

CHAIRMAN'S STATEMENT



HUANG Xiaowen
Chairman

Dear shareholders,

2018 has been an outstanding one for COSCO SHIPPING Ports; we had a year of strong performance despite uncertainties casting shadow over global trade.

Revenue of the Group for the year ended 31 December 2018 increased significantly by 57.6% to US\$1,000,350,000 compared with US\$634,710,000 of 2017, thanks to the continued growth of subsidiaries including CSP Spain Group which the Group acquired in 2017. Adjusted net profit increased by 42.9% to US\$324,583,000 million; adjusted earnings per share was US10.58 cents.

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Backed by the increased calls by the shipping fleets of OCEAN Alliance and COSCO SHIPPING at the subsidiaries, as well as the contributions from newly acquired terminals, total throughput of the Group increased by 17.1% to 117,365,360 TEU and outperformed the market. Throughput of the Group's subsidiaries increased by 29.7% to 22,507,686 TEU and made up 19.2% of the Group's total. Throughput of the non-controlling terminals rose by 14.5% to 94,857,674 TEU.

With this set of results in 2018, I am delighted to report that COSCO SHIPPING Ports is on track to achieve its Five-Year Plan which was devised in 2016 right after the reorganisation of the Group. The Five-Year Plan strives to achieve 50% growth in total assets, 60% growth in equity throughput and to double net profit from continuing operations by year 2021.



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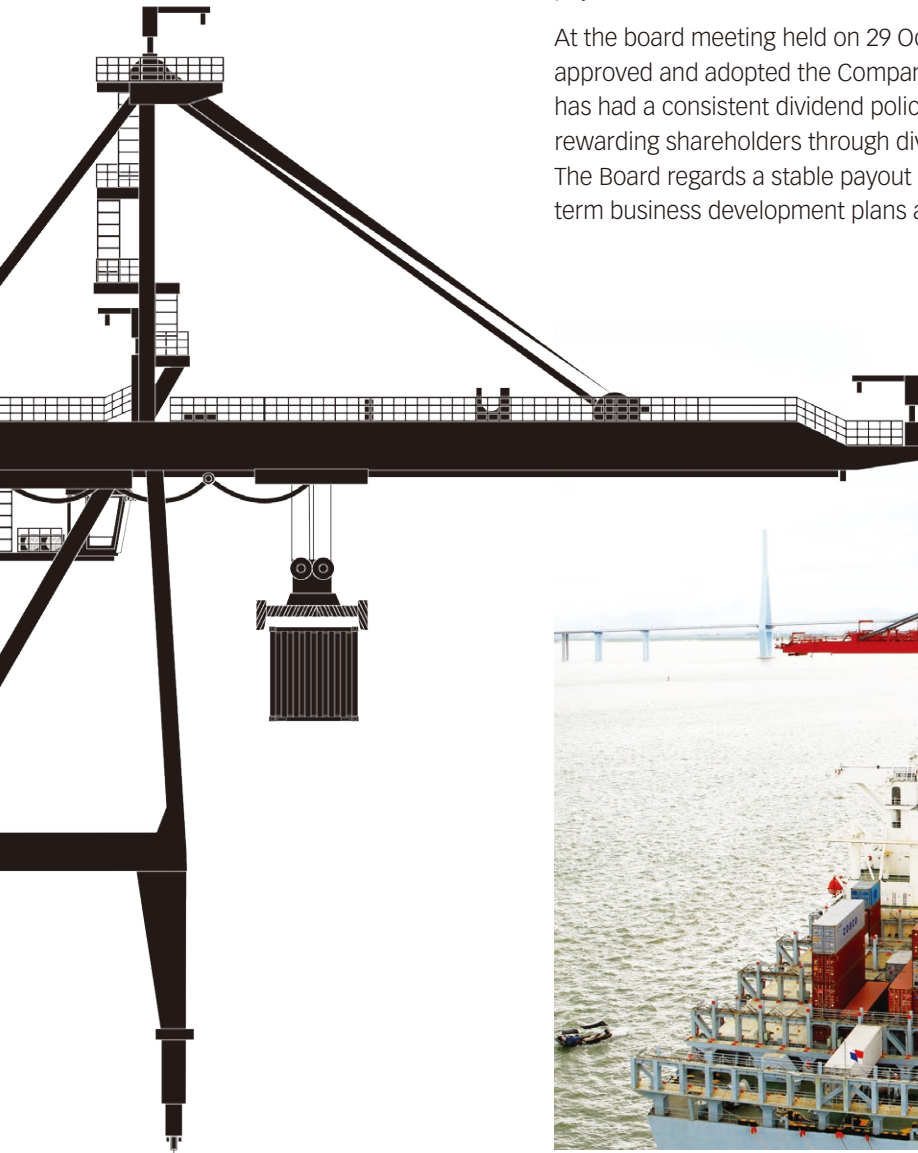
CREATING VALUE FOR SUSTAINABLE GROWTH

At COSCO SHIPPING Ports, sustainability remains as the core value of all operations and is the commitment of the Group to grow a successful business, create long-term value for various stakeholders, and give back to society. The Group has actively fulfilled its firm commitment to care for its people, put customers first, promote green development, achieve win-win cooperation and invest in communities. The Group also believes that outstanding businesses adhere to the values of honesty, integrity and compliance, which form the foundation of the Group's efforts to foster trust and build mutually beneficial relationships with its stakeholders and society.

DIVIDEND

The Board of Directors is recommending a final dividend of US2.020 cents per share, subject to shareholders' approval at the Company's forthcoming Annual General Meeting. Together with the interim dividend of US2.212 cents per share, it brings the total dividend for 2018 to US4.232 cents per share, represents a 40% payout ratio. This is a cash distribution with a scrip dividend alternative.

At the board meeting held on 29 October 2018, the Board of Directors had approved and adopted the Company's dividend policy. COSCO SHIPPING Ports has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth. The Board regards a stable payout ratio and steady implementation of long-term business development plans as key commitments to shareholders.



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The Group will continue to make good use of its capital, ensure sustainable development of its business, create and enhance value for shareholders on a continuous basis. Shareholders can visit the Group's corporate website <https://ports.coscoshipping.com> for the dividend policy.

BOARD AND CORPORATE GOVERNANCE

COSCO SHIPPING Ports holds fast to the highest standards of corporate governance. The Board and its committees play an active role in guiding the Company and leading its strategy and we are determined to ensure that we have the right resources and skillset to steer the Group forward. In a business evolving at pace, we maintain a corporate governance structure that underpins and encourages growth, while ensuring effective controls and safeguards are in place.

On behalf of the Board, I would like to thank the Management and the staff for their commitment and continued dedication towards the Group throughout the year. We are also thankful for the continued support and positive alliance from our various stakeholders and, last but not least, the continuing support from our shareholders.

Yours sincerely,

HUANG Xiaowen

Chairman

28 March 2019

