

CHAIRMAN'S STATEMENT



The year 2024 marks the 30th anniversary of COSCO SHIPPING Ports' listing on The Stock Exchange of Hong Kong Limited. Over the past 30 years, COSCO SHIPPING Ports, by establishing its foothold in Hong Kong and delving into the Chinese market, has grown into a world leading port logistics service provider operating and managing 48 terminals. In pursuit of the mission of "Connecting Different Worlds", COSCO SHIPPING Ports has seen its market capitalization increasing by more than 5 times since listing year. Every year, COSCO SHIPPING Ports is dedicated to distributing dividends to its shareholders at a rate of no less than 35%, thus providing its shareholders with stable returns over the long term.



ZHU Tao
Chairman of the Board

Chairman's Statement



During the past year, the global political and economic environment was complex and volatile, and the industry was undergoing ups and downs. Under the leadership and support of the COSCO SHIPPING Group and the Board of Directors of the Company, COSCO SHIPPING Ports has coped with such a situation by focusing on its principal duties and businesses, deepening its innovation and performance enhancement, and delving into the new track of "Going Integrated, Smart, Green and Low-Carbon" with the dual drivers of "global terminal network" and "lean operations". The Company has responded proactively to the uncertainties of external environment with the certainty of high-quality development, steadily improved the quality and efficiency of its operations, constantly refined its resource deployment, accelerated its innovation and upgrading, and further enhanced its global competitiveness and brand influence.

The business and performance of the Group grew steadily in 2024, with the total throughput increasing by 6.1% YoY to 144,032,722 TEU and the total equity throughput increasing by 4.5% YoY to 45,318,318 TEU. Revenue increased by 3.3% YoY to US\$1,503 million and share of profits of joint ventures and associates increased by 7.5% YoY to US\$320 million. As at the end of 2024, the Group's terminal portfolio covered the five main port regions and the middle and lower reaches of the Yangtze River in China, as well as the key hub ports in Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa, etc., and operated and managed 375 berths at 39 ports, with a total annual handling capacity of approximately 124 million TEU.

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EXPANDING GLOBAL PORTFOLIO AND STRENGTHENING CORE FUNCTIONS

The Group focused on its strategy of integrated development of "shipping + ports + logistics" of COSCO SHIPPING and proactively responded to customers' needs and the trend of global industrial development, and grasped the opportunities to optimise its asset structure. While accelerating investment deployment in emerging markets, regional markets and third countries, the Group actively developed back-end logistics parks and supply chain extension businesses, which significantly strengthened the radiating capacity of its maritime logistics hub ports.

During the past year, we entered into agreement for acquisition of 12.5% and 30% equity interests in TLT Terminal and HLT Terminal, respectively, of Laem Chabang Port in Thailand; completed the transfer of 25% equity interests in Red Sea Containers Terminals in Egypt, which demonstrated our acceleration in establishment of global presence; completed the construction and trial operations of CSP Chancay Terminal as scheduled, marking the birth of the new Asia-Latin America Land-Sea trade corridor. CSP Abu Dhabi Terminal achieved a growth of over 30.0% in total throughput for three consecutive years, steadily elevating its capabilities as a hub port in Middle East. CSP Spain Related Companies recorded double-digit growth in annual total throughput, setting a new record since its acquisition. Piraeus Terminal seized opportunities amid challenges, properly addressed the adverse impact of the Red Sea crisis, and continued to solidify its position as a hub port in the Eastern Mediterranean.

FURTHER IMPLEMENTING LEAN OPERATIONS TO IMPROVE OPERATIONAL QUALITY AND EFFICIENCY

In the face of increasing uncertainties in the global port and shipping market, the Group held fast to its core management philosophy of "Lean Operations" and adopted diversified strategies to promote high-quality development. The Group maintained a stable growth in its principal business through comprehensive precise marketing and service enhancement. By strengthening cost control on all fronts and intensifying digital empowerment, the Group effectively controlled the growth of expenses. With the help of digitization, the Group optimised and upgraded its business and made every effort to maximize the incremental benefits.

Over the past year, we strengthened our precise marketing efforts in response to the reorganization of shipping alliances and the diversification of the network layout. 55 new routes were added to the terminals in which the Group has controlling stake throughout the year, leading to a year-on-year increase of 6.2% in the throughput from terminals in which the Group has controlling stake. The Group continued to consolidate the existing synergies with COSCO SHIPPING Group companies and strengthened integrated cooperation in new energy vehicle, pulp and other businesses to create a business ecosystem. The Group has focused on cost per TEU as a method to effectively control increasing costs and enhance cost competitiveness. Besides, the Group strived to manage its debt scale and finance costs with measures such as optimizing the existing debt portfolio.

Chairman's Statement

ADVANCING INNOVATION AND DEVELOPMENT TO LEAD THE INDUSTRY IN LOW CARBON INTELLIGENCE

In response to new concepts, the Group focused on the two major tracks of digital intelligence and green and low-carbon development, accelerated the cultivation of new quality productive forces in ports, and made new breakthroughs in developing new engines for high-quality development. With the construction of the terminal infrastructure system and data platform as the core, we will comprehensively promote digital transformation. Focusing on the construction of green and smart ports, the Company will rely on the overlapping application of digital and artificial intelligence technologies to expedite the formation of a new impetus for green and high-quality development.

Over the past year, we launched the Phase I middle platform of data and built a standardised data base; implemented integration around the three core business systems, namely the Terminal Operating Systems (TOS), the Enterprise Asset Management systems (EAM) and the Block Management System (BMS), and built up the digitalization capability for all production elements. We continued to strengthen the integration of frontier technologies such as artificial intelligence and our port business to enhance digitalised production and operation management and external service capabilities, with the annual throughput of driverless container vehicles increasing by more than two times. We took a proactive stance to participate in the green and low-carbon transformation of our ports, and pragmatically pushed forward the basic and forward-looking research on green and low-carbon technologies. Notably, we took the lead in China's port industry in releasing the "COSCO SHIPPING Ports' Green and Low-Carbon Transition and Development Plan".

BUILDING ROBUST GROWTH CAPABILITIES BY BENCHMARKING WORLD-CLASS GOVERNANCE

The Board of Directors of the Company is committed to adhering to high standards of corporate governance, laying a solid foundation for the long-term development of the Company by establishing clear and highly transparent corporate governance procedures and systems, while safeguarding the interests of shareholders. The Company continuously improves its modern corporate system, operational management system and risk prevention and control system to create a world-class governance system and port supply chain operation capability. Meanwhile, the Company establishes a leading environmental, social and governance (ESG) mindset, promotes the Company's sustainable development, and builds a stable growth capacity.

Over the past year, the Board of the Company has been upholding the highest standards of corporate conduct. The Board maintains and enhances the Company's corporate governance standards in a timely, transparent, effective and accountable manner and policy, with a view to creating long-term benefits and value for the shareholders and stakeholders. The Group has comprehensively integrated ESG concepts into its daily operation and management and continuously upgraded its ESG management level. In September, the Company was once again included as constituent stock of the Hang Seng Corporate Sustainability Benchmark Index, receiving an A+ rating. The Company implements our commitment to environmental and social responsibilities in business decision-making and behaviour, and is committed to creating long-term value for shareholders, customers, employees, supply chain partners and the public, becoming a promoter for sustainable development in the industry.

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PROSPECTS

In 2025, under the strong leadership of COSCO SHIPPING Group and the Board of the Company, and adhering to the brand philosophy of "The Ports for ALL", we will anchor on the strategic targets of the "14th Five-Year Plan", for:

Accelerating the global network resources layout with a customer-oriented focus. Sticking to the integrated development strategy of "shipping + ports + logistics" of COSCO SHIPPING Group, we will optimise the global network resource allocation based on customers' needs, to continue to explore opportunities in emerging markets, regional markets and third-country markets. By investing in or acquiring global resources across the upstream and downstream of the industry chain, we will build a full-chain resource advantage and strive to provide customers with efficient and convenient port logistics and supply chain solutions.

Continuously innovating and strengthening comprehensive logistics services with a focus on the main responsibilities and main business of ports. We will give full play to the role of ports as a pioneer in the supply chain network of the COSCO SHIPPING Group, actively integrate into the regional development, reinforce the construction of hub ports, and lay out our supply chain business centered on controlled hub terminals. Keeping pace with the global dynamics of the industry chain, and in response to the transformation and upgrading needs of the global manufacturing industry, we will create benchmark products for full-chain supply services by focusing on the popular goods such as cross-border e-commerce products, new energy vehicles, and photovoltaic products.

Promoting green and low-carbon development and cultivating new quality productive forces with distinctive characteristics in the port and shipping industry. On the basis of the existing intelligent applications, we will continue to strengthen the integration of cutting-edge technologies such as artificial intelligence with traditional terminal business, empowering the construction of smart ports with technology. We will also promote the application of green and low-carbon technologies, increase the use of shore power for vessels, and explore the feasibility of participating in green and low-carbon fuel and new energy supply chain businesses. By developing the smart port network, we are striving for providing powerful support for the vision of COSCO SHIPPING Group of "building a world-class shipping technology enterprise".

Looking ahead, the Company will always seize the opportunities arising from globalisation, stay committed to our vision of becoming a world-leading port logistics service provider, and pursue the development concepts of specialisation, globalisation, and decarbonisation, so as to achieve a win-win situation with our shareholders, customers, employees and partners. At the same time, we will continue to perform diligently in the governance of listed companies and in serving the entities, for facilitating the Company's continuous high-quality development.

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DIVIDEND

The Board of Directors declared a second interim dividend of US1.84 cents per share, together with the first interim dividend of US1.56 cents per share, it brings the total dividend for 2024 to US3.40 cents per share, representing a 40% payout ratio.

COSCO SHIPPING Ports has had a consistent dividend policy that values reasonable investment returns for investors while taking into account the Company's actual operating conditions, long-term interests, the overall interests of all shareholders and the sustainable development of the Company.

The Group will continue to make good use of its capital, ensure sustainable development of the Company's business to support its future growth, create and enhance value for shareholders on a continuous basis. For the dividend policy, please visit the section headed "Policies & Guidelines" under "Corporate Governance" under "About CSP" at the corporate website of the Group (<https://ports.coscoshipping.com>).

APPRECIATION

Mr. YANG Zhijian has resigned as an Executive Director and the Chairman of the Board in June 2024, and Dr. WONG Tin Yau, Kelvin has tendered his resignation as an Executive Director and the Deputy Managing Director of the Company in October 2024. Serving the Company for years, Mr. YANG and Dr. WONG made significant achievements and contributions in promoting the high quality and sustainable development of COSCO SHIPPING Ports. On behalf of the Board of Directors, I would like to express my sincere gratitude to Mr. YANG Zhijian and Dr. WONG Tin Yau, Kelvin for their outstanding contributions to the Company.

2024, a year in which COSCO SHIPPING Ports marked its 30th anniversary, was also a year the Company made solid strides on high-quality development. Behind all the achievements lies the dedication and effort of generations of employees of COSCO SHIPPING Ports, engraving their persistent striving and commitment. On behalf of the Board of Directors of the Company, I would like to take this opportunity to express my heartfelt gratitude for the support of our shareholders, customers, and the public, and for the dedication and contribution of our employees.

ZHU Tao

Chairman of the Board
21 March 2025