

STRATEGY & OUTLOOK

STRATEGY

Accelerating Global Asset Deployment and Strengthening Development of Key Hubs

- Based on China COSCO SHIPPING Group's "Integration" development strategy, we will continue to build a global terminal network with efficient connectivity to provide supply chain resource nodes for COSCO SHIPPING Group's high-quality global development.
- We will continue to explore investment opportunities in emerging, regional and third country markets, and enhance the comprehensive service capacity of ports through investments or acquisition of resources upstream and downstream along the industry chain.
- We will strengthen the development of hub ports, enhance the service capacity of key hub ports such as CSP Wuhan Terminal, Piraeus Terminal and CSP Abu Dhabi Terminal, and accelerate the construction of a multi-purpose hub at CSP Chancay Terminal.

Focusing on Lean Operations and Innovation to Optimise Operational Efficiency

- Lean Operations: Focusing on customer needs, we have increased business volume through precise marketing, and consolidated our competitive advantage by improving service quality. We will also enhance our competitive edge through comprehensive cost control measures.
- Innovation: Anchor the two major developmental tracks of Digital Intelligence and Green and Low Carbon, accelerate the cultivation of new quality productive forces in the ports, and create a new driver for high quality development.
- Empowerment: Deepen the application of artificial intelligence and other innovative technology to improve terminal operations and promote the construction of smart ports. Expand the coverage and application of clean energy to accelerate the transformation and upgrading of terminal energy use structure.

Strategy & Outlook

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Challenges

- Geopolitical Risks: Geopolitical risks such as trade frictions, tariff hikes and regional conflicts still exist, which may have an impact on global trade and the port industry.
- Rising Operating Costs: Although global inflationary pressures have eased significantly, there is still upward pressure on service prices in Europe and the US.
- Supply Chain Restructuring: The accelerated restructuring of the global supply chain and the reorganization of shipping alliances have already taken place, and the port industry needs to adapt to the new trade pattern and logistics model.
- Greenfield Projects: Greenfield projects involve substantial upfront investment and require a longer development period. The commercial and legal environments of the host countries may also pose challenges and uncertainties, potentially leading to unforeseen risks.

Opportunities

- Global Trade Recovery: With the gradual recovery of the global economy, international trade volume is expected to pick up, bringing new growth momentum to the port industry.
- Regional Economic Integration: The implementation of regional trade agreements such as Regional Comprehensive Economic Partnership (“RCEP”) will promote intra-regional trade flows, bringing more cargo sources to ports.
- Rise of Emerging Markets: The rapid economic growth of emerging market countries in Latin America, Southeast Asia and South Asia will become new growth points for global trade, bringing new development opportunities for the port industry.
- Digital Transformation: The application of big data, artificial intelligence, blockchain and other technologies will enhance the efficiency of port operations and service levels, and promote the development of ports in the direction of intelligence and automation.
- Green Port Construction: Increasingly stringent environmental protection requirements will drive ports to transform in a green and low-carbon direction, bringing new investment opportunities to the port industry.
- The Company’s total throughput and equity throughput are expected to increase at the same rate as the industry average in 2025.