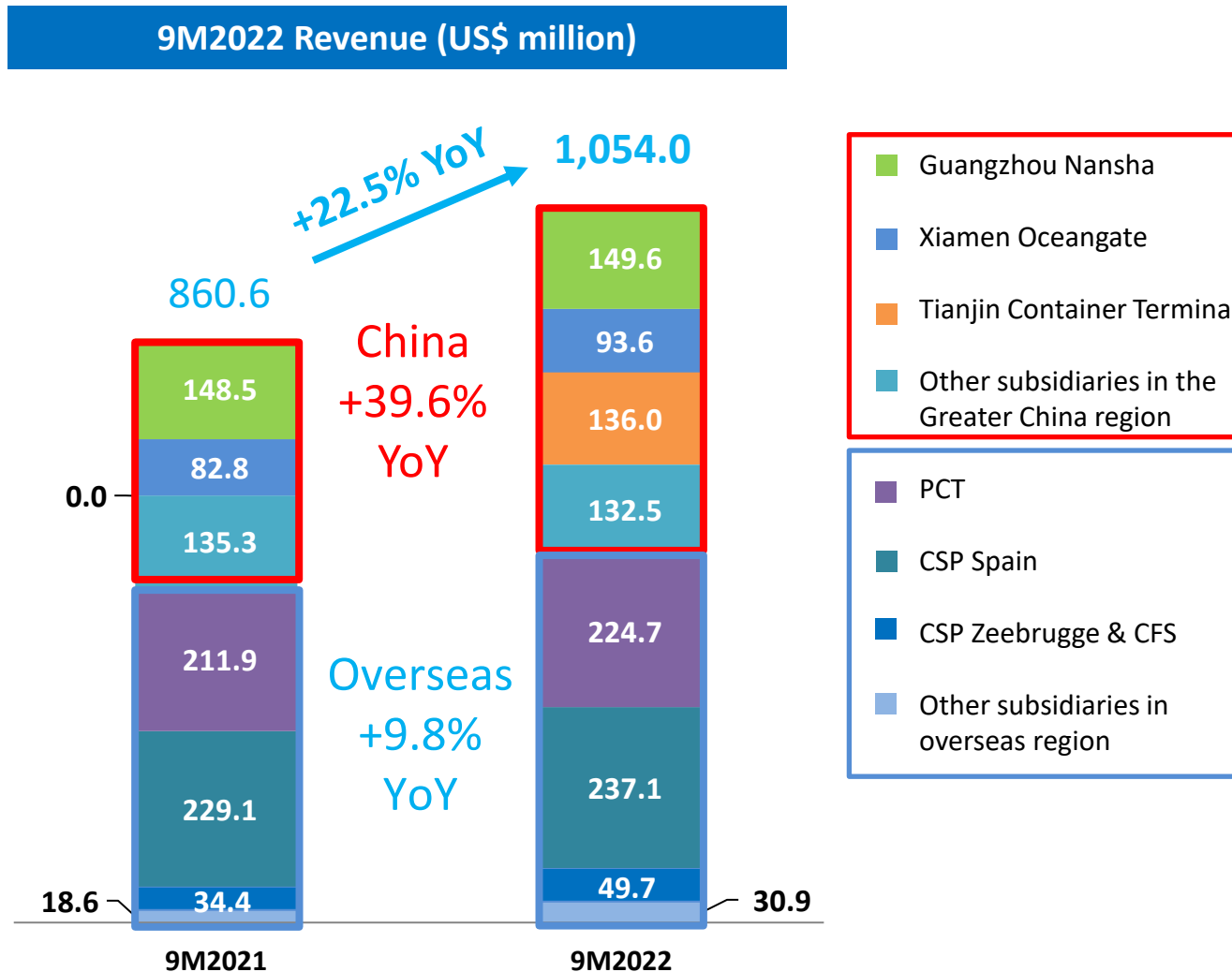
6

Appendix



Solid Revenue and Gross Profit Growth for 9M2022

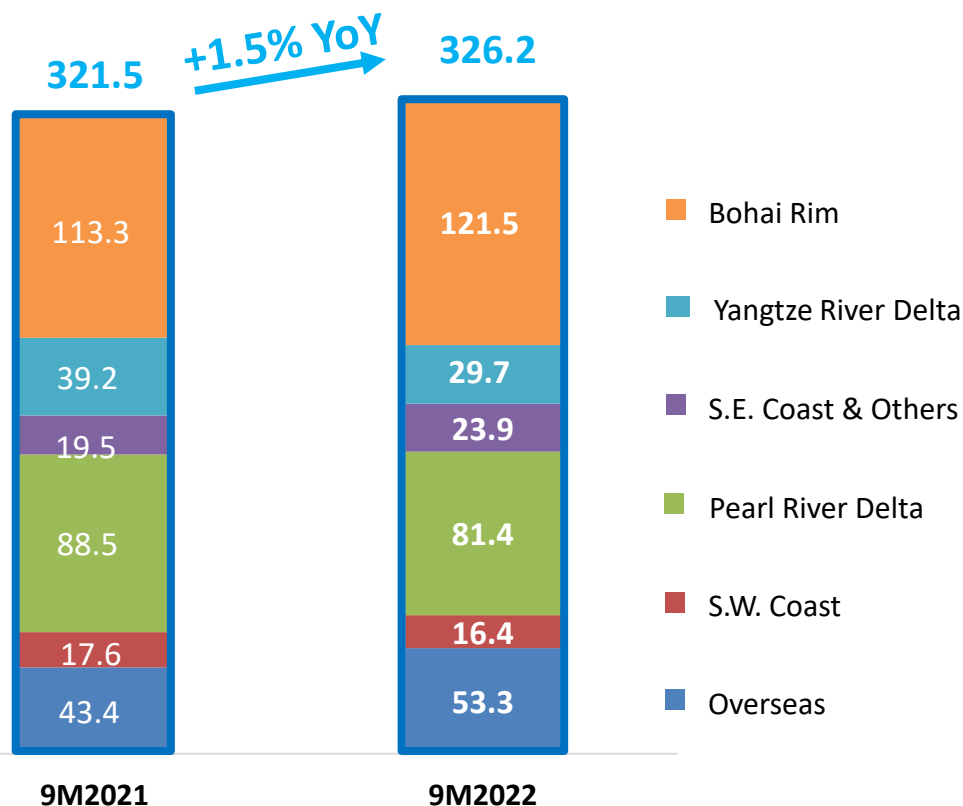
➤ Solid revenue and gross profit growth during 9M2022 was mainly driven by our successful sales and marketing strategy to raise ASP in our global subsidiary terminals, as well as the acquisition of TCT



Continuous Profitability Enhancement for Subsidiary Terminals during 9M2022

➤ Terminal profit from subsidiaries rose 42.0% YoY to USD 85.5 M, contributing 26.2% of total in 9M2022, compared to 18.3% in 9M2021

9M2022 Terminal Profit by Regions (US\$ million) ^(1,2)



Top 10 Terminal Contributors

	9M2021	9M2022
QPI	29.3%	31.0%
Yantian	16.0%	14.3%
PCT	7.4%	8.6%
Guangzhou Nansha	5.2%	6.4%
Xiamen Ocean gate	4.6%	5.5%
Shanghai Pudong	4.6%	4.6%
Beibu Gulf Port	3.7%	3.9%
Kumport	3.3%	2.8%
Shanghai Mingdong	2.9%	2.7%
COSCO-PSA	2.8%	2.5%
Total:	79.8%	82.3%

Subsidiary/non-subsidiary terminal profit	9M2021	9M2022
Subsidiary terminal profit (as % of total)	USD 60.2M (18.7%)	USD 85.5M (26.2%)
Non-subsidiary terminal profit (as % of total)	USD 261.3M (81.3%)	USD 240.7M (73.8%)
Total terminal profit (as % of total)	USD 321.5M (100.0%)	USD 326.2M (100.0%)

Note:

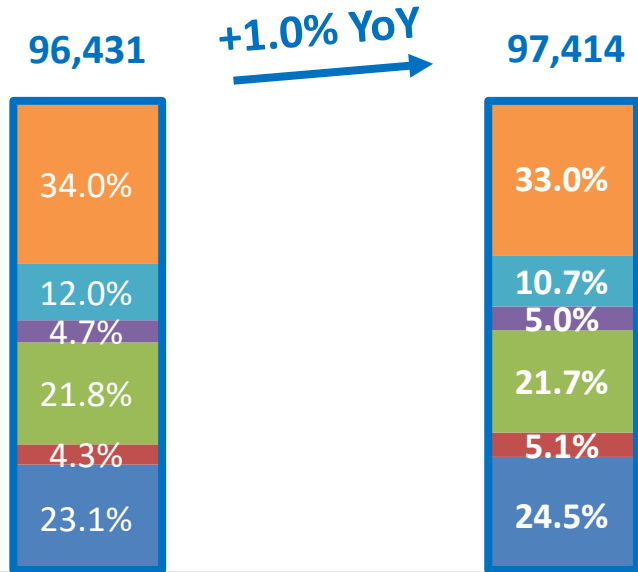
(1) Tianjin Container Terminal (TCT) was a non-subsidiary (16.01% stake) from January to November 2021 and became our subsidiary (added 34.99% stake to 51% stake) starting from December 2021. TCT's terminal profit contribution during 9M2021 was USD 3.62 million and TCT's terminal profit contribution during 9M2022 was USD 9.11 million.

(2) Stripping out CB fair value gain of USD 7.06M in 9M2021 and CB fair value loss of USD 2.66M in 9M2022 at Beibu Gulf Port, hence the total amount of USD 9.72M for net fair value change of CB was excluded. 26

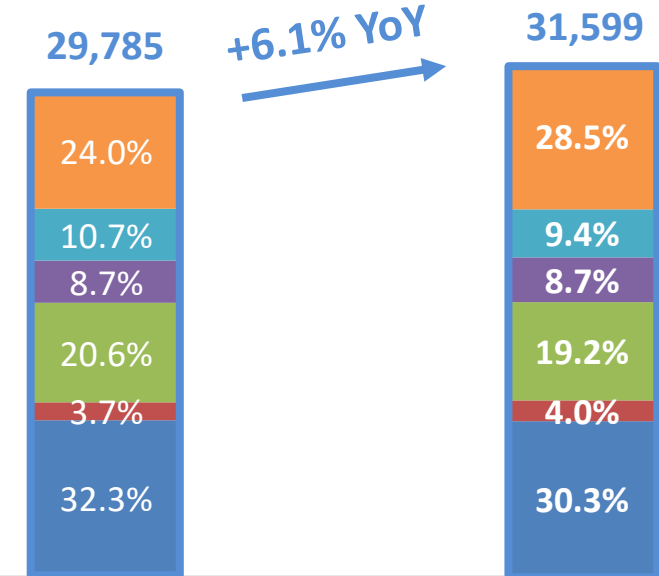
Equity Throughput from Subsidiary Terminals Continued to Grow during 9M2022

➤ 9M2022 equity throughput increased 6.1% YoY. The main contributor was the Bohai Rim region

9M2022 Total Throughput ('000 TEU)



9M2022 Equity Throughput ('000 TEU)



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

	9M2021	9M2022	YoY Change
Total Throughput ('000 TEU)	96,431	97,414	+1.0%
- Subsidiaries	17,282	24,215	+40.1%
- Subsidiaries as % of total	17.9%	24.9%	+7.0pps
- Non-subsidiaries	79,149	73,198	-7.5%
Total throughput	96,431	97,414	+1.0%

	9M2021	9M2022	YoY Change
Equity Throughput ('000 TEU)	29,785	31,599	+6.1%
- Subsidiaries	10,959	14,428	+31.7%
- Subsidiaries as % of total	36.8%	45.7%	+8.9pps
- Non-subsidiaries	18,826	17,170	-8.8%
Equity throughput	29,785	31,599	+6.1%

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 6,860K TEU of TCT during 9M2021 was included in non-subsidiary terminal and that for 6,742K TEU was included as a subsidiary terminal during 9M2022, and equity throughput for 1,098.3K TEU of TCT during 9M2021 was included in non-subsidiary terminal and that for 3,438.5K TEU was included as a subsidiary terminal during 9M2022.

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

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”) and certain plans and prospects of the management of COSCO SHIPPING Ports.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual result or performance of COSCO SHIPPING Ports to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward- looking statements are based on numerous assumptions regarding COSCO SHIPPING Ports’ present and future business strategies and the political and economic environment in which COSCO SHIPPING Ports will operate in the future.

The representations, analysis and advice made by COSCO SHIPPING Ports in this presentation shall not be construed as recommendations for buying or selling shares of COSCO SHIPPING Ports. COSCO SHIPPING Ports shall not be responsible for any action or non-action made according to the contents of this presentation.



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

Thank you!

