

STRATEGY & OUTLOOK

STRATEGY

Continuously optimise the global terminal portfolio to enhance total operational performance

- Continuously build a globally efficient terminal network, continue to explore investment development opportunities in key hub ports in emerging markets, regional markets, and third-country markets, as well as core supply chain resources behind the terminals
- Build a balanced global port network layout, seize investment opportunities in potential greenfield and brownfield projects, explore strategically significant controlling terminals and highly profitable non-controlling terminals
- Strategically dispose of non-core terminal assets to enhance the profitability and efficiency level of the asset portfolio

Continuously deepen the lean operation strategy to enhance the quality of terminal operation and efficiency

Lean operations will be based on three dimensions including cost reduction, efficiency improvement, and empowerment, achieving systematic specialisation in improving efficiency

- **Cost reduction:** Focus on controlling cost per TEU and vigorously promote cost control work. Through digitalisation and informatisation, achieve efficient utilisation of production and operational resources, and help reduce production costs
- **Efficiency improvement:** Continuously deepen port and shipping collaboration, innovate marketing models, conduct joint marketing with major shipping companies; consolidate and enhance existing collaborative effects through dual brands to improve service levels
- **Empowerment:** Starting from digital innovation, customer service digitalisation, automated port production, and intelligent information management, forming internal empowerment for lean operations and a systematic capability to efficiently serve customers externally

Strategy & Outlook

OUTLOOK

Challenges

- Slowing global economic growth
- Continued geopolitical impacts
- Prolonged underlying inflation leading to sustained condition of monetary tightening

Opportunities

- Exports of China's advanced manufacturing industry
- Synergistic advantages backed by dual brand fleets and the OCEAN Alliance
- Innovative marketing models, implementing precision marketing, promoting the introduction of new shipping services and high-quality business
- Under the promotion of agreements such as RCEP, USMCA, etc., the value of regional supply chain networks is further highlighted
- Opportunities in emerging markets, regional markets, and third-country markets, strengthening layouts in Southeast Asia, the Middle East, Africa, and South America
- Extended supply chain services, combining strengthened overseas supply chain resource construction, enriching water-to-water intermodal transport, striving for greater breakthroughs in overseas supply chain operations and full-chain services
- Continuously advancing the lean operation strategy, continuously improving the quality of terminal operation and efficiency, and continuously achieving operational performance which outperforms the market
- It is expected that in 2024, the Company's total throughput and equity throughput will increase in sync with the industry averages